

1 H.883

2 Introduced by Committee on Education

3 Date:

4 Subject: Education; supervisory unions; school districts

5 Statement of purpose of bill as introduced: This bill proposes to require the
6 following:

7 (1) Realignment. As of July 1, 2020, supervisory unions shall
8 cease to exist and current school districts shall be realigned into expanded
9 prekindergarten–grade 12 school districts (Expanded Districts) that
10 are responsible for the education of all resident students in
11 prekindergarten–grade 12.

12 (2) The Essential Components. The Expanded Districts shall be required to
13 meet broad elements specifically identified in the bill (the Essential
14 Components). The Essential Components conform generally to the
15 requirements for the formation of Regional Education Districts (REDs)
16 authorized in 2010 Acts and Resolves No. 153, Sec. 3. They require that the
17 Expanded Districts be governed by a single board and operate on a single
18 budget, and that each Expanded District be designed to recognize historic
19 relationships among communities, existing connections between school
20 districts, and potential obstacles caused by geography. Although the Essential
21 Components serve as the guiding principles of the realignment process, the bill

1 authorizes possible variations during both the voluntary realignment process
2 and the adoption of a final Statewide Plan regarding the size of Expanded
3 Districts and the operation or nonoperation of schools.

4 (3) Process. The process to achieve realignment shall include the
5 following:

6 (A) Performance indicators; accountability. In order to guide and assess
7 the design of proposed Expanded Districts and the Statewide Plan and to
8 ensure subsequent accountability, the Agency of Education shall be required to
9 develop performance indicators for the Essential Components and make them
10 available to the General Assembly by January 1, 2015 for review and potential
11 legislative action.

12 (B) The Legal and Fiscal Research Group. The bill creates a Research
13 Group to research specific legal and fiscal issues, including issues relating to
14 voting and representation on school boards, operating and nonoperating
15 districts, tax rates, and procedures for voting on districtwide budgets. The
16 Legal and Fiscal Research Group shall analyze and develop an array of options
17 to be presented on or before January 1, 2015 to the General Assembly for
18 review and potential legislative action. The work of this Group shall be used
19 to inform voluntary realignment by districts and decisions to be made by the
20 State Board of Education, the Agency, and the Design Team.

1 (C) Voluntary realignment. Existing school districts shall be provided
2 an opportunity to realign voluntarily into an Expanded District.

3 (i) General process. Through plans and a process that conforms
4 generally to those for union school district and RED formation, districts shall
5 be permitted to develop voluntary realignment plans and submit them for final
6 approval by the State Board and the electorate of the districts.

7 (ii) Proposed plans. Existing districts shall be permitted to develop
8 proposed realignment plans to address both general issues and issues of
9 particular interest to the local communities, such as representation on the
10 Expanded District's school board and the conditions under which the new
11 district would be permitted to close an existing school building. If approved,
12 the proposed plan becomes the articles of agreement governing the actions of
13 the Expanded District.

14 (iii) Preliminary Applications. Districts interested in voluntary
15 realignment, including those that have been pursuing options under RED
16 legislation, shall submit preliminary applications to the State Board on or
17 before July 1, 2016. The State Board shall review the preliminary applications
18 individually and, to the extent possible, collectively.

19 (iv) Final proposed plan. Districts that submitted a preliminary
20 application shall be eligible to submit final proposed plans of realignment to
21 the State Board. The Board shall approve a plan that (I) complies with the

1 Essential Components, as may be clarified by the Performance Indicators and
2 informed by the work of the Legal and Fiscal Research Group; and (II) does
3 not exclude an existing district that would be an appropriate member of the
4 Expanded District and that is either geographically isolated from, or would
5 otherwise be an inappropriate member of, another proposed or potential
6 Expanded District.

7 (v) Approval by the electorate. Voluntary realignment into an
8 Expanded District shall be achieved if the electorate of the districts votes in
9 favor of a State Board-approved plan on or before July 1, 2017.

10 (D) Design Team and the Statewide Plan. The bill creates a Design
11 Team to monitor the voluntary realignment of school districts and to design a
12 proposed Statewide Plan for all remaining districts to be realigned into
13 Expanded Districts. The Design Team shall conduct public engagement
14 activities and solicit information and guidance from current school board
15 members to inform design of the Statewide Plan, which shall also be guided by
16 the Performance Indicators and informed by the work of the Legal and Fiscal
17 Research Group. On or before November 1, 2017, the Design Team shall
18 submit the proposed Statewide Plan for approval by the State Board, and
19 subsequently by the Legislative Committee on Administrative Rules, through
20 the rulemaking process set forth in 3 V.S.A. chapter 25. Final approval of a
21 Statewide Plan shall occur on or before July 1, 2018.

1 (4) Implementation. All Expanded Districts shall come into existence and
2 begin operation no later than July 1, 2020.

3 An act relating to expanded prekindergarten–grade 12 school districts

4 It is hereby enacted by the General Assembly of the State of Vermont:

5 * * * Issues and Purpose * * *

6 Sec. 1. STATEMENT OF ISSUES AND LEGISLATIVE PURPOSE

7 (a) The General Assembly finds:

8 (1) In *Brigham v. State*, the Vermont Supreme Court stated: “In
9 Vermont the right to education is so integral to our constitutional form of
10 government, and its guarantees of political and civil rights, that any statutory
11 framework that infringes upon the equal enjoyment of that right bears a
12 commensurate heavy burden of justification.” 692 A.2d 384, 390 (1997). In
13 reaching the judgment that led to Vermont’s current finance system, the Court
14 ruled that “the conclusion becomes inescapable that the [then-current] system
15 [had] fallen short of providing every school-age child in Vermont an equal
16 educational opportunity.” Id. at 386.

17 (2) The current education finance system, adopted by the State in
18 response to the *Brigham* decision, has considerably reduced the variability in
19 what our communities spend on education. Nevertheless, across the State, our
20 communities are characterized by sharp inequities in the breadth, depth, and

1 ~~quality of opportunities to learn. This leaves children in some of our~~
2 ~~communities ill-equipped to thrive in careers or to take advantage of~~
3 ~~postsecondary opportunities to which they would otherwise have access.~~

4 ~~(3) At the same time, technology and globalization and other societal~~
5 ~~demands are changing what our students need to know and be able to do in~~
6 ~~order to contribute to building a strong economic and civic future for the State.~~
7 ~~Notably, our students need to acquire what are generally called “21st century~~
8 ~~skills,” which include the ability to innovate, adapt, handle nonroutine~~
9 ~~problems, reason from evidence, synthesize and analyze complex data, work~~
10 ~~confidently with technology, collaborate in teams, and communicate~~
11 ~~effectively through a variety of media. Just as importantly, because many of~~
12 ~~the low skill jobs that paid a livable wage are being replaced by technology or~~
13 ~~sent overseas, we have to ensure that all students acquire the capabilities they~~
14 ~~need to hold or create meaningful work, so that growing inequality does not~~
15 ~~cripple the economic vitality of our State. The remaining low skill jobs will~~
16 ~~likely be poorly compensated and inadequate to comfortably support a family.~~

17 ~~(4) These changes place tremendous demands on our schools.~~
18 ~~Responding to these challenges will require substantial changes in how and~~
19 ~~what teachers teach, how schools are organized, and what opportunities they~~
20 ~~provide. In particular, these changes challenge our teachers to rethink the~~
21 ~~work of teaching to support 21st century skills and challenge our schools to~~

1 ~~organize in ways that ensure accountability around high expectations for all~~
2 ~~students, while at the same time enabling sufficient resources and support to~~
3 ~~allow flexibility and personalization in how we challenge students to meet~~
4 ~~those high expectations. A growing body of research suggests that systematic~~
5 ~~improvement of learning requires a systems level approach that provides~~
6 ~~teachers with the professional support and high quality information they need~~
7 ~~to customize learning effectively.~~

8 (5) Many areas of the State face a profound leadership challenge. On
9 average, 30 percent of principals leave their positions every year in Vermont.
10 This year, more than 25 percent of the State's superintendents will also leave
11 their positions. This leadership instability makes it difficult to sustain
12 continuous improvements in learning or to put in place coherent,
13 comprehensive strategies for providing teachers with feedback and support as
14 they develop their practice to meet the challenges of the 21st century.

15 (6) Research supports systematic, continuous approaches to improving
16 learning. It is difficult to build coherence in prekindergarten–grade 12 across
17 multiple governing units. The result can limit the educational experience of
18 many students.

19 (7) Effective, high-quality special education services are essential to
20 allow many students to access their learning. Some evidence suggests there
21 currently is variability in the educational- and cost-effectiveness of special

1 ~~education services provided in Vermont. Reports from the field indicate that~~
2 the current governance structure may make it difficult to achieve regional
3 solutions to certain special education-related challenges, including a heavy
4 reliance on 1:1 aides and limited access to the full range of the increasingly
5 specialized expertise of special educators, especially in small districts.

6 (8) In many districts across the State, tight financial circumstances at the
7 local level mean the current challenge of boards is to decide which programs to
8 cut, not which opportunities will enable students to meet State and local
9 community goals.

10 (9) Because federal mandates and State obligations impose the same
11 responsibilities on every district, regardless of size, we see increasing
12 proportions of our educational leaders' time—particularly in our smallest
13 districts—consumed by administrative tasks. These tasks are often related to
14 issues such as fiscal audits and federal reporting, rather than focused on the
15 critical work of improving learning. These functions could just as easily be
16 accomplished at a higher level, freeing up capacity for building leaders and
17 teachers to focus on more productive work.

18 (10) In some cases, a merger of governance structures may yield savings
19 that local voters can use to invest in other priorities, or in relief for taxpayers.
20 Over the long run, we expect the elimination of redundancies and sharing of

1 ~~resources to bend the cost curve, reducing the unsustainable but persistent~~
2 growth in expenditures we have seen in the State.

