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Summary of Phase 1 Voluntary Mergers

Accelerated Mergers

Use the following guidelines to help initiate the process of merging the governance structures of all member districts of a supervisory union into one unified union school district that is its own supervisory district (SD) through the Accelerated Merger process in accordance with [Act 46, Sec. 6.](#)

Timeline

For a supervisory union to become a supervisory district, it is necessary to form a study committee, prepare a report to be presented to the State Board of Education, obtain local voter approval, and transition to a new operational district within a specified time-period:

On or after July 1, 2015 and prior to July 1, 2016:

[Proposal to Form a Study Committee](#)

[Study Committee Budget](#)

[Study Committee Grants](#)

[Convene Study Committee and Create Report](#)

[Consideration of Study Committee Report by Local School Boards and Vermont State Board of Education](#)

[Proposed Governance Changes Meet Goals in Act 46, Sec. 2 \(pp. 3-4\)](#)

[Voters Approve New School District](#)

On or before July 1, 2017

[Election of District Officers](#)

[Organization Meeting](#)

New School District is Operational

Most of these activities are described in [16 V.S.A. Chapter 11](#), particularly §706 and subsequent sections. Provisions unique to unified union districts can be found in §§722 and 723.

Eligibility

Use the Eligibility Worksheet for Phase 1 Voluntary Mergers to determine eligibility. As an overview, [Act 46, Sec. 6](#) requires an Accelerated Merger to meet the following to be eligible for incentives:

1. The study committee report outlining the proposed governance changes, presented to the State Board of Education, meets the goals set forth in Sec. 2 of Act 46.
2. Local voters in each current school district approve the new supervisory district pursuant to [16 V.S.A. Chapter 11](#) prior to July 1, 2016.
3. The *new* district:
 - a. Is formed by merging the governance structures of all member districts of a single existing supervisory union (it can also include merger with a supervisory district);
 - b. Is its own supervisory district;
 - c. Is responsible for the education of all prekindergarten through grade 12 students; and
 - d. Has minimum average daily membership of 900 in its initial year of operation.

4. The new district is organized and provides for the education of all resident students according to one of the following common governance structures:
 - a. Operates prekindergarten or kindergarten through grade 12;
 - b. Operates prekindergarten or kindergarten through grade 8 and pays tuition for all resident students in grade 9 through grade 12; or
 - c. Operates prekindergarten or kindergarten through grade 6 and pays tuition for all resident students in grade 7 through grade 12.

Neither current statute nor Act 46 authorizes a district to operate a school and concurrently pay general education tuition for a grade or grades operated by the district.

5. The new district is operational on or before July 1, 2017.
6. The new district provides data to the Agency of Education and assists the AOE in assessing the ability to meet goals set forth in Sec. 2 of Act 46.

Transitional Assistance and Incentives

1. **Decreased equalized homestead property tax rate.** The new district's equalized homestead property tax rate shall be decreased by \$0.10 in the first fiscal year of operation, \$0.08 in the second, \$0.06 in the third, \$0.04 in the fourth, and \$0.02 in the fifth. During the years in which the homestead property tax is reduced, the equalized tax rate for each town will not increase by more than five percent in a single year.
2. **Merger Support Grant.** If one or more of the merging districts received a small school support grant in accordance with 16 V.S.A. § 4015 in fiscal year 2016, then the new district shall receive an annual Merger Support Grant in an amount equal to the small school support grant(s) received.
 - Payment of the grant will continue in perpetuity (unless repealed by the Legislature).
 - Payment will be discontinued in the fiscal year following closure of the small school.
 - If a small school is closed *and* another school is renovated or constructed in connection with the closure, then the grant continues until the capital debt is paid.
3. **Transition Facilitation Grant.** After voter approval, the transitional school board will receive either (a) a transition facilitation grant equal to the lesser of 5% of the base education amount 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 (b) \$150,000 (less any State reimbursement of study committee expenses per Act 156 (2010)).

A new district receiving incentives under [Act 46, Sec. 6](#) cannot also receive comparable incentives as a regional education district (RED).

Note: This document is provided for guidance only and does not have the force of law. See the underlying statutes and/or Acts for more detail.