

* * * 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, Bennington-Rutland Supervisory Union, Windham South Supervisory Union, Windham North Supervisory Union, Upper Valley Area

SU/SD TBD

Changes from last draft

Supervisory Union, Rutland Area 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, Glastenbury, Pownal, Sandgate, Searsburg,

Shaftsbury, and Woodford

§ 282. SUPERVISORY UNION TWO: BENNINGTON-RUTLAND

SU/SD TBD

Changes from last draft

SUPERVISORY UNION

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

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

Danby, Dorset, Dover, Landgrove, Londonderry, Manchester, Middletown Springs, Mount Tabor, Pawlet, Peru, Rupert, Somerset, Stratton, Sunderland, Wardsboro, Wells, Weston, and Winhall.

§ 283. SUPERVISORY UNION THREE: WINDHAM SOUTH

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

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

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

§ 284. SUPERVISORY UNION FOUR: WINDHAM NORTH

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

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

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

§ 285. SUPERVISORY UNION FIVE: UPPER VALLEY AREA

SU/SD TBD

Changes from last draft

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

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

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

§ 286. SUPERVISORY UNION SIX: 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

§ 287. SUPERVISORY UNION SEVEN: 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

§ 288. SUPERVISORY UNION EIGHT: CENTRAL AREA

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

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

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

6 **§ 289. SUPERVISORY UNION NINE: CALEDONIA AREA**

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

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

10 Barnet, Burke, Concord, Danville, Lunenburg, Lyndon, Newark,
11 Peacham, Saint Johnsbury, Sheffield, Sutton, Waldon, Waterford, Wheelock

12 **§ 210. SUPERVISORY UNION 10: LAMOILLE AREA**

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

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

16 Belvidere, Cambridge, Craftsbury, Eden, Elmore, Greensboro,
17 Hardwick, Hyde Park, Johnson, Morristown, Stannard, Stowe, Waterville,
18 Wolcott, Woodbury

19 **§ 291. SUPERVISORY UNION 11: ESSEX-ORLEANS AREA**

20 The Essex-Orleans Area Supervisory Union is formed of the following
21 member school districts and their member municipalities:

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

SU/SD TBD

Changes from last draft

1 Albany, Averill, Avery’s Gore, Barton, Bloomfield, Brighton,
2 Brownington, Brunswick, Canaan, Charleston, Coventry, Derby, East Haven,
3 Ferdinand, Glover, Granby, Guildhall, Holland, Irasburg, Jay, Kirby,
4 Lemington, Lewis, Lowell, Maidstone, Morgan, Newport City, Newport
5 Town, Norton, Troy, Victory, Warner’s Grant, Warren’s Gore, Westfield,
6 Westmore

7 **§ 292. SUPERVISORY UNION 12: NORTHWEST AREA**

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

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

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

14 **§ 293. SUPERVISORY UNION 13: CHAMPLAIN VALLEY**

15 **SUPERVISORY DISTRICT**

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

19 **§ 294. SUPERVISORY UNION 14: ESSEX WESTFORD SUPERVISORY**

20 **DISTRICT**

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

4 **§ 295. SUPERVISORY UNION 15: BURLINGTON SUPERVISORY**
5 **DISTRICT**

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

8 **§ 296. SUPERVISORY UNION 16: MOUNT MANSFIELD UNIFIED**
9 **UNION SUPERVISORY DISTRICT**

10 The Mount Mansfield Unified Union Supervisory District is formed of the
11 Mount Mansfield Unified Union School District, which is composed of the
12 member municipalities of Bolton, Buel’s Gore, Huntington, Jericho,
13 Richmond, and Underhill.

14 **§ 297. SUPERVISORY UNION 17: SOUTH BURLINGTON**
15 **SUPERVISORY DISTRICT**

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

18 **§ 298. SUPERVISORY UNION 18: MAPLE RUN UNIFIED**
19 **SUPERVISORY DISTRICT**

20 The Maple Run Unified Supervisory District is formed of the Maple run
21 Unified School District, which is composed of Fairfield, St. Albans City, and
22 St. Albans Town.

1 **§ 299. SUPERVISORY UNION 19: COLCESTER SUPERVISORY**

2 **DISTRICT**

3 The Colchester Supervisory District is formed of the Colchester School
4 District, which is composed of Colchester.

5 **§ 300. SUPERVISORY UNION 20: BARRE UNIFIED UNION**

6 **SUPERVISORY DISTRICT**

7 The Barre Unified Union Supervisory District is formed of the Barre
8 Unified Union School District, which is composed of Barre City and Barre
9 Town.