3 (11) We understand that a change in governance alone will not yield
4 better outcomes for students. We believe, however, that a strong supervisory
5 district structure will make it possible for our schools to collaborate, share
6 resources, and work systematically to provide more opportunities to learn and
7 higher quality instruction for our children. We believe that the current
8 structure, with its substantial inequities, multiple small governing units, and
9 conflicting lines of authority, makes it too difficult for our schools to work
10 together coherently to support our ambitious goals for our students.

11 (12) This current effort is not an effort to standardize learning across all
12 schools. We recognize and cherish the value of our strong local voice and
13 local commitment to our children and our communities. We seek instead to
14 define a governance structure that will support strict accountability for learning
15 with respect to our ambitious goals for Vermont learners, as outlined in the
16 Vermont Education Quality Standards and various statutes, as well as provide
17 local flexibility around strategies for sharing and targeting resources that
18 reflect local strengths and innovative approaches for achieving our shared
19 goals.

20 (b) Legislative purposes of this act.

1 ~~(1) This legislation replaces our current governance structure, which~~
2 ~~relies primarily on singular governing units presiding over very small schools~~
3 ~~and loosely affiliated through a supervisory union, with a unified union school~~
4 ~~district model that includes multiple towns in one shared governance structure.~~

5 ~~(2) This new model will streamline operations and facilitate~~
6 ~~comparisons of operations across districts, so that board members and district~~
7 ~~leaders can analyze their operations, make adjustments, and draw on the~~
8 ~~experience of other districts in order to ensure the most educationally- and~~
9 ~~cost-effective decisions possible.~~

10 ~~(3) Governance reform will bend the curve on expenditure increases~~
11 ~~over the long term, because board members and district leaders will have better~~
12 ~~data on which to base their decisions.~~

13 ~~(4) The new governance model will enable local educational leaders to~~
14 ~~focus on improving learning in a customized, locally appropriate way, while~~
15 ~~spreading administrative functions over larger numbers of units to achieve~~
16 ~~efficiencies in those functions that can be standardized or which are improved~~
17 ~~when administered at scale. This will enable principals to become~~
18 ~~building-based leaders of instruction, and superintendents of these larger~~
19 ~~districts to become systems-level district leaders and managers.~~

20 ~~(5) The new governance model involves the creation of criteria to~~
21 ~~evaluate outcomes of State goals at the district level but, in the Vermont~~

1 ~~tradition of local control, supports flexibility around how schools and districts~~
2 develop community goals and outcomes. This would support local innovation,
3 while preserving the capacity to analyze effectiveness and compare
4 performance.

5 (6) This new model will facilitate better support and technical assistance
6 from the State to the districts around special education, in the interest of
7 providing more educationally-effective, and ultimately more cost-effective,
8 strategies for supporting the learning of students with disabilities.

9 (7) Larger districts, because they include multiple schools and
10 serve a greater number of students, have the potential to expand opportunities
11 for school choice to all public schools and eligible independent schools within
12 the district. The ability to include these options and manage grade
13 configuration could foster an array of possibilities regarding the mission and
14 makeup of schools, including grade-specific schools, magnet schools, and
15 schools that provide for more diverse cultural, socioeconomic, and educational
16 diversity.

17 * * * Expanded Prekindergarten–Grade 12 School Districts * * *

18 Sec. 2. EXPANDED PREKINDERGARTEN–GRADE 12 SCHOOL
19 DISTRICTS; CREATION

20 As of July 1, 2020, pursuant to the processes and criteria set forth in
21 this act:

1 ~~(1) all existing supervisory unions shall cease to exist; and~~

2 (2) school districts in the State, except interstate school districts, shall be
3 realigned into an estimated 45–55 expanded prekindergarten–grade 12 school
4 districts (Expanded Districts) that are responsible for the education of all
5 resident students in prekindergarten–grade 12.

6 Sec. 3. EXPANDED PREKINDERGARTEN–GRADE 12 SCHOOL

7 DISTRICTS; ESSENTIAL COMPONENTS; PERFORMANCE

8 INDICATORS; ACCOUNTABILITY

9 (a) Essential Components. Each Expanded District created under this act
10 shall:

11 (1) be designed to recognize each community’s unique character, the
12 tradition of community participation in the adoption of school budgets, historic
13 relationships among communities, existing connections between school
14 districts, and potential obstacles caused by geography, and to consider the
15 existing transportation infrastructure and State- and community-based service
16 regions;

17 (2) be responsible for the education of all resident
18 prekindergarten–grade 12 students through educational opportunities that meet
19 the educational quality standards adopted by the State Board of Education
20 pursuant to 16 V.S.A. § 165;

- 1 ~~(3) operate one or more career technical education (CTE) centers or~~
2 ~~enter into an agreement for resident students to attend one or more CTE centers~~
3 ~~not operated by the district, or both;~~
- 4 ~~(4) have an average daily membership of at least 1,250 students or result~~
5 ~~from the realignment of at least four existing districts, or both, unless the~~
6 ~~district obtains a waiver from the State Board pursuant to Sec. 7 of this act;~~
- 7 ~~(5) be governed by no more than one elected school board;~~
- 8 ~~(6) adopt one districtwide budget;~~
- 9 ~~(7) negotiate districtwide collective bargaining agreements and employ~~
10 ~~all licensed and nonlicensed personnel as employees of the Expanded District;~~
- 11 ~~(8) be the local education agency as that term is defined in 20 U.S.C.~~
12 ~~§ 7801(26);~~
- 13 ~~(9) be designed to:~~
- 14 ~~(A) maximize the effective, flexible, and efficient use of fiscal,~~
15 ~~human, and facility resources to support student achievement and success;~~
- 16 ~~(B) foster stable leadership by developing and supporting both school~~
17 ~~and district leaders;~~
- 18 ~~(C) hire, train, support, and retain excellent administrators, teachers,~~
19 ~~and staff;~~
- 20 ~~(D) promote budgetary stability leading to less volatility for~~
21 ~~taxpayers;~~

1 ~~(E) account for and report financial information in accordance with~~

2 Generally Accepted Accounting Principles and in a manner that promotes
3 transparency and public accountability and supports a statewide integrated data
4 collection system; and

5 (F) promote a shared commitment to a strong, flexible, and coherent
6 system.

7 (10) create school-based community councils designed to build
8 partnerships among families, staff, and the community and strong community
9 involvement. The articles of agreement shall determine membership on the
10 council and the process by which members are selected.

11 (b) Performance indicators; accountability.

12 (1) The Agency of Education, in consultation with the State Board, shall
13 develop criteria by which to measure the Essential Components itemized in
14 subdivision (a)(9) of this section in order to:

15 (A) provide guidance:

16 (i) to school districts pursuing voluntary realignment;

17 (ii) to the State Board when reviewing a proposed voluntary plan
18 of realignment and requests for waivers from the Essential Components; and

19 (iii) in the development and adoption of the Statewide Plan; and

20 (B) measure performance and ensure accountability after districts
21 transition to an Expanded District.

1 ~~(2) On or before January 1, 2015, the Agency shall complete the work~~
2 required under subdivision (1) of this subsection (b) and present a detailed
3 explanation of the performance indicators to the House Committees on
4 Education and on Ways and Means and the Senate Committees on Education
5 and on Finance for review and potential adoption of legislation that would
6 provide guidance during the realignment process and clarification of State
7 policy.

8 (c) Innovation; waivers. During and after the creation of Expanded
9 Districts, communities are encouraged to explore innovative ways to expand
10 opportunities for students and to seek waivers of State Board rules or other
11 legal requirements that inhibit implementation. Innovations may address any
12 area of education policy, including instructional practices and principles; the
13 use of technology and data systems to improve instruction and expand learning
14 opportunities; services provided to discrete populations of students, including
15 gifted and talented students, students with limited English proficiency, and
16 students at risk of academic failure or expulsion; early education and school
17 readiness; and preparation and counseling of students for postsecondary
18 education, training, and employment.

~~Sec. 4. EXPANDED PREKINDERGARTEN GRADE 12 SCHOOL~~

~~DISTRICTS; LEGAL AND FISCAL RESEARCH GROUP; REPORT~~

~~(a) There is established a Legal and Fiscal Research Group that shall facilitate and inform the work required under this act by researching, analyzing, and developing an array of options of what is legally possible to address legal and fiscal issues, including issues relating to:~~

~~(1) voting and representation on school boards;~~

~~(2) the accommodation of current districts that operate schools, that operate schools for some grades and pay tuition for the remaining grades, and that operate no schools;~~

~~(3) the Vermont Supreme Court decision in *Brigham v. State*;~~

~~(4) the common level of appraisal, grand lists, and tax rates;~~

~~(5) a statewide, uniform, integrated longitudinal student data and financial accounting and reporting system, and potential integration of the system with data and information delivery systems of other State entities, such as the Agency of Human Services;~~

~~(6) the funding and payment structure for career technical education (CTE) centers by Expanded Districts that do not operate a center and the governance structure of CTE districts;~~

~~(7) employment contracts;~~

~~(8) municipal ownership of property;~~

1 ~~(9) procedures for voting on a districtwide budget; and~~

2 (10) unique matters relating to incorporated school districts.

3 (b) The Research Group shall be composed of individuals with relevant
4 fiscal or legal expertise, or both, who are employed by the Agency of
5 Education and the Department of Taxes, as selected by those entities, together
6 with other individuals selected by the Secretary of Education and the
7 Commissioner of Taxes who have substantial and varied experience with or
8 knowledge of the legal and fiscal issues identified in this section. The
9 Research Group shall consult with the Secretary of State, the Office of the
10 Attorney General, and representatives of school districts and other
11 municipalities, including those with unique forms of government such as a
12 representative Town Meeting. The Research Group may consult with the Joint
13 Fiscal Office, the Office of Legislative Council, and with any other individuals
14 or entities with relevant data or expertise. The Research Group may create
15 subcommittees of Group members or of Group members and other individuals
16 to perform and review the work required under this section.

