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Summary of Phase 3 Voluntary Mergers

Conventional Mergers

Use the following guidelines to help initiate the process of merging the governance structures of two or more school districts into one unified union school district that is its own supervisory district (SD) through the Conventional Merger process in accordance with [Act 46, Sec. 7](#).

Timeline

For two or more school districts 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.

No Deadline:

[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, 2019:

[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 3 Voluntary Mergers to determine eligibility. As an overview, [Act 46, Sec. 7](#) requires a Conventional 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](#).
3. The *new* district:
 - a. Is its own supervisory district;
 - b. Is responsible for the education of all prekindergarten through grade 12 students; and
 - c. 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, 2019.

Transitional Assistance and Incentives

1. **Decreased equalized homestead property tax rate.** The new district's equalized homestead property tax rate shall be decreased by \$0.08 in the first fiscal year of operation, \$0.06 in the second, \$0.04 in the third, and \$0.02 in the fourth. During the years in which the homestead property tax is reduced, the equalized tax rate for each town will not increase or decrease 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.

Note:

1. Merging districts do not need to be contiguous.
2. There is no requirement that all districts within one *existing* supervisory union are included in the newly merged district, although it is permissible if they are.
3. It is permissible for the newly merged district to include districts from more than one *existing* supervisory union, but it is not required.

A new district receiving incentives under [Act 46, Sec. 7](#) 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.