10 **§ 301. SUPERVISORY UNION 21: FRANKLIN WEST SUPERVISORY**

11 **UNION**

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

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

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

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

17 **§ 302. SUPERVISORY UNION 22: HARWOOD UNIFIED UNION**

18 **SUPERVISORY DISTRICT**

19 The Harwood Unified Union Supervisory District is formed of the Harwood
20 Unified Union School District, which is composed of Duxbury, Fayston,
21 Moretown, Waitsfield, Warren, and Waterbury.

22 **§ 303. SUPERVISORY UNION 23: ADDISON CENTRAL SUPERVISORY**

1 **DISTRICT**

2 The Addison Central Supervisory District is formed of the Addison Central
3 School District, which is composed of Bridport, Cornwall, Middlebury,
4 Ripton, Salisbury, Shorham, and Weybridge.

5 **§ 304. SUPERVISORY UNION 24: MILTON TOWN SUPERVISORY**

6 **DISTRICT**

7 The Milton Supervisory District is formed of the Milton Town School
8 District, which is composed of Milton.

9 **§ 305. SUPERVISORY UNION 25: WASHINGTON CENTRAL UNIFIED**

10 **UNION SUPERVISORY DISTRICT**

11 The Washington Central Unified Union Supervisory District is formed of
12 the Washington Central Unified Union School District, which is composed of
13 Berlin, Calais, East Montpelier, Middlesex, and Worcester.

14 **§ 306. SUPERVISORY UNION 26: MOUNT ABRAHAM UNIFIED**

15 **SUPERVISORY DISTRICT**

16 The Mount Abraham Unified Supervisory District is formed of the Mount
17 Abraham Unified School District, which is composed of Bristol, Monkton,
18 New Haven, and Starksboro.

19 **§ 307. SUPERVISORY UNION 27: MONTPELIER ROXBURY**

20 **SUPERVISORY DISTRICT**

21 The Montpelier Roxbury Supervisory District is formed of the Montpelier
22 Roxbury School District, which is composed of Montpelier and Roxbury.

1 **§ 308. SUPERVISORY UNION 28: ADDISON NORTHWEST**

2 **SUPERVISORY DISTRICT**

3 The Addison Northwest Supervisory District is formed of the Addison
4 Northwest School District, which is composed of Addison, Ferrisburgh,
5 Panton, Vergennes, and Waltham.

6 **§ 309. SUPERVISORY UNION 29: WINOOSKI SUPERVISORY**

7 **DISTRICT**

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

10 **§ 310. SUPERVISORY UNION 30: CALEDONIA SUPERVISORY UNION**

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

- 13 (1) Cabot School District, which is composed of Cabot; and
14 (2) Twinfield Unified Union School District, which is composed of
15 Marshfield and Plainfield.

16 **§ 311. SUPERVISORY UNION 31. LINCOLN SUPERVISORY DISTRICT**

17 The Lincoln Supervisory District is formed of the Lincoln School District,
18 which is composed of Lincoln.

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

20 § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY

21 UNIONS

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

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

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

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

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

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

6 (B) If revisions are made, the school board shall post a notice of these
7 revisions in the same places as the warning for the meeting not less than 20
8 days before the date of the meeting and shall attach such revisions to the
9 official copy of the request kept on file for public inspection in the office of the
10 clerk of the member school district.

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

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

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

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

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

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

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

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

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

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

7 (2) ~~Any group of school districts that have so voted at their respective~~
8 ~~annual school district meeting, regardless of whether the districts are members~~
9 ~~of the same supervisory union, may request that the State Board adjust existing~~
10 ~~supervisory union boundaries and move one or more nonrequesting districts to~~
11 ~~a different supervisory union if such adjustment would assist the requesting~~
12 ~~districts to realign their governance structures into a unified union school~~
13 ~~district pursuant to chapter 11 of this title. The clerk of the school district,~~
14 ~~within 10 days after the day of the meeting, shall certify to the Secretary of~~
15 ~~State each separate boundary adjustment contained within the boundary~~
16 ~~adjustment proposal, showing the facts as to its origin and the procedure~~
17 ~~followed, which shall include:~~

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

1 (ii) if the boundary adjustment proposal was made by voter
2 petition, the body of the petition and evidence of the required number of
3 petition signatures;

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

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

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

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

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

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

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

1 (c) ~~The State Board may designate any school district, including a unified~~
2 ~~union district, as a supervisory district if it will provide for the education of all~~
3 ~~resident students in prekindergarten through grade 12 and is large enough to~~
4 ~~support the planning and administrative functions of a supervisory union. If~~
5 the voters of the member school district vote to approve the boundary
6 adjustment proposal, the boards of the supervisory unions affected by the
7 boundary adjustment request shall hold an advisory vote to approve the
8 boundary adjustment proposal within 45 days after the results of the school
9 district vote. The clerk of the school district requesting the boundary
10 adjustment shall submit the results of the advisory supervisory union board
11 votes to the Secretary of State with the information required to be submitted
12 pursuant to subdivision (b)(2) of this section.