17 (c) The Agency of Education shall convene the first meeting of the
18 Research Group to occur on or before July 1, 2014.

19 (d) On or before January 1, 2015, the Research Group shall submit a
20 written report of its analysis of identified issues, together with a menu of
21 potential, practical options to address the issues and a list of potential

1 ~~legislative amendments to the House Committees on Education, on~~
2 ~~Government Operations, and on Ways and Means and the Senate Committees~~
3 ~~on Education, on Finance, and on Government Operations for review and~~
4 ~~potential adoption of legislation that would provide guidance during the~~
5 ~~realignment process and clarification of State policy. The Research Group~~
6 ~~shall also provide its report to the Agency of Education, the State Board of~~
7 ~~Education, and the Design Team created in Sec. 6 of this act. After January 1,~~
8 ~~2015, the Research Group shall analyze additional issues at the request of one~~
9 ~~or more of the entities named in this subsection.~~

10 ~~(e) The Research Group shall cease to exist on the day on which the final~~
11 ~~Statewide Plan is adopted pursuant to Sec. 6 of this act.~~

12 Sec. 5. EXPANDED PREKINDERGARTEN–GRADE 12 SCHOOL
13 DISTRICTS; VOLUNTARY REALIGNMENT

14 ~~(a) Process. Existing school districts may realign into Expanded Districts~~
15 ~~pursuant to the provisions of 16 V.S.A. chapter 11 governing the formation of~~
16 ~~unified union school districts, as amended by this act.~~

17 ~~(b) Realignment Plan.~~

18 ~~(1) Existing school districts may realign into Expanded Districts by~~
19 ~~appointing a study committee and preparing of a plan of realignment~~
20 ~~(Realignment Plan) to be approved by both the State Board and the electorate~~

1 ~~of the districts. If approved, the Realignment Plan shall become the Expanded~~
2 District's articles of agreement.

3 (2) The Realignment Plan shall conform to the requirements of
4 16 V.S.A. § 706b and shall address other general issues and issues of particular
5 interest to the local communities, such as representation on the Expanded
6 District's school board, the manner in which school budgets are voted, the
7 conditions under which the new district would be permitted to close an existing
8 school building, and school choice.

9 (3) In addition, the Realignment Plan shall:

10 (A) incorporate the Essential Components of an Expanded District, as
11 may be clarified by the General Assembly and the Performance Indicators and
12 informed by the work of the Legal and Fiscal Research Group;

13 (B) be responsible for the education of the resident students in
14 prekindergarten–grade 12 in one of the following ways:

15 (i) by operating one or more public schools that offer elementary
16 and secondary education;

17 (ii) by operating one or more public schools that offer elementary
18 education, by operating or not operating some or all secondary grades, and by
19 paying tuition to one or more of the four approved independent schools that
20 have historically served as the public schools for the community in which they
21 are located; or

1 ~~(iii) in some manner other than by operating some or all grades~~

2 pursuant to subdivision (i) or (ii) of this subdivision (3)(B), in order to

3 recognize the unique characteristics of the various regions of the State and to

4 allow local communities to create Expanded Districts that meet their unique

5 situations and preferences, pursuant to a waiver from the State Board granted

6 under the provisions of Sec. 7 of this act, including:

7 (I) by paying tuition for all resident students in some or all

8 grades to attend a public school located in another state and by operating one

9 or more public schools that provide education for any remaining grades; or

10 (II) by paying tuition for resident students in some or all grades

11 to attend a public school operated outside the Expanded District or an

12 approved independent school and by operating one or more public schools that

13 provide education for any remaining grades;

14 (C) provide for the election of an initial school board prior to the first

15 day of the Expanded District's existence in order to transition to the new

16 structure by negotiating and entering into contracts, preparing an initial

17 proposed budget, hiring a superintendent, adopting policies, and otherwise

18 planning for the District's implementation; and

19 (D) address the transition of employees to the new employer,

20 including impacts upon membership in the Vermont Municipal Employees'

21 Retirement System and in collective bargaining units.

1 ~~(c) Technical assistance. The Agency of Education shall provide technical~~
2 ~~support to assist districts to develop a proposed Realignment Plan.~~

3 ~~(d) Preliminary application.~~

4 ~~(1) On or before July 1, 2016, districts that are preparing a Realignment~~
5 ~~Plan may submit a preliminary application to the Secretary in a format~~
6 ~~developed by the Agency of Education. The Secretary shall review each~~
7 ~~preliminary application and submit it with his or her recommendations to the~~
8 ~~State Board within 60 days of receipt.~~

9 ~~(2) The State Board, in consultation with the Design Team, shall review~~
10 ~~each preliminary application on its own merits and, to the extent possible, in~~
11 ~~relation to the other districts' preliminary applications.~~

12 ~~(3) The State Board shall provide preliminary approval to an application~~
13 ~~if it preliminarily complies with the Essential Components and with 16 V.S.A.~~
14 ~~§ 706c, and it does not exclude an existing district that would be an appropriate~~
15 ~~member of the Expanded District and that is geographically isolated from, or~~
16 ~~would otherwise be an inappropriate member of, another proposed or potential~~
17 ~~Expanded District.~~

18 ~~(4) If the Board does not give preliminary approval to an application,~~
19 ~~then it shall provide guidance regarding the issues to be addressed prior to~~
20 ~~submission of a final Realignment Plan pursuant to subsection (e) of this~~
21 ~~section.~~

1 ~~(5) The Board shall make a decision regarding each preliminary~~
2 ~~application within 60 days of receiving it from the Secretary.~~

3 ~~(e) Final application.~~

4 ~~(1) Districts that have submitted a preliminary application may submit a~~
5 ~~proposed final Realignment Plan for review by the Secretary of Education and~~
6 ~~State Board pursuant to 16 V.S.A. § 706c. In addition to the other~~
7 ~~considerations required by that section, the State Board, in consultation with~~
8 ~~the Design Team, shall review the proposed Realignment Plan to ensure:~~

9 ~~(A) compliance with the Essential Components of Expanded~~
10 ~~Districts, as may be clarified by the Performance Indicators and informed by~~
11 ~~the work of the Legal and Fiscal Research Group; and~~

12 ~~(B) that the plan does not exclude an existing district that:~~

13 ~~(i) would be an appropriate member of the Expanded District; and~~

14 ~~(ii) is geographically isolated from, or would otherwise be an~~
15 ~~inappropriate member of, another Expanded District.~~

16 ~~(2) If the State Board determines that the proposed Realignment Plan~~
17 ~~does not comply with subdivision (1) of this subsection (e), then the Board~~
18 ~~shall not approve it and the districts shall be realigned according to the~~
19 ~~Statewide Plan adopted pursuant to Sec. 6 of this act.~~

20 ~~(3) If the State Board determines that the proposed Realignment Plan~~
21 ~~complies with subdivision (1) of this subsection (e), then the study committee~~

1 ~~shall present the proposed Realignment Plan for a vote of the electorate~~
2 ~~pursuant to the provisions of 16 V.S.A. chapter 11.~~

3 ~~(f) District vote. If an Expanded District created under this section is~~
4 ~~approved by the electorate pursuant to the provisions of 16 V.S.A. chapter 11~~
5 ~~on or before July 1, 2017, then it shall not be realigned under the Statewide~~
6 ~~Plan created pursuant to Sec. 6 of this act. If an Expanded District is not~~
7 ~~approved, then the current districts shall be subject to realignment under the~~
8 ~~Statewide Plan.~~

9 Sec. 6. EXPANDED PREKINDERGARTEN–GRADE 12 SCHOOL

10 DISTRICTS; DESIGN TEAM; STATEWIDE PLAN; ADOPTION

11 BY RULEMAKING

12 ~~(a) Creation of Design Team. There is created a Design Team to monitor~~
13 ~~the voluntary realignment of school districts authorized pursuant to Sec. 5 of~~
14 ~~this act and to design the proposed plan for all remaining districts to be~~
15 ~~realigned by July 1, 2020 into Expanded Districts (the Statewide Plan). The~~
16 ~~Design Team shall submit the proposed Statewide Plan to the State Board for~~
17 ~~adoption under the rulemaking process set forth in 3 V.S.A. chapter 25.~~

18 ~~(b) Number and qualifications of members. The Design Team shall be~~
19 ~~composed of nine members who are geographically representative, have a~~
20 ~~broad range of knowledge of and experience in the Vermont education system~~

1 ~~and in Vermont communities, and represent diverse points of view, opinions,~~
2 ~~and interests.~~

3 (c) Appointment.

4 (1) On or before July 1, 2014, the Speaker of the House, the Committee
5 on Committees, and the Governor shall each choose three members, none of
6 whom shall be members of the House of Representatives or the Senate during
7 the period of appointment.

8 (2) In order to ensure the diversity of knowledge, experience, and
9 opinions required by this section, the Speaker, the Committee on Committees,
10 and the Governor, or their designees, shall work collectively to identify
11 potential candidates for appointment.

12 (3) The Speaker, the Committee on Committees, and the Governor shall
13 jointly appoint one of the nine members to serve as Chair of the Design Team.

