

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on \_\_\_\_\_ to which was referred House Bill  
3 No. 883 entitled “An act relating to expanded prekindergarten–grade 12 school  
4 districts” respectfully reports that it has considered the same and recommends  
5 that the bill be amended by striking out all after the enacting clause and  
6 inserting in lieu thereof the following:

7 \* \* \* Prekindergarten–Grade 12 School Districts \* \* \*

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

9 CHAPTER 135. PREKINDERGARTEN–GRADE 12 SCHOOL DISTRICTS;

10 REALIGNMENT PROCESS

11 § 4051. PURPOSE **[tried to incorporate concepts into HWM’s statement –**  
12 **needs work!]**

13 This chapter is enacted to encourage and support:

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

18 (2) operational efficiencies and cost savings through greater economies  
19 of scale and a more efficient deployment of resources; and

20 (3) stronger relationships between schools and the community by  
21 supporting school leadership and opportunities for community engagement.

1 **§ 4052.** REALIGNMENT

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

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

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

9 **§ 4053.** DEFINITIONS

10 As used in this chapter:

11 (1) “Expanded District” means a new school district that shall be created  
12 from the realignment of existing school districts pursuant to this chapter that  
13 shall be responsible for the education of all resident students in  
14 prekindergarten–grade 12 through educational opportunities that meet the  
15 educational quality standards adopted by the State Board of Education  
16 pursuant to 16 V.S.A. § 165..

17 (2) “Design Team” means the independent nine-member entity created  
18 by this chapter to conduct statewide public hearings and develop a preliminary  
19 and final proposed Statewide Realignment Plan.

20 (3) “Statewide Realignment Plan” or “the Plan” means the plan  
21 developed and adopted pursuant to this chapter by which existing school

1 districts that have not voluntarily realigned into Expanded Districts shall be  
2 realigned.

3 **§ 4054. DESIGN TEAM; CREATION**

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

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

9 (1) On or before June 1, 2014, the Speaker of the House, the Committee  
10 on Committees, and the Governor shall each choose three members. One of  
11 the members selected by the Speaker and one of the members selected by the  
12 Committee on Committees shall have experience serving on a school board in  
13 Vermont. One of the members selected by the Governor shall be the Chair of  
14 the State Board of Education or the Chair's designee. No member of the  
15 Design Team shall be a member of the House of Representatives or the Senate  
16 during the period of appointment.

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

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

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

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

9           (e) The Design Team shall have the administrative, technical, and legal  
10           assistance of the Agency of Education.

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

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

16           **§ 4055. VOLUNTARY REALIGNMENT**

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

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

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

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

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

17          (c) If the Report is approved by both the State Board and the electorate of  
18          the districts, it becomes the RED’s articles of agreement.

19          (d) If the electorate of two or more districts approves a Report pursuant to  
20          the RED process on or before July 1, 2017, then the Statewide Realignment  
21          Plan shall not realign the RED and the RED shall be an Expanded District

1 under the Plan; provided, however, realignment is permissible if necessary to  
2 accommodate another existing district that:

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

5 (2) is an appropriate member of the RED.

6 **§ 4056. STATEWIDE REALIGNMENT PLAN; ELEMENTS**

7 (a) **Guidelines.** The Statewide Realignment Plan shall be informed by the  
8 public hearings and other public engagement processes required by sections  
9 4058 and 4059 of this chapter and shall be designed to recognize:

10 (1) each community's unique character;

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

13 (3) historic relationships among communities;

14 (4) existing connections between school districts;

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

17 (6) potential obstacles caused by geography; and

18 (7) to the extent possible, the effect that national forest service funds  
19 paid pursuant to 16 V.S.A. § 557 and other unique revenue sources have on  
20 public education and education property tax rates.

- 1       (b) **Requirements.** Subject to the provisions of **sections 4055 and 4057** of  
2       this chapter, an Expanded District shall:
- 3               (1) be responsible for the education of all resident prekindergarten–  
4       grade 12 students through educational opportunities that meet the educational  
5       quality standards adopted by the State Board of Education pursuant to  
6       16 V.S.A. § 165;
- 7               (2) [endeavor to have] have an average daily membership of [between  
8       1,000/1,250 and 4,000] students [or result from the realignment of at least  
9       four existing districts, or both]; **[did you make a decision about (1)??]**
- 10              (3) be governed by no more than one elected school board;
- 11              (4) adopt one district budget;
- 12              (5) have a common, districtwide education property tax rate;
- 13              (6) negotiate districtwide collective bargaining agreements and employ  
14       all licensed and nonlicensed personnel as employees of the new district;
- 15              (7) be the local education agency as that term is defined in 20 U.S.C.  
16       § 7801(26);
- 17              (8) account for and report financial information in accordance with  
18       Generally Accepted Accounting Principles and in a manner that promotes  
19       transparency and public accountability and supports a statewide integrated data  
20       collection system; and