13 (d) ~~Upon application by a supervisory union board, the State Board may~~
14 ~~waive any requirements of chapter 5 or 7 of this title with respect to the~~
15 ~~supervisory union board structure, board composition, or board meetings, or~~
16 ~~the staffing pattern of the supervisory union, if it can be demonstrated that such~~
17 ~~a waiver will result in efficient and effective operations of the supervisory~~
18 ~~union; will not result in any disproportionate representation; and is otherwise~~
19 ~~in the public interest. If the voters of the member school district vote to~~
20 approve the boundary adjustment proposal, after confirming that the clerk of
21 the member school district has certified each of the documents listed in
22 subdivision (b)(2) of this section, the Secretary of State shall file the certificate

1 and deliver copies of it to the Agency of Education, the State Board of
2 Education, the Clerk of the House, the Secretary of the Senate, and the chairs
3 of the committees concerned with supervisory union boundaries of both houses
4 of the General Assembly.

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

8 Sec. 5. TRANSITION TO NEW SUPERVISORY UNIONS; REPORT

9 (a) Transition board formation. Within 30 days following the passage of
10 this act, the Secretary of Education shall separately call a meeting of the school
11 directors of the member school districts within each supervisory union. The
12 number of directors shall be determined and directors shall be elected
13 according to 16 V.S.A. § 266. Within 30 days thereafter, the Secretary shall
14 call a meeting and the board shall elect a chair and other necessary officers to
15 serve as a transition board until the first regular annual election of officers.
16 The operational date of the new supervisory unions shall be July 1, 2027.

17 (b) Roles and authority during transitional period. During the transition
18 period:

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

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

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

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

11 (c) Report. On or before December 1, 2026, the State Board of Education
12 shall submit a written report to the House and Senate Committees on
13 Education with recommendations for:

14 (1) adjustments to the supervisory union boundaries of the Champlain
15 Valley Supervisory District, Essex Westford Supervisory District, Burlington
16 Supervisory District, Mount Mansfield Unified Union Supervisory District,
17 South Burlington Supervisory District, Maple Run Unified Supervisory
18 District, Colchester Supervisory District, Barre Unified Union Supervisory
19 District, Franklin West Supervisory Union, Harwood Unified Union
20 Supervisory District, Addison Central Supervisory District, Milton Town
21 Supervisory District, Washington Central Unified Union Supervisory District,
22 Mount Abraham Unified Supervisory District, Montpelier Roxbury

SU/SD TBD

Changes from last draft

Supervisory District, Addison Northwest Supervisory District, Winooski Supervisory District, Caledonia Supervisory District, and Lincoln Supervisory District, which shall result in supervisory unions with an aggregate average daily membership of all member school districts within a supervisory union of not less than 2,500 students and may include supervisory districts if the average daily membership of a supervisory district is also not less than 2,500 students; and

(2) school district mergers within the new supervisory union boundary recommendations submitted pursuant to subdivision (c)(1) of this section, which shall result in a recommendation of a total of 10 school districts, as practical, within the boundaries of the supervisory unions listed in subdivision (1).

* * * School District Consolidation * * *

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 approximately 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

1 in the number of individual member school districts to a total of 48 school
2 districts, as practical, across all supervisory unions listed in subdivisions (1)
3 through (11) of this subsection, pursuant to the processes and requirements of
4 16 V.S.A. chapter 11:

5 (1) Southwest Area Supervisory Union;

6 (2) Bennington-Rutland Supervisory Union;

7 (3) Windham South Supervisory Union;

8 (4) Windham North Supervisory Union;

9 (5) Upper Valley Area Supervisory Union;

10 (6) Rutland Area Supervisory Union;

11 (7) Randolph Area Supervisory Union;

12 (8) Central Area Supervisory Union;

13 (9) Caledonia Area Supervisory Union;

14 (10) Lamoille Area Supervisory Union;

15 (11) Essex-Orleans Area Supervisory Union; and

16 (12) Northwest Area Supervisory Union.