14 (d) Powers and duties. The Design Team shall:

15 (1) engage the public in all areas of the State and solicit information and
16 guidance from current school board members in order to inform the Statewide
17 Plan design process;

18 (2) monitor and maintain a public document that charts the progress of
19 the voluntary realignment of school districts in order to:

20 (A) provide guidance to the State Board and the Agency of Education
21 for use in the voluntary alignment and waiver processes; and

1 ~~(B) inform the Statewide Plan design process;~~

2 ~~(3) design the proposed Statewide Plan by which the districts that did~~
3 ~~not voluntarily realign shall be assigned to Expanded Districts; and~~

4 ~~(4) submit the proposed Statewide Plan on or before November 1, 2017~~
5 ~~to the State Board for adoption as rules pursuant to 3 V.S.A. chapter 25, which~~
6 ~~shall be final on or before July 1, 2018.~~

7 ~~(e) The Statewide Plan.~~

8 ~~(1) The Statewide Plan shall be guided by the public engagement~~
9 ~~process required under subsection (d) of this section, the Essential~~
10 ~~Components, the Performance Indicators developed by the Agency of~~
11 ~~Education, the analysis and options developed by the Legal and Fiscal~~
12 ~~Research Group, the work of the State Board in developing the waiver criteria~~
13 ~~and process under Sec. 7 of this act, and any additional guidance enacted by~~
14 ~~the General Assembly.~~

15 ~~(2) Among other things, the Statewide Plan:~~

16 ~~(A) shall include initial articles of agreement that will govern the~~
17 ~~actions of the Expanded Districts that were not created during the voluntary~~
18 ~~realignment process until such time as each district adopts its own amended~~
19 ~~articles, which shall include the method of apportioning the representation on~~
20 ~~the new school board of the Expanded District and the conditions under which~~
21 ~~the Expanded District would be authorized to close a school building;~~

1 ~~(B) shall establish transition procedures and guidance necessary for~~
2 the creation of each Expanded District, including provisions for:

3 (i) the election of an initial school board prior to the first day of
4 the Expanded District's existence in order to transition to the new structure by
5 negotiating and entering into contracts, preparing an initial proposed budget,
6 hiring a superintendent, adopting policies, and otherwise planning for the
7 District's implementation;

8 (ii) assumption of debt;

9 (iii) ownership of property; and

10 (iv) the transition of employees to the new employer, including
11 membership in collective bargaining units.

12 (3) The Statewide Plan shall preserve the ability of a district that, as of the
13 effective date of this act, provides for the education of all resident students in one
14 or more grades by paying tuition on the students' behalf to continue to pay
15 tuition on their behalf and shall not require the district to limit the options
16 available to those students when it ceases to exist as a discrete entity and
17 becomes realigned into an Expanded District.

18 (4) The Statewide Plan shall ensure that no school employee subject to
19 employment transition under the Plan will experience a detrimental change in
20 status within the Vermont Municipal Employees' Retirement System.

1 ~~(f) Assistance. The Design Team shall have the administrative, technical,~~
2 ~~and legal assistance of the Agency of Education and the Department of Taxes.~~

3 (g) Updates. Beginning in January 2015, the Design Team shall provide
4 quarterly updates to the House Committees on Education and on Ways and
5 Means, the Senate Committees on Education and on Finance, the Agency of
6 Education, and the State Board regarding the status of public engagement
7 activities, voluntary realignment, and the development of the Statewide Plan.

8 (h) Meetings.

9 (1) The Chair of the Design Team shall call the first meeting of the
10 Design Team to occur on or before August 15, 2014.

11 (2) The Design Team shall conduct its meetings pursuant to 1 V.S.A.
12 chapter 5, subchapter 2.

13 (i) Compensation and reimbursement. Members of the Design Team who
14 are not employees of the State and who are not otherwise compensated or
15 reimbursed for their participation shall be entitled to per diem compensation
16 and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

17 (j) Existence. The Design Team shall cease to exist on July 1, 2020.

18 Sec. 7. EXPANDED PREKINDERGARTEN–GRADE 12 SCHOOL

19 DISTRICTS; WAIVERS

20 (a) On or before May 1, 2015, the State Board of Education shall develop
21 criteria and a process under which it may grant waivers under Sec. 3(a)(4)

1 ~~(1,250 average daily membership or four districts) and Sec. 5(b)(3)(B)(iii)~~
2 (voluntary realignment of districts that do not operate any or all grades) of this
3 act to districts that wish to realign in an alternative manner.

4 (b) The waiver criteria shall be guided by the Essential Components, the
5 Performance Indicators developed by the Agency of Education, the policy
6 statement in Sec. 5(e)(3) of this act, and any additional guidance enacted by the
7 General Assembly and shall be informed by the analysis and options developed
8 by the Legal and Fiscal Research Group.

9 (c) The State Board shall grant a waiver only if doing so would not isolate
10 an existing district that would be an appropriate member of the proposed
11 alternative district, and which is geographically isolated from, or would
12 otherwise be an inappropriate member of any other potential Expanded
13 District.

14 Sec. 8. REGIONAL EDUCATION DISTRICTS

15 Districts that have been exploring transition into a Regional Education
16 District (RED) pursuant to 2010 Acts and Resolves No. 153, as amended by
17 2012 Acts and Resolves No. 156 and that wish to proceed pursuant to the work
18 they have done under that model shall file a preliminary application and final
19 proposed plan pursuant to the voluntary realignment provisions of Sec. 5 of
20 this act.

1 ~~Sec. 9. TRANSITIONAL PROVISIONS~~

2 ~~(a) As used in this section, "realigning districts" means the school districts~~
3 ~~and the supervisory union, supervisory unions, or portions of supervisory~~
4 ~~unions that compose an Expanded District.~~

5 ~~(b) Upon the election, prior to the first day of the Expanded District's~~
6 ~~existence, of the initial transitional school board, the board shall:~~

7 ~~(1) appoint a negotiations council for the purpose of negotiating with~~
8 ~~future employees' representatives; and~~

9 ~~(2) recognize the representatives of the employees of the realigning~~
10 ~~districts as the recognized representatives of the employees of the Expanded~~
11 ~~District.~~

12 ~~(c) Negotiations shall commence within 90 days after formation of the~~
13 ~~initial transitional school board and shall be conducted pursuant to the~~
14 ~~provisions of 16 V.S.A. chapter 57 for teachers and administrators and~~
15 ~~pursuant to 21 V.S.A. chapter 22 for other employees.~~

16 ~~(d) An employee of a realigning district who was not a probationary~~
17 ~~employee shall not be considered a probationary employee of the Expanded~~
18 ~~District.~~

19 ~~(e) If a new agreement is not ratified by both parties prior to July 1, 2020,~~
20 ~~or the first day of the Expanded District's existence if earlier than July 1, 2020:~~

1 ~~(1) the parties shall comply with the existing agreements in place in~~
2 ~~each of the realigning districts until a new agreement is reached;~~

3 ~~(2) the parties shall adhere to the provisions of an agreement among the~~
4 ~~employees, as represented by their respective recognized representatives,~~
5 ~~regarding how provisions under the existing contracts regarding issues of~~
6 ~~seniority, reduction in force, layoff, and recall will be reconciled during the~~
7 ~~period prior to ratification of a new agreement; and~~

8 ~~(3) a new employee beginning employment after July 1, 2020, or the~~
9 ~~first day of the Expanded District's existence if earlier than July 1, 2020, shall~~
10 ~~be covered by the agreement in effect that applies to the largest bargaining unit~~
11 ~~among the realigning districts in that Expanded District.~~

12 ~~(f) On the first day of its existence, the Expanded District shall assume the~~
13 ~~obligations of existing individual employment contracts between the realigning~~
14 ~~districts and their employees.~~

15 Sec. 10. POSITIONS; AGENCY OF EDUCATION

16 ~~The General Assembly authorizes the establishment of two new limited~~
17 ~~services analyst positions in the Agency of Education in fiscal year 2015.~~

18 Sec. 11. PREKINDERGARTEN–GRADE 12 SCHOOL DISTRICT

19 SPECIAL FUND

20 ~~(a) There is created a special fund pursuant to 32 V.S.A. chapter 7,~~
21 ~~subchapter 5, comprising sums deposited into this account and interest~~

1 ~~accruing to the fund. Any remaining balance at the end of the fiscal year shall~~
2 be carried forward in the Fund.

3 (b) Monies in the Fund shall be available to the Agency of Education to be
4 used to support the purposes of Secs. 2 through 10 of this act, including:

5 (1) to support the work of the Agency to provide technical assistance to
6 districts during the voluntary realignment process and to the Design Team and
7 State Board during the creation and adoption of the Statewide Plan;

8 (2) to support the work of the State Board of Education to review
9 preliminary and final applications under the voluntary realignment process and
10 to review the proposed Statewide Plan under the rulemaking process;

11 (3) to support the work of the Design Team to monitor the voluntary
12 realignment process, to conduct public engagement activities, and to develop
13 the proposed Statewide Plan;

14 (4) to reimburse up to \$20,000.00 in fees incurred by groups of districts
15 during the voluntary realignment process pursuant to 2012 Acts and Resolves
16 No. 156, Sec. 9 as amended by Sec. 19 of this act; and

17 (5) to provide \$50,000.00 in grants to Expanded Districts for legal
18 services, technology system upgrades, and other costs of transition, subject to
19 legislative adjustments that may be made upon reviewing the sufficiency of
20 this financial support.