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

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

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

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

21           (B) assumption of debt;

1           (C) ownership of property;

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

4           (E) creation, at the Expanded District’s option, of school-based  
5           community councils designed to build partnerships among families, staff, and  
6           the community and strong community involvement; and

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

10          (d) **Tax rates.** During each of the first three years of realignment under the  
11          Plan:

12           (1) the equalized homestead property tax rate for each town within a  
13           new supervisory district shall not increase or decrease by more than five  
14           percent in a single year; and

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

17          **§ 4057. STATEWIDE REALIGNMENT PLAN; PROTECTIONS;**

18           FLEXIBILITY; STATEMENT OF INTENT

19           (a) Tuitioning districts. The Statewide Realignment Plan shall preserve the  
20           ability of a district that, as of the effective date of this act, provides for the  
21           education of all resident students in one or more grades by paying tuition on

1 the students' behalf, to continue to provide education by paying tuition on  
2 behalf of all students in the grade or grades and shall not require the district to  
3 limit the options available to students when it ceases to exist as a discrete  
4 entity and becomes realigned into an Expanded District.

5 (b) Operating districts. The Plan shall preserve the ability of a district that,  
6 as of the effective date of this act, provides for the education of all resident  
7 students in one or more grades by operating a school offering the grade or  
8 grades, to continue to provide education by operating a school for all students  
9 in the grade or grades and shall not require the district to pay tuition for  
10 students when it ceases to exist as a discrete entity and becomes realigned into  
11 an Expanded District.

12 (c) Flexibility.

13 (1) If the requirements in subsections (a) and (b) of this section preclude  
14 creation of an Expanded District that has an average daily membership of at  
15 least 1,250 students or that results from the realignment of four or more  
16 existing districts, then the Plan may create a supervisory union with two  
17 prekindergarten–grade 12 districts: one existing or newly realigned district  
18 that operates one or more public schools offering elementary and secondary  
19 education and one existing or newly realigned district that pays tuition for  
20 some or all grades.

1           (2) If other insurmountable factors preclude creation of an Expanded  
2           District that has an average daily membership of at least 1,250 students or that  
3           results from the realignment of four or more existing districts, then the Plan  
4           may create an Expanded District that does not meet those criteria provided that  
5           the District otherwise meets the criteria and furthers the purposes of this  
6           chapter.

7           (d) Statement of intent. Nothing in this chapter shall be construed to  
8           restrict or repeal, or to authorize the restriction or repeal of, the ability of a  
9           school district that, as of the effective date of this act, provides for the  
10           education of all resident students in one or more grades:

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

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

15           **§ 4058. PRELIMINARY STATEWIDE REALIGNMENT PLAN**

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

17           (1) consult with local education leaders, including members of school  
18           boards in every supervisory union;

19           (2) conduct no fewer than ten public hearings throughout the State to  
20           inform development of the Statewide Realignment Plan;

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

4           (4) develop a preliminary Plan, which shall include:

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

7                   (B) a process, distinct from the additional public hearings required in  
8                   subsection **4059(a)** of this chapter, by which a district can request a change in  
9                   its proposed placement within an Expanded District or otherwise voice  
10                  concerns prior to adoption of the final Plan;

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

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

14                  (b) Within **28 days** of receipt, the Joint Fiscal Office shall review the  
15                  preliminary Plan and prepare a fiscal note to assist the General Assembly and  
16                  the public to conduct informed deliberations on the preliminary Plan. The  
17                  fiscal note shall contain an estimate of the effect of the Plan upon the  
18                  expenditures or revenues of the State and school districts for fiscal year 2019  
19                  and for the next five succeeding years

20                  **§ 4059. FINAL STATEWIDE REALIGNMENT PLAN**

21                  (a) Between April 1, 2017 and January 1, 2018, the Design Team shall:

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

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

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

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

10           (4) develop a final Statewide Realignment Plan, which shall include a  
11           detailed process and time line by which transition to the new districts will be  
12           fully implemented on or before July 1, 2020.

13           (b) On or before **November 1, 2018**, the Design Team shall submit the final  
14           Plan to the State Board, which shall post it on its website.