17 Sec. 7. OPERATION MODEL PROTECTION

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

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

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

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

11 (c) Tuition payment. All governance transitions contemplated pursuant to
12 this act shall preserve the ability of a district that provides for the education of
13 all resident students in one or more grades by paying tuition on the students'
14 behalf, to continue to provide education by paying tuition on behalf of all
15 students in the grade or grades if it chooses to do so and shall not require the
16 district to limit the options available to students if it ceases to exist as a discrete
17 entity and realigns into a supervisory district or union school district.

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

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

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

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

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

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

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

20 Sec. 9. NONMERGING DISTRICT PROPOSALS

21 On or before November 30, 2027, the board of each school district listed in
22 Sec. 6(b) that is not a member of a newly formed school district or that does

1 not expect to become a member of a newly formed school district on or before
2 July 1, 2029, solely on behalf of its own district or jointly with the boards of
3 other districts, shall submit a proposal to the Secretary of Education and the
4 State Board of Education in which the district:

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

8 (2) demonstrates, through reference to enrollment projections,
9 student-to-staff ratios, the comprehensive data collected pursuant to 16 V.S.A.
10 § 165, and otherwise, how the proposal submitted pursuant to this section
11 supports the district's or districts' ability to meet or exceed each of the goals
12 set forth in Sec. 1 of this act; and

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

16 Sec. 10. FINAL STATE ACTION

17 (a) Agency of Education's proposal. In order to modernize Vermont's
18 school district governance structures and meet the goals set forth in Sec. 1 of
19 this act while reducing the number of school districts located within the
20 supervisory unions listed in Sec. 6(b) to a total of 48 school districts, as
21 practical, the Secretary shall:

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

6 (2) On or before June 1, 2028, the Secretary shall develop, publish on
7 the Agency of Education’s website, and present to the State Board of
8 Education a proposed plan that, to the extent necessary to promote the purpose
9 stated at the beginning of this subsection, would merge districts into larger
10 school districts in an effort to reduce the number of school districts located
11 within the supervisory unions listed in Sec. 6(b) to a total of 48 school districts,
12 as practical. The Agency shall only recommend merging districts with the
13 same operating structures and districts within the same supervisory union. If it
14 is not possible or practicable to develop a proposal that realigns some districts,
15 where necessary, in a manner that adheres to the protections of Sec. 7 of this
16 act (protection for tuition-paying and operating districts), then the proposal
17 may also allow some school districts not to merge and instead to continue to
18 exist and operate as they did as of July 1, 2026.

19 (3) Any mergers proposed by the Agency shall be based on the
20 following considerations:

21 (A) school districts with small average daily membership counts shall
22 be a priority for mergers;

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

4 (C) will the merged school district have adequate infrastructure
5 capacity to consolidate schools should such a need develop shall be merged;

6 (D) will the merger lead to improved opportunity for resident
7 students; and

8 (E) will the merger lead to the potential to gain staffing and
9 administrative efficiencies.

10 (b) State Board's plan.

11 (1) School districts. On or before November 30, 2028, the State Board
12 shall review and analyze the Secretary's proposal under the provisions in
13 subsection (a) of this section, may take testimony or ask for additional
14 information from districts and supervisory unions, shall approve the proposal
15 either in its original form or in an amended form that adheres to the provisions
16 of subsection (a) of this section, and shall publish on the Agency's website its
17 order merging and realigning districts. The Board shall be prohibited from
18 merging school districts whose operating structures differ as of July 1, 2026,
19 and shall only order the merger of districts that are members of the same
20 supervisory union.

21 (2) Supervisory unions after mergers. On or before November 30, 2028,
22 the State Board shall submit a written report to the House and Senate

Committees on Education with recommended supervisory union boundaries that reflect the new school districts created through voluntary merger pursuant to Sec. 6 of this act and the Board’s order merging and realigning school districts pursuant to subdivision (1) of this subsection.

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

(1) an interstate school district;

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

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

(4) a school district that, between July 1, 2026, and July 1, 2028, began to operate as a unified union school district or obtained an affirmative vote of all necessary districts to voluntarily merge into a new union school district pursuant to Sec. 6 of this act; provided, however, that as part of the State Board’s plan developed pursuant to subsection (b) of this section, the State Board may realign a newly formed unified union school district to include a geographically isolated district where necessary to achieve the goals of this act.