1 ~~(c) The fund shall be known as the Prekindergarten-Grade 12 School~~

2 ~~District Special Fund.~~

3 Sec. 12. APPROPRIATION

4 ~~The sum of \$4,000,000.00 is transferred in fiscal year 2014 to the~~
5 ~~Prekindergarten-Grade 12 School District Special Fund from the special fund~~
6 ~~created by 32 V.S.A. § 6075, in order to support and advance the “control [of]~~
7 ~~education spending while improving [education] quality” pursuant to~~
8 ~~section 6075.~~

9 Sec. 13. STATEWIDE, INTEGRATED LONGITUDINAL STUDENT

10 DATA AND FINANCIAL REPORTING AND ACCOUNTING

11 SYSTEMS

12 ~~(a) On or before July 1, 2020:~~

13 ~~(1) the Agency of Education shall have fully implemented statewide,~~
14 ~~integrated systems to maintain financial reporting and accounting and~~
15 ~~longitudinal student data (the systems); and~~

16 ~~(2) each Expanded District created pursuant to Secs. 2 through 9 of this~~
17 ~~act shall have the technological ability to provide all requested data to the~~
18 ~~systems and access all data to which they are entitled under State and federal~~
19 ~~privacy laws.~~

1 ~~(b) On or before July 1, 2018, the Agency shall identify all obstacles~~
2 ~~inhibiting a district's ability to comply with subsection (a) of this section and~~
3 ~~shall provide technical support to assist districts to overcome the obstacles.~~

4 * * * Supervisory Unions; Special Education; Transportation * * *

5 Sec. 14. 16 V.S.A. § 261a is amended to read:

6 § 261a. DUTIES OF SUPERVISORY UNION BOARD

7 (a) Duties. The board of each supervisory union shall:

8 * * *

9 (6) ~~provide, or if agreed upon by unanimous vote of the supervisory~~
10 ~~union board, coordinate the provision of~~ special education services on behalf
11 of its member districts and, except as provided in section 144b of this title,
12 compensatory and remedial services, and provide or coordinate the provision
13 of other educational services as directed by the State Board or local boards;
14 ~~provided, however, if a supervisory union determines that services would be~~
15 ~~provided more efficiently and effectively in whole or in part at the district~~
16 ~~level, then it may ask the Secretary to grant it a waiver from this provision;~~

17 (7) employ a person or persons qualified to provide financial and student
18 data management services for the supervisory union and the member districts;

19 (8) provide the following services for the benefit of member districts in
20 a manner that promotes the efficient use of financial and human resources,
21 which shall be provided pursuant to joint agreements under section 267 of this

1 ~~title whenever feasible; provided, however, if a supervisory union determines~~
2 that services would be provided more efficiently and effectively in another
3 manner, then it may ask the Secretary to grant it a waiver from this
4 subdivision:

5 * * *

6 (E) ~~provide transportation or arrange for the provision of~~
7 ~~transportation, or both, in any districts in which it is offered within the~~
8 ~~supervisory union; [Repealed.]~~

9 * * *

10 (11) on or before June 30 of each year, adopt a budget for the ensuing
11 school year; ~~and~~

12 (12) adopt supervisory union-wide truancy policies consistent with the
13 model protocols developed by the commissioner; and

14 ~~(13)-(17) [Repealed.]~~ (13) at the option of the supervisory union board,
15 provide transportation or arrange for the provision of transportation, or both, in
16 any districts in which it is offered within the supervisory union.

17 ~~(14)-(17) [Repealed.]~~

18 Sec. 15. 2010 Acts and Resolves No. 153, Sec. 23(b), as amended by 2011
19 Acts and Resolves No. 30, Sec. 1; 2011 Acts and Resolves No. 58, Sec. 34;
20 and 2012 Acts and Resolves No. 156, Sec. 20, is further amended to read:

1 ~~(b) Secs. 9 through 12 of this act shall take effect on passage and shall be~~
2 ~~fully implemented on July 1, 2013, subject to the provisions of existing~~
3 ~~contracts; provided, however, that the special education provisions of Sec. 9,~~
4 ~~16 V.S.A. § 261a(a)(6), and the transportation provisions of Sec. 9, 16 V.S.A.~~
5 ~~§ 261a(a)(8)(E), shall be fully implemented on July 1, 2014.~~

6 Sec. 16. 2010 Acts and Resolves No. 153, Sec. 18, as amended by 2011 Acts
7 and Resolves No. 30, Sec. 2; 2011 Acts and Resolves No. 58, Sec. 18; 2013
8 Acts and Resolves No. 56, Sec. 23; and 2014 Acts and Resolves No. 92,
9 Sec. 303, is further amended to read:

10 Sec. 18. TRANSITION

11 (a) ~~Each~~ A supervisory union shall provide for any transition of
12 employment of special education and transportation employees by member
13 districts to employment by the supervisory union, ~~pursuant to Sec. 9 of this act,~~
14 ~~16 V.S.A. § 261a(a)(6) and (8)(E), by:~~

15 * * *

16 (b) ~~For purposes of this section and Sec. 9 of this act~~ As used in this
17 section, “special education employee” shall include a special education
18 teacher, a special education administrator, and a special education
19 paraeducator, which means a teacher, administrator, or paraeducator whose job
20 assignment consists of providing special education services directly related to
21 students’ individualized education programs or to the administration of those

1 ~~services. Provided, however, that “special education employee” shall include a~~
2 ~~“special education paraeducator” only if the supervisory union board elects to~~
3 ~~employ some or all special education paraeducators because it determines that~~
4 ~~doing so will lead to more effective and efficient delivery of special education~~
5 ~~services to students. If the supervisory union board does not elect to employ~~
6 ~~all special education paraeducators, it must use objective, nondiscriminatory~~
7 ~~criteria and identify specific duties to be performed when determining which~~
8 ~~categories of special education paraeducators to employ.~~

9 (c) Education-related parties to negotiations under either Title 16 or 21
10 shall incorporate in their current or next negotiations matters addressing the
11 terms and conditions of special education employees.

12 (d) ~~If a supervisory union has not entered into a collective bargaining~~
13 ~~agreement with the representative of its prospective special education~~
14 ~~employees by August 15, 2015, it shall provide the Secretary of Education~~
15 ~~with a report identifying the reasons for not meeting the deadline and an~~
16 ~~estimated date by which it expects to ratify the agreement. [Repealed.]~~

17 Sec. 17. 24 V.S.A. § 5053a(a) is amended to read:

18 (a) ~~For purposes of As used in this section, the term “transferred employee”~~
19 ~~means an employee under this chapter who transitioned from employment~~
20 ~~solely by a school district to employment, wholly or in part, by a supervisory~~

1 ~~union pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) as amended on June 3,~~
2 ~~2010.~~

3 * * * 2010 Acts and Resolves No. 153; Incentives * * *

4 Sec. 18. REPEAL

5 (a) The following are repealed:

6 (1) 2012 Acts and Resolves No. 156, Sec. 2 (reimbursement of up to
7 \$5,000.00 for fees relating to initial exploration of joint activity by school
8 districts or supervisory unions).

9 (2) 2012 Acts and Resolves No. 156, Sec. 4 (reimbursement of up to
10 \$10,000.00 for fees relating to joint activity other than a merger by school
11 districts or supervisory unions).

12 (3) 2012 Acts and Resolves No. 156, Sec. 5 (reimbursement of up to
13 \$20,000.00 in fees relating to analysis of supervisory unions' potential
14 merger).

15 (4) 2012 Acts and Resolves No. 156, Sec. 6 (\$150,000.00 facilitation
16 grant for successful merger of supervisory unions).

17 (5) 2012 Acts and Resolves No. 156, Sec. 11 (facilitation grant for
18 successful merger of school districts other than a RED).

19 (6) 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts
20 and Resolves No. 156, Sec. 13 (financial and other incentives for successful
21 formation of a RED).

1 ~~(b) The provisions of subdivisions (a)(1) and (2) of this section shall not~~
2 apply to reimbursement of costs incurred by a group of districts that submits a
3 completed application to the Agency of Education on or before the effective
4 date of this act.

5 Sec. 19. 2012 Acts and Resolves No. 156, Sec. 9(a) is amended to read:

6 (a) ~~From the education fund, the commissioner of education~~
7 Prekindergarten–Grade 12 School District Special Fund, the Secretary of
8 Education shall reimburse up to \$20,000.00 of fees paid by a study committee
9 established under 16 V.S.A. § 706 for legal and other consulting services
10 necessary to analyze the advisability of creating a union school district or a
11 unified union school district creation of an Expanded District and to prepare
12 the report required by Realignment Plan pursuant to 16 V.S.A. § 706b and
13 this act.

14 * * * North Bennington School District * * *

15 Sec. 20. NORTH BENNINGTON SCHOOL DISTRICT

16 Notwithstanding any other provision of law to the contrary, on the day on
17 which the North Bennington School District ceases to exist as a discrete entity
18 and becomes realigned into an Expanded School District pursuant to the
19 provisions of this act, title to the building that is currently owned by the North
20 Bennington School District and occupied by the Village School of North
21 Bennington shall transfer to the Village of North Bennington.

1 ~~*** Effective Date ***~~

2 Sec. 21. EFFECTIVE DATE

3 ~~This act shall take effect on passage.~~

**** Prekindergarten–Grade 12 School Districts ****

Sec. 1. 16 V.S.A. chapter 135 is added to read:

CHAPTER 135. PREKINDERGARTEN–GRADE 12 EDUCATION

DISTRICTS; REALIGNMENT PROCESS

§ 4051. PURPOSE

This chapter is enacted to encourage and support:

(1) increased equity in the quality and variety of educational opportunities available to students throughout the State in order to enable all Vermont students to acquire 21st Century skills and to decrease the achievement gap between students from different socioeconomic backgrounds;

(2) operational efficiencies, more equitable deployment of resources, and sharing of best practices; and

(3) stronger relationships between schools and the community by fostering stable school leadership and opportunities for community engagement.

§ 4052. REALIGNMENT

As of July 1, 2020, pursuant to the processes and criteria set forth in this chapter, school districts in the State, except interstate school districts,

and supervisory unions shall be realigned into an estimated 45–55 prekindergarten–grade 12 education districts that are responsible for the education of all resident students in prekindergarten–grade 12 and that shall assume the responsibilities currently assigned to supervisory unions.

§ 4053. DEFINITIONS

As used in this chapter:

(1) “Design Team” means the independent nine-member entity created by this chapter to conduct statewide public engagement meetings and develop a preliminary and final proposed Statewide Realignment Plan.