15           (c) On or before **January 1, 2018**:

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

18           (2) the Joint Fiscal Office shall review the final Plan and prepare a fiscal  
19           note to assist the General Assembly and the public to conduct informed  
20           deliberations on the final Plan. The fiscal note shall contain an estimate of the

1 effect of the Plan upon the expenditures or revenues of the State and school  
2 districts for fiscal year 2019 and for the next five succeeding years.

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

6 **§ 4060. ACCOUNTABILITY** **[is this what you're looking for?]**

7 On or before July 1, 2016:

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

12 (A) the quality and variety of educational opportunities available to  
13 students throughout the state;

14 (B) student outcomes; and

15 (C) financial costs; and

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

19 **§ 4061. TRANSITIONAL PROVISIONS**

20 (a) As used in this section, “realigning districts” means the school districts  
21 and the supervisory union, supervisory unions, or portions of supervisory

1 unions that compose an Expanded District created under the RED process  
2 pursuant to section 4055 of this chapter or under the Statewide Realignment  
3 Plan. *[repeal old law or allow this to supersede it?]*

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

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

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

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

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

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

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

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

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

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

13          **§ 4062. INNOVATION**

14          During and after the creation of Expanded Districts under this chapter,  
15          districts are encouraged to explore innovative ways to expand opportunities for  
16          students and to seek waivers of State Board rules or other legal requirements  
17          that inhibit implementation. Innovations may address any area of education  
18          policy, including instructional practices and principles; the use of technology  
19          and data systems to improve instruction and expand learning opportunities;  
20          services provided to discrete populations of students, including gifted and  
21          talented students, students with limited English proficiency, and students at

1 risk of academic failure or expulsion; early education and school readiness;  
2 and preparation and counseling of students for postsecondary education,  
3 training, and employment.

4 \* \* \* Regional Education Districts and Other Joint Action; Incentives \* \* \*

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

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

17 **Sec. 3.** 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts and  
18 Resolves No. 156, Sec. 13

19 Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

20 \* \* \*

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

1 **Sec. 4.** REIMBURSEMENT OF FEES AND INCENTIVE GRANTS

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

3 (1) 2012 Acts and Resolves No. 156, Sec. 2 (reimbursement of up to  
4 \$5,000.00 for fees relating to initial exploration of joint activity by school  
5 districts or supervisory unions).

6 (2) 2012 Acts and Resolves No. 156, Sec. 4 (reimbursement of up to  
7 \$10,000.00 for fees relating to joint activity other than a merger by school  
8 districts or supervisory unions).

9 (3) 2012 Acts and Resolves No. 156, Sec. 5 (reimbursement of up to  
10 \$20,000.00 in fees relating to analysis of supervisory unions' potential  
11 merger).

12 (4) 2012 Acts and Resolves No. 156, Sec. 6 (\$150,000.00 facilitation  
13 grant for successful merger of supervisory unions).

14 (5) 2012 Acts and Resolves No. 156, Sec. 11 (facilitation grant for  
15 successful merger of school districts other than a RED).

16 \* \* \* Supervisory Unions; Special Education; Transportation \* \* \*

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

18 § 261a. DUTIES OF SUPERVISORY UNION BOARD

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

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(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. 6.** 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. 7.** 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:



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

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

9 **Sec. 8.** 24 V.S.A. § 5053a(a) is amended to read:

10 (a) ~~For purposes of~~ As used in this section, the term “transferred employee”  
11 means an employee under this chapter who transitioned from employment  
12 solely by a school district to employment, wholly or in part, by a supervisory  
13 union pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E) ~~as amended on June 3,~~  
14 ~~2010.~~

15 \* \* \* North Bennington School District \* \* \*

16 **Sec. 9.** NORTH BENNINGTON SCHOOL DISTRICT

17 Notwithstanding any other provision of law to the contrary, on the day on  
18 which the North Bennington School District ceases to exist as a discrete entity  
19 and becomes realigned into a supervisory district pursuant to the provisions of  
20 this act, title to the building that is currently owned by the North Bennington

1 School District and occupied by the Village School of North Bennington shall  
2 transfer to the Village of North Bennington.

3 \* \* \* Positions; Appropriations \* \* \*

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12 \* \* \* Effective Date \* \* \*

13 **Sec. \_\_\_\_.** EFFECTIVE DATE

14 This act shall take effect on passage.

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16 (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

18

Representative \_\_\_\_\_

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FOR THE COMMITTEE