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

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

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

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

9 * * * Exploration and Transition Grants * * *

10 Sec. 12. EXPLORATION AND TRANSITION GRANTS; REPORT

11 Notwithstanding 16 V.S.A. § 4025:

12 (1) Supervisory union transition facilitation grant. Within 15 days
13 following the date each transitional board of each supervisory union created
14 pursuant to this act holds a meeting to elect a chair and other necessary officers
15 pursuant to Sec. 5(a), the Secretary of Education shall, from the Education
16 Fund, pay each transitional board a supervisory union transition facilitation
17 grant in the amount of \$250,000.00.

18 (2) Study committee grant. The Secretary of Education shall, from the
19 Education Fund, reimburse up to \$10,000.00 of fees paid by two or more
20 school districts for facilitation, legal, and other consulting services necessary
21 for the initial exploration of the advisability of forming a new union school

district for study committees that convene pursuant to 16 V.S.A. chapter 11 on or after July 1, 2026, pursuant to Sec. 6 of this act.

(3) Merger support grant.

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

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

(ii) \$300,000.00.

(B) A new school district formed pursuant to the recommendation of a study committee established pursuant to 16 V.S.A. chapter 11 pursuant to Sec. 6 of this act on or after July 1, 2026, shall be eligible for a grant under this subdivision (3) if the newly formed union school district has:

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

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

(C) Merger support grants shall be available through fiscal year 2032. Eligible newly formed union school districts shall only be eligible for a merger

1 support grant pursuant to this section during the fiscal year following voter
2 approval of a plan of merger.

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

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

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

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

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

1 Sec. 13. APPROPRIATION; TRANSITION FACILITATION, STUDY
2 COMMITTEE, AND MERGER SUPPORT GRANTS

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

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

11 (c) Notwithstanding 16 V.S.A. § 4025, the sum of \$600,000.00 is
12 appropriated from the Education Fund to the Agency of Education in fiscal
13 year 2027 for the purpose of awarding merger support grants pursuant to Sec.
14 12(3) of this act.

15 (d) The funds appropriated pursuant to this section shall carry forward each
16 fiscal year until fully expended or reverted.

17 * * * Foundation Formula * * *

18 Sec. 14. 16 V.S.A. § 4001(16) is amended to read:

19 (16) “Base amount” means a per pupil cost-factor amount of ~~\$15,033.00~~
20 \$16,780.00, which shall be adjusted for inflation annually on or before
21 November 15 by the Secretary of Education. As used in this subdivision,
22 “adjusted for inflation” means adjusting the base dollar amount by the National

1 Income and Product Accounts (NIPA) implicit price deflator for state and local
2 government consumption expenditures and gross investment published by the
3 U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal
4 year ~~2025~~ 2027 through the fiscal year for which the amount is being
5 determined, and rounding upward to the nearest whole dollar amount.

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

7 Sec. 70. EFFECTIVE DATES

8 * * *

9 (e) Sec. 61a shall take effect on January 1, 2027, ~~provided that the General~~
10 ~~Assembly has enacted new school district boundaries between the enactment~~
11 ~~of this act and January 1, 2027.~~

12 (f) The following sections shall take effect on ~~July 1, 2028~~, ~~provided that~~
13 ~~the new school districts contemplated by this act have assumed responsibility~~
14 ~~for the education of all resident students and that the expert tasked with~~
15 ~~developing a cost-factor foundation formula has provided to the General~~
16 ~~Assembly the report pursuant to Sec. 45a to provide the General Assembly an~~
17 ~~opportunity to enact legislation in consideration of the report~~ July 1, 2029:

18 (1) ~~In Sec. 27, 16 V.S.A. § 823(a) and (d) (tuition);~~

19 (2) Sec. 28 (tuition repeals);

20 (3) Secs. 34–43 (transition to cost-factor foundation formula);

21 (4) Sec. 45b (educational opportunity payment transition);

(5) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental district spending tax);

(6) Sec. 46a (supplemental district spending tax; cap; transition);

(7) Sec. 48a (tax rate transition);

(8) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of homestead exemption);

(9) Sec. 57 (Education Fund Advisory Committee; review of foundation formula); and

(10) Secs. 60 and 61 (property tax classifications).

~~(g) In Sec. 27, 16 V.S.A. § 823(b) and (c) 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 cost-factor foundation formula report required pursuant to Sec. 45a contains evidence that it costs more to educate students in grades nine through 12 but the General Assembly has failed to enact legislation to add a secondary student weight.~~

~~[Deleted.]~~

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

* * * Effective Dates * * *

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2026, except that Sec. 14 (16 V.S.A. § 4001(16)) shall take effect on July 1, 2029.