(2) “Education District” means a new district that shall be created from the realignment of existing school districts pursuant to this chapter that shall be responsible for the education of all resident students in prekindergarten–grade 12 through educational opportunities that meet the educational quality standards adopted by the State Board of Education pursuant to section 165 of this title.

(3) “Statewide Realignment Plan” or “the Plan” means the plan developed and adopted pursuant to this chapter by which existing school districts that have not voluntarily realigned into Education Districts shall be realigned.

§ 4054. DESIGN TEAM; CREATION

(a) There is created a Design Team to be composed of nine members who are geographically representative, have a broad range of knowledge of and experience in the Vermont education system and in Vermont communities, and represent diverse points of view, opinions, and interests.

(b) The nine members shall be appointed as follows:

(1) On or before June 1, 2014, the Speaker of the House, the Committee on Committees, and the Governor shall each choose three members. No member of the Design Team shall be a member of the House of Representatives or the Senate during the period of appointment.

(2) In order to ensure the diversity of knowledge, experience, and opinions required by this section, the Speaker, the Committee on Committees, and the Governor, or their designees, shall work collectively to identify potential candidates for appointment.

(3) The Speaker, the Committee on Committees, and the Governor shall jointly appoint one of the nine members to serve as Chair of the Design Team.

(c) The Design Team shall conduct its meetings pursuant to 1 V.S.A. chapter 5, subchapter 2.

(d) The Design Team shall have the authority to delegate to one or more of its members any responsibility or power granted to it in this chapter, provided, however, that no fewer than five of the Design Team members shall be present at the required public engagement meetings.

(e) The Design Team shall have the administrative, technical, and legal assistance of the Agency of Education and the Department of Taxes and may request data and other appropriate assistance from other public bodies, such as the Joint Fiscal Office, and private entities.

(f) Members of the Design Team who are not employees of the State and who are not otherwise compensated or reimbursed for their participation shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

(g) The Design Team shall cease to exist on July 1, 2018.

§ 4055. VOLUNTARY REALIGNMENT

(a) Under the regional education district (RED) process set forth in 2010 Acts and Resolves No. 153, Secs. 2–4, as amended by 2012 Acts and Resolves No. 156, Secs. 1 and 13–17, and further amended by 2013 Acts and Resolves No. 56, Sec. 3, existing school districts may realign into districts that meet specific criteria.

(b) Realignment into a RED follows the process set forth in 16 V.S.A. chapter 11 governing the formation of union school districts, under which existing school districts appoint a study committee and prepare a plan of realignment (the Report). Through creation of the Report, the districts exploring realignment:

(1) decide issues specified in section 706b of this title, including ownership of buildings, representation on the RED board, and whether votes on the budget and other issues will be by Australian ballot;

(2) decide issues of particular interest to the local communities, such as the conditions under which the RED would be permitted to close an existing school building; and

(3) provide for the election of an initial RED board prior to the first day of the RED's existence in order to transition to the new structure by negotiating and entering into contracts, preparing an initial proposed budget, hiring a superintendent, adopting policies, and otherwise planning for the RED's implementation.

(c) In addition, the Report shall address how the proposed district shall meet the requirements of an Education District that are itemized in subdivision 4056(b)(10) of this chapter.

(d) If the Report is approved by both the State Board and the electorate of the districts, it shall become the RED's articles of agreement.

(e) If the electorate of two or more districts approves a Report pursuant to the RED process on or before July 1, 2017, then the Statewide Realignment Plan shall not realign the RED and the RED shall be an Education District under the Plan; provided, however, pursuant to criteria identified by the

Design Team, realignment is permissible if necessary to accommodate another existing district that:

(1) would become geographically isolated or would otherwise be an inappropriate member of any other potential Education District; and

(2) is an appropriate member of the RED.

§ 4056. STATEWIDE REALIGNMENT PLAN; ELEMENTS

(a) Guidelines. The Statewide Realignment Plan shall be informed by the public meetings and other public engagement processes required by sections 4058 and 4059 of this chapter and shall be designed to recognize:

(1) each community's unique character;

(2) the tradition of community participation in the adoption of school budgets;

(3) historic relationships among communities;

(4) existing connections between school districts;

(5) ongoing discussions between school districts engaged in the RED process;

(6) potential obstacles caused by geography; and

(7) to the extent possible, the effect that national Forest Service funds paid pursuant to section 557 of this title and other unique revenue sources have on public education and education property tax rates.

(b) Requirements. Subject to the provisions of sections 4055 and 4057 of this chapter, an Education District shall:

(1) be responsible for the education of all resident prekindergarten–grade 12 students through educational opportunities that meet the educational quality standards adopted by the State Board of Education pursuant to section 165 of this title;

(2) have an average daily membership of at least 1,000 students or result from the realignment of at least four existing districts, or both, as may be adjusted by the flexibility authority in subsection 4057(c) of this title;

(3) be governed by no more than one elected board;

(4) adopt one districtwide budget;

(5) have a common, districtwide education property tax rate;

(6) negotiate districtwide collective bargaining agreements and employ all licensed and nonlicensed personnel as employees of the new district;

(7) be the local education agency as that term is defined in 20 U.S.C. § 7801(26);

(8) account for and report financial information in accordance with Generally Accepted Accounting Principles and in a manner that promotes transparency and public accountability and supports a statewide integrated data collection system;

(9) operate one or more career technical education (CTE) centers or enter into an agreement for resident students to attend one or more CTE centers not operated by the district, or both; and

(10) be designed to:

(A) maximize the effective, flexible, and efficient use of fiscal, human, and facility resources to support student achievement and success;

(B) foster stable leadership by developing and supporting both school and district leaders;

(C) hire, train, support, and retain excellent administrators, teachers, and staff;

(D) promote budgetary stability leading to less volatility for taxpayers;

(E) account for and report financial information in accordance with Generally Accepted Accounting Principles and in a manner that promotes transparency and public accountability and supports a statewide integrated data collection system; and

(F) promote a shared commitment to a strong, flexible, and coherent system.

(c) Initial articles of agreement and other transitional issues. Among other things, the Statewide Plan:

(1) shall include one or more models of initial articles of agreement addressing issues required by section 706b of this title that will govern the actions of the Education Districts that were not created during the voluntary realignment process until such time as each Education District adopts its own amended articles, including the method of apportioning the representation on the Education District's board, whether votes on the budget and other issues will be by Australian ballot, and the conditions under which the Education District would be authorized to close a school building;

(2) shall establish transition procedures and guidance necessary for the creation of each Education District, including provisions for:

(A) the election of an initial education board prior to the first day of the Education District's existence in order to transition to the new structure by negotiating and entering into contracts, preparing an initial proposed budget, hiring a superintendent, adopting policies, and otherwise planning for the District's implementation;

(B) assumption of debt;

(C) ownership and management of property;

(D) the transition of employees to the new employer, including membership in collective bargaining units; and

(E) creation, at the Education District's option, of school-based community councils designed to build partnerships among families, staff, and the community and strong community involvement; and

(3) shall ensure that no school employee subject to employment transition under the Plan will experience a detrimental change in status within the Vermont Municipal Employees' Retirement System.

(d) Tax rates. During each of the first three years after realignment into an Education District created by the Plan:

(1) the equalized homestead property tax rate for each town within an Education District shall not increase or decrease by more than five percent in a single year; and

(2) the household income percentage shall not increase or decrease by more than five percent in a single year.

§ 4057. STATEWIDE REALIGNMENT PLAN; PROTECTION FOR TUTIONING DISTRICTS AND OPERATING DISTRICTS; FLEXIBILITY; STATEMENT OF INTENT

(a) Tuitioning districts. The Statewide Realignment Plan shall preserve the ability of a district that, as of the effective date of this act, 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 and shall not require the district

to limit the options available to students when it ceases to exist as a discrete entity and becomes realigned into an Education District.

(b) Operating districts. The Plan shall preserve the ability of a district that, as of the effective date of this act, provides for the education of all resident students in one or more grades 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 and shall not require the district to pay tuition for students when it ceases to exist as a discrete entity and becomes realigned into an Education District.

(c) Flexibility.

(1) If the requirements in subsections (a) and (b) of this section preclude creation of an Education District that has an average daily membership of at least 1,000 students, then the Plan may create an alternative governance structure providing common services to two prekindergarten–grade 12 districts: one existing or newly realigned district that operates one or more public schools offering elementary and secondary education and one existing or newly realigned district that pays tuition for some or all grades.

(2) If other factors preclude creation of an Education District that has an average daily membership of at least 1,000 students, then the Plan may create an Education District that does not meet that criterion provided that the

District otherwise meets the criteria of an Education District and furthers the purposes of this chapter.

(d) Statement of intent. Nothing in this chapter shall be construed to restrict or repeal, or to authorize the restriction or repeal of, the ability of a school district that, as of the effective date of this act, 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.

§ 4058. PRELIMINARY STATEWIDE REALIGNMENT PLAN

(a) On or before April 1, 2017, the Design Team shall:

(1) within the boundaries of each supervisory union, consult with members of school boards, parents, students, school administrators, teachers and other school staff, public and private entities that regularly collaborate with schools, and other local education and community leaders;

(2) conduct no fewer than ten facilitated public engagement meetings throughout the State, which:

(A) include an overview by the facilitator of the objectives and fundamental features of a 21st Century learning model;

(B) solicit public comments that identify individual and community visions, values, and goals relating to Vermont's education system; and

(C) provide Vermonters the opportunity to comment on and inform development of the prekindergarten–grade 12 realignment process;

(3) conduct independent research and seek data, advice, and assistance from any individual and any public or private entity to inform development of the Plan;

(4) develop the preliminary Plan that reflects public comments and pertinent educational research and related models, which shall include:

(A) a description of the State's vision for the characteristics and delivery of prekindergarten–grade 12 education in Vermont;

(B) a schedule and process by which transition to the new districts shall be fully implemented on or before July 1, 2020;

(C) a process, distinct from the additional public engagement meetings required in subsection 4059(a) of this chapter, by which a district can request a change in its proposed placement within an Education District or otherwise voice unique concerns prior to adoption of the final Plan;

(5) make the preliminary Plan available to the public; and

(6) submit the preliminary Plan to the State Board and the General Assembly for review.

