

1 **TO THE HOUSE OF REPRESENTATIVES:**

2 **The Committee on Education to which was referred House Bill No. 883**
3 **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 as proposed to be amended by the Committee on Ways and Means**
6 **be further amended as follows:**

7 First: By striking out Sec. 1 in its entirety and inserting in lieu thereof a
8 new Sec. 1 to read:

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

10 CHAPTER 135. PREKINDERGARTEN–GRADE 12 EDUCATION

11 DISTRICTS; REALIGNMENT PROCESS

12 § 4051. PURPOSE

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, more equitable deployment of resources,
19 and sharing of best practices; and

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

4 § 4052. REALIGNMENT

5 As of July 1, 2020, pursuant to the processes and criteria set forth in
6 this chapter, school districts in the State, except interstate school districts,
7 and supervisory unions shall be realigned into an estimated 45–55
8 prekindergarten–grade 12 education districts that are responsible for the
9 education of all resident students in prekindergarten–grade 12 and that shall
10 assume the responsibilities currently assigned to supervisory unions.

11 § 4053. DEFINITIONS

12 As used in this chapter:

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

16 (2) “Education District” means a new district that shall be created from
17 the realignment of existing school districts pursuant to this chapter that shall be
18 responsible for the education of all resident students in prekindergarten–grade
19 12 through educational opportunities that meet the educational quality
20 standards adopted by the State Board of Education pursuant to section 165 of
21 this title.

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

5 § 4054. DESIGN TEAM; CREATION

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

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

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

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

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

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

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

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

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 board, and whether votes
8 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 RED board prior to the first day
13 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) In addition, the Report shall address how the proposed district shall
18 meet the requirements of an Education District that are itemized in
19 subdivision 4056(b)(10) of this chapter.

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

1 (e) If the electorate of two or more districts approves a Report pursuant to
2 the RED process on or before July 1, 2017, then the Statewide Realignment
3 Plan shall not realign the RED and the RED shall be an Education District
4 under the Plan; provided, however, pursuant to criteria identified by the Design
5 Team, realignment is permissible if necessary to accommodate another
6 existing district that:

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

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

10 § 4056. STATEWIDE REALIGNMENT PLAN; ELEMENTS

11 (a) Guidelines. The Statewide Realignment Plan shall be informed by the
12 public hearings and other public engagement processes required by sections
13 4058 and 4059 of this chapter and shall be designed to recognize:

14 (1) each community's unique character;

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

17 (3) historic relationships among communities;

18 (4) existing connections between school districts;

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

21 (6) potential obstacles caused by geography; and

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

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

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

10 (2) have an average daily membership at least 1,000 students;

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

12 (4) adopt one districtwide budget;

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

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

16 (7) be the local education agency as that term is defined in 20 U.S.C.
17 § 7801(26);

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

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; and

4 (10) be designed to:

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

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

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

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

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

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

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

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

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

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

16 (B) assumption of debt;

17 (C) ownership and management of property;

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

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

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

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

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

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

14 § 4057. STATEWIDE REALIGNMENT PLAN; PROTECTION FOR
15 TUITIONING DISTRICTS AND OPERATING DISTRICTS;
16 FLEXIBILITY; STATEMENT OF INTENT

17 (a) Tuitioning districts. The Statewide Realignment Plan shall preserve the
18 ability of a district that, as of the effective date of this act, provides for the
19 education of all resident students in one or more grades by paying tuition on
20 the students’ behalf, to continue to provide education by paying tuition on
21 behalf of all students in the grade or grades and shall not require the district to

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

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

10 (c) Flexibility.

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

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

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

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

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

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

11 § 4058. PRELIMINARY STATEWIDE REALIGNMENT PLAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 § 4059. FINAL STATEWIDE REALIGNMENT PLAN

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

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

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

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

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

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

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

3 (c) On or before January 1, 2018:

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

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

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

14 § 4060. ACCOUNTABILITY

15 On or before July 1, 2016:

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

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

1 (B) student outcomes; and

2 (C) financial costs; and

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

8 § 4061. TRANSITIONAL PROVISIONS

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

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

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

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

1 (c) Negotiations shall commence within 90 days after formation of the
2 initial transitional board and shall be conducted pursuant to the provisions of
3 16 V.S.A. chapter 57 for teachers and administrators and pursuant to 21 V.S.A.
4 chapter 22 for other employees.

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

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

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

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

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

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

4 § 4062. INNOVATION

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

16 § 4063. GUIDELINES AND FLEXIBLE; ALTERNATIVE MODELS;
17 ACCOUNTABILITY

18 (a) Guidelines; models. The Agency of Education, in consultation with the
19 Design Team, shall revise and add to the existing template developed in
20 connection with the RED process to provide meaningful guidance and flexible,
21 alternative models to districts pursuing voluntary realignment under this

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

10 (b) Performance indicators; accountability.

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

14 (A) provide guidance:

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

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

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

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

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

10 Second: In Sec. 2, by striking out subdivision (6) in its entirety and
11 inserting in lieu thereof a new subdivision (6) to read:

12 (6) 2012 Acts and Resolves No. 156, Sec. 9 (reimbursement of up to
13 \$20,000.00 in fees relating to merger of school districts).

14 Third: After Sec. 2 and before the reader assistance heading, by inserting
15 two new sections to be Secs. 2a and 2b to read:

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

18 (a) Program created. There is created a school district merger incentive
19 program under which the incentives outlined in Sec. 4 of this act shall be
20 available to each new unified union school district created pursuant to Sec. 3 of
21 this act and to each new district created under Sec. 3 of this act by the merger

1 of districts that provide education by paying tuition; and to the Vermont
2 members of any new interstate school district if the Vermont members jointly
3 satisfy the size criterion of Sec. 3(a)(1) of this act and the new, merged district
4 meets all other requirements of Sec. 3 of this act. Incentives shall be available,
5 however, only if the ~~effective date of merger is~~ electorate approves the merger
6 on or before July 1, 2017.

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

9 Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

10 * * *

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

12 Fourth: By striking out Sec. 7 and the related reader assistance heading in
13 their entirety and inserting a new section to be Sec. 7 and a related reader
14 assistance headings to read:

15 * * * Ownership of School Buildings * * *

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

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

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

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

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

7 and that after passage the title of the bill be amended to read: “An act relating
8 to prekindergarten–grade 12 education districts”.

9

10 (Committee vote: _____)

11

12

Representative _____

13

FOR THE COMMITTEE