

**H.883 – Education Governance**  
**House Education Amendments to House Ways and Means Strike-All**