(b) Within 28 days of receipt, the Joint Fiscal Office shall review the preliminary Plan and prepare a fiscal note to assist the General Assembly and the public to conduct informed deliberations on the preliminary Plan. The fiscal note shall contain an estimate of the effect of the Plan upon the expenditures or revenues of the State and school districts for fiscal year 2021 and for the next five succeeding years

§ 4059. FINAL STATEWIDE REALIGNMENT PLAN

(a) Between April 1, 2017 and November 1, 2017, the Design Team shall:

(1) conduct no fewer than ten public engagement meetings throughout the State and consult with local educational and community leaders to obtain opinions and comments on the preliminary Statewide Realignment Plan;

(2) conduct any additional independent research and seek any additional data, advice, and assistance the Design Team determines to be necessary to inform development of the final Statewide Realignment Plan;

(3) conduct the process by which a district can request a change in its proposed placement;

(4) consult with the State Board of Education; and

(5) develop a final Statewide Realignment Plan, which shall include a description of the State's vision for education and a detailed process and time line by which transition to the new districts will be fully implemented on or before July 1, 2020.

(b) On or before November 1, 2017, the Design Team shall submit the final Plan to the State Board, which shall post it on its website.

(c) On or before January 1, 2018:

(1) the State Board shall submit the final Plan with the Board's recommendations to the General Assembly: and

(2) the Joint Fiscal Office shall review the final Plan and prepare a fiscal note to assist the General Assembly and the public to conduct informed deliberations on the final Plan. The fiscal note shall contain an estimate of the effect of the Plan upon the expenditures or revenues of the State and school districts for fiscal year 2021 and for the next five succeeding years.

(d) The final Statewide Realignment Plan presented to the General Assembly shall take effect on July 1, 2018 when the General Assembly enacts it, or an amended plan, into law.

§ 4060. ACCOUNTABILITY

On or before July 1, 2016:

(1) the Agency of Education shall have fully implemented statewide, integrated systems to maintain financial reporting and accounting data and longitudinal student data that are designed to measure and to compare on a district-to-district basis:

(A) the quality and variety of educational opportunities available to students throughout the State;

(B) student outcomes; and

(C) financial costs; and

(2) each supervisory union and school district shall have the technological ability to provide all requested data to both data systems and access all data to which they are entitled under State and federal privacy laws, and shall follow protocols to be developed by the Agency by which they transition the data systems, if necessary, to the Education Districts.

§ 4061. TRANSITIONAL PROVISIONS

(a) As used in this section, “realigning districts” means the school districts and the supervisory union, supervisory unions, or portions of supervisory unions that compose an Education District created under the RED process pursuant to section 4055 of this chapter or under the Statewide Realignment Plan.

(b) Prior to the first day of the Education District’s existence, upon the election of the initial transitional board, the board shall:

(1) appoint a negotiations council for the purpose of negotiating with future employees’ representatives; and

(2) recognize the representatives of the employees of the realigning districts as the recognized representatives of the employees of the Education District.

(c) Negotiations shall commence within 90 days after formation of the initial transitional board and shall be conducted pursuant to the provisions of 16 V.S.A. chapter 57 for teachers and administrators and pursuant to 21 V.S.A. chapter 22 for other employees.

(d) An employee of a realigning district who was not a probationary employee shall not be considered a probationary employee of the Education District.

(e) If a new agreement is not ratified by both parties prior to July 1, 2020, or the first day of the Education District's existence if earlier than July 1, 2020:

(1) the parties shall comply with the existing agreements in place in each of the realigning districts until a new agreement is reached;

(2) the parties shall adhere to the provisions of an agreement among the employees, as represented by their respective recognized representatives, regarding how provisions under the existing contracts regarding issues of seniority, reduction in force, layoff, and recall will be reconciled during the period prior to ratification of a new agreement; and

(3) a new employee beginning employment after July 1, 2020, or the first day of the Education District's existence if earlier than July 1, 2020, shall be covered by the agreement in effect that applies to the largest bargaining unit among the realigning districts in that Education District.

(f) On the first day of its existence, the Education District shall assume the obligations of existing individual employment contracts between the realigning districts and their employees.

§ 4062. INNOVATION

During and after the creation of Education Districts under this chapter, districts are encouraged to explore innovative ways to expand learning opportunities for students and to seek waivers of State Board rules or other legal requirements that inhibit implementation. Innovations may address any area of education policy, including instructional practices and principles; the use of technology and data systems to improve instruction and expand learning opportunities; services provided to discrete populations of students, including gifted and talented students, students with limited English proficiency, students not demonstrating adequate academic growth, and students at risk of academic failure or expulsion; early education and school readiness; and preparation and counseling of students for postsecondary education, training, and employment.

§ 4063. GUIDELINES AND FLEXIBLE, ALTERNATIVE MODELS;
ACCOUNTABILITY

(a) Guidelines; models. The Agency of Education, in consultation with the Design Team, shall revise and add to the existing template developed in connection with the RED process to provide meaningful guidance and flexible,

alternative models to districts pursuing voluntary realignment under this chapter and districts created under the Statewide Realignment Plan on issues including voting and representation on Education District boards; tax rates; the funding and payment structure for career technical education (CTE) centers by new districts created under this chapter that do not operate a center and the governance structure of CTE districts; municipal ownership of school-related property; procedures for voting on a districtwide budget; and unique matters relating to existing incorporated school districts. The Agency and Design Team shall update these materials as necessary until full implementation of the Education Districts.

(b) Performance indicators; accountability.

(1) The Agency, in consultation with the State Board of Education, shall develop criteria by which to measure requirements itemized in subdivision 4056(b)(10) of this chapter in order to:

(A) provide guidance:

(i) to school districts pursuing voluntary realignment pursuant to section 4055 of this chapter;

(ii) to the State Board when reviewing reports under the voluntary realignment phase and the preliminary and final Statewide Realignment Plans; and

(iii) in the development of the Statewide Realignment Plan; and

(B) measure performance and ensure accountability after districts transition to an Education District.

(2) On or before January 1, 2015, the Agency shall complete the work required under subdivision (1) of this subsection and present a detailed explanation of the performance indicators to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance for review and potential adoption of legislation that would provide guidance during the realignment process and clarification of State policy.

** * * Joint Action and Regional Education Districts; Incentives * * **

Sec. 2. REIMBURSEMENT OF FEES AND INCENTIVE GRANTS

Nothing in this act shall be construed to restrict or repeal the following:

(1) 2012 Acts and Resolves No. 156, Sec. 2 (reimbursement of up to \$5,000.00 for fees relating to initial exploration of joint activity by school districts or supervisory unions).

(2) 2012 Acts and Resolves No. 156, Sec. 4 (reimbursement of up to \$10,000.00 for fees relating to joint activity other than a merger by school districts or supervisory unions).

(3) 2012 Acts and Resolves No. 156, Sec. 5 (reimbursement of up to \$20,000.00 in fees relating to analysis of supervisory unions' potential merger).

(4) 2012 Acts and Resolves No. 156, Sec. 6 (\$150,000.00 facilitation grant for successful merger of supervisory unions).

(5) 2012 Acts and Resolves No. 156, Sec. 11 (facilitation grant for successful merger of school districts other than a RED).

(6) 2012 Acts and Resolves No. 156, Sec. 9 (reimbursement of up to \$20,000.00 in fees relating to merger of school districts).

Sec. 2a. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012 Acts and Resolves No. 156, Sec. 1, is further amended to read:

(a) Program created. There is created a school district merger incentive program under which the incentives outlined in Sec. 4 of this act shall be available to each new unified union school district created pursuant to Sec. 3 of this act and to each new district created under Sec. 3 of this act by the merger of districts that provide education by paying tuition; and to the Vermont members of any new interstate school district if the Vermont members jointly satisfy the size criterion of Sec. 3(a)(1) of this act and the new, merged district meets all other requirements of Sec. 3 of this act. Incentives shall be available, however, only if the ~~effective date of merger is~~ electorate approves the merger on or before July 1, 2017.

Sec. 2b. 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13, is further amended to read:

Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

* * *

(h) This section is repealed on July 1, ~~2017~~ 2024.

** * * Supervisory Unions; Special Education; Transportation * * **

Sec. 3. 16 V.S.A. § 261a is amended to read:

§ 261a. DUTIES OF SUPERVISORY UNION BOARD

(a) Duties. The board of each supervisory union shall:

* * *

(6) provide, or if agreed upon by unanimous vote of the supervisory union board, coordinate the provision of special education services on behalf of its member districts and, except as provided in section 144b of this title, compensatory and remedial services, and provide or coordinate the provision of other educational services as directed by the State Board or local boards; provided, however, if a supervisory union determines that services would be provided more efficiently and effectively in whole or in part at the district level, then it may ask the Secretary to grant it a waiver from this provision;

(7) employ a person or persons qualified to provide financial and student data management services for the supervisory union and the member districts;

(8) provide the following services for the benefit of member districts in a manner that promotes the efficient use of financial and human resources, which shall be provided pursuant to joint agreements under section 267 of this

title whenever feasible; provided, however, if a supervisory union determines that services would be provided more efficiently and effectively in another manner, then it may ask the Secretary to grant it a waiver from this subdivision:

* * *

(E) ~~provide transportation or arrange for the provision of transportation, or both in any districts in which it is offered within the supervisory union; [Repealed.]~~

* * *

(11) on or before June 30 of each year, adopt a budget for the ensuing school year; ~~and~~

(12) adopt supervisory union-wide truancy policies consistent with the model protocols developed by the commissioner; and

~~(13)-(17) [Repealed.]~~ (13) at the option of the supervisory union board, provide transportation or arrange for the provision of transportation, or both, in any districts in which it is offered within the supervisory union.

(14)-(17) [Repealed.]

Sec. 4. 2010 Acts and Resolves No. 153, Sec. 23(b), as amended by 2011 Acts and Resolves No. 30, Sec. 1; 2011 Acts and Resolves No. 58, Sec. 34; and 2012 Acts and Resolves No. 156, Sec. 20, is further amended to read:

(b) Secs. 9 through 12 of this act shall take effect on passage and shall be fully implemented on July 1, 2013, subject to the provisions of existing contracts; provided, however, that the special education provisions of Sec. 9, 16 V.S.A. § 261a(a)(6), and the transportation provisions of Sec. 9, 16 V.S.A. § 261a(a)(8)(E), shall be fully implemented on July 1, 2014.

Sec. 5. 2010 Acts and Resolves No. 153, Sec. 18, as amended by 2011 Acts and Resolves No. 30, Sec. 2; 2011 Acts and Resolves No. 58, Sec. 18; 2013 Acts and Resolves No. 56, Sec. 23; and 2014 Acts and Resolves No. 92, Sec. 303, is further amended to read:

Sec. 18. TRANSITION

(a) ~~Each~~ A supervisory union shall provide for any transition of employment of special education and transportation employees by member districts to employment by the supervisory union, ~~pursuant to Sec. 9 of this act, 16 V.S.A. § 261a(a)(6) and (8)(E)~~, by:

** * **

(b) ~~For purposes of this section and Sec. 9 of this act~~ As used in this section, “special education employee” shall include a special education teacher, a special education administrator, and a special education paraeducator, which means a teacher, administrator, or paraeducator whose job assignment consists of providing special education services directly related to students’ individualized education programs or to the administration of

those services. Provided, however, that “special education employee” shall include a “special education paraeducator” only if the supervisory union board elects to employ some or all special education paraeducators because it determines that doing so will lead to more effective and efficient delivery of special education services to students. If the supervisory union board does not elect to employ all special education paraeducators, it must use objective, nondiscriminatory criteria and identify specific duties to be performed when determining which categories of special education paraeducators to employ.

(c) Education-related parties to negotiations under either Title 16 or 21 shall incorporate in their current or next negotiations matters addressing the terms and conditions of special education employees.

~~(d) If a supervisory union has not entered into a collective bargaining agreement with the representative of its prospective special education employees by August 15, 2015, it shall provide the Secretary of Education with a report identifying the reasons for not meeting the deadline and an estimated date by which it expects to ratify the agreement. [Repealed.]~~

Sec. 6. 24 V.S.A. § 5053a(a) is amended to read:

(a) ~~For purposes of~~ As used in this section, the term “transferred employee” means an employee under this chapter who transitioned from employment solely by a school district to employment, wholly or in part, by a

supervisory union pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) ~~as amended on June 3, 2010.~~

** * * Ownership of School Buildings * * **

Sec. 7. OWNERSHIP OF SCHOOL BUILDINGS; TRANSFER OF TITLE

Notwithstanding any other provision of law to the contrary, in each of the following situations, title to real property owned by a school district shall transfer to the municipality that is not a school district in which the property is located unless the electorate of the municipality votes not to accept ownership:

(1) if existing school districts choose to discontinue use of the property as a school building as part of realignment into an Education District;

(2) if an Education District chooses to discontinue use of the property as a school building at any time after realignment occurs; or

(3) if, at the time of realignment, the property is owned by a school district that does not operate a school.

** * * Education Mandates; Funding * * **

Sec. 7a. 16 V.S.A. § 4028(d) is added to read:

(d) On or before July 1 of each year, the Joint Fiscal Office shall determine the total amount of new unfunded mandates imposed on supervisory unions and school districts for the coming fiscal year. The Joint Fiscal Office shall present this total to the Joint Fiscal Committee at its July meeting. The Joint Fiscal Committee shall review and approve the total, and that amount shall

then be added to the General Fund transfer in subdivision 4025(a)(2) of this title for that fiscal year and after. As used in this subsection, an “unfunded mandate” means a State statute or State regulation that requires a supervisory union or school district to perform certain actions, but with no money or funding mechanism in place for fulfilling the requirement.

** * * Special Fund; Appropriations; Positions * * **

Sec. 8. PREKINDERGARTEN–GRADE 12 DISTRICT SPECIAL FUND

(a) There is created a special fund pursuant to 32 V.S.A. chapter 7, subchapter 5, comprising sums deposited into this account and interest accruing to the Fund. Any remaining balance at the end of the fiscal year shall be carried forward in the Fund.

(b) Monies in the Fund shall be available to the Agency of Education to be used to support the purposes of this act as follows:

(1) to support the work of the Agency to provide technical assistance to districts during the voluntary realignment process;

(2) to support the work of the State Board of Education during the voluntary realignment process and to review and prepare recommendations regarding the Statewide Realignment Plan;

(3) to support the work of the Design Team created in Sec. 1, 16 V.S.A. § 4054, of this act to monitor the voluntary realignment process, to conduct

public hearings and other public engagement activities, and to develop the preliminary and final Plans;

(4) to contract for technical assistance from recognized experts on behalf of the Design Team, including for the services of a skilled facilitator with deep experience in public policy at the community and State levels for the ten or more public hearings preceding development of the preliminary Plan; and

(5) to reimburse up to \$20,000.00 in fees incurred by groups of districts during the voluntary realignment process pursuant to 2012 Acts and Resolves No. 156, Sec. 9.

(c) The fund shall be known as the Prekindergarten–Grade 12 District Special Fund.

(d) This section and the Fund it creates are repealed on July 1, 2024.

Sec. 9. POSITIONS; AGENCY OF EDUCATION

The General Assembly authorizes the establishment of four new limited service positions in the Agency of Education in fiscal year 2015 as follows:

(1) one clerical position to provide assistance primarily to the Design Team created in Sec. 1 of this act; and

(2) three analyst positions to provide technical assistance to school districts during the voluntary realignment process and after adoption of the Statewide Realignment Plan, to the State Board, and to the Design Team.

Sec. 10. TRANSFERS

(a) The sum of \$2,069,175.00 is transferred in fiscal year 2014 from the Supplemental Property Tax Relief Fund created by 32 V.S.A. § 6075 to the Prekindergarten–Grade 12 District Special Fund for use in fiscal years 2015 and 2016.

(b) The sum of \$329,000.00 in unexpended monies appropriated to support the purposes of 2010 Acts and Resolves No. 153 and 2012 Acts and Resolves No. 156 is transferred in fiscal year 2014 and may be carried forward to fiscal year 2015 for the purpose of funding the positions and activities authorized under Secs. 8 and 9 of this act.

Sec. 11. PREKINDERGARTEN–GRADE 12 DISTRICT APPROPRIATIONS

The following sums are appropriated from the Prekindergarten–Grade 12 District Special Fund to the Agency of Education in fiscal year 2015:

- (1) the sum of \$362,650.00 for personal services;
- (2) the sum of \$53,575.00 for operational expenses; and
- (3) the sum of \$351,000.00 for grant funding for districts.

*Sec. 12. EDUCATION ANALYST; UNIFORM CHART OF ACCOUNTS;
BUSINESS MANAGER HANDBOOK AND TRAINING; SOFTWARE
SPECIFICATIONS*

Secs. 8–11 of this act are intended to be in addition to, and to work in concert with, those sections of 2014 Acts and Resolves No. _____ (H.889)

(education tax) regarding an education analyst who shall create tools and indicators for State and local education decision makers and a contract for development and completion of a uniform chart of accounts; an updated, comprehensive accounting manual, with related business rules, for school district business managers; related training programs; and specifications for school financial software.

** * * Analysis * * **

Sec. 13. REGIONAL EDUCATION DISTRICTS; ANALYSIS; REPORT

(a) The State Board of Education, in consultation with the Agency of Education, the Vermont School Boards Association, and school districts, shall identify at least three groups of school districts (Test Sites) in different regions of the State for an analysis of potential regional education district (RED) formation pursuant to 2010 Acts and Resolves No. 153, as amended by 2012 Acts and Resolves No. 156. Both the school districts consulted and those analyzed shall be diversely representative of geography, size, socioeconomics, and other factors, including extreme complexity.

(b) The State Board shall comprehensively analyze the educational and financial benefits and detriments of consolidation in each of the three Test Sites, including a review of curriculum, course offerings, special programs, budgets, class sizes and student-to-adult ratios, collective bargaining agreements, district educational policies, relationships between schools and

the community, and other important factors identified during the process. When analyzing financial costs, and for the purposes of modeling only, the State Board shall assume that employees within a RED bargaining unit shall receive compensation pursuant to the highest-paying fiscal year 2015 compensation schedule of the original districts. The State Board shall develop a possible administrative structure and budget for the RED, as well as an estimate of a unified education property tax rate for each of the Test Sites using data from fiscal year 2015 district budgets. The State Board shall also explore alternative governance structures for the REDs and shall consider constitutionally sound alternatives, such as weighted and nonweighted voting board members.

(c) When it has finished its analysis, but before it has issued a final report, the State Board shall meet with the communities analyzed under this section to present and discuss the results of its work.

(d) The State Board shall provide a final report of its analysis to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance on or before January 15, 2015. The final report shall serve to inform future legislation related to the consolidation of existing school districts into larger prekindergarten–grade 12 REDs.

** * * Effective Date * * **

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Sec. 14. EFFECTIVE DATE

This act shall take effect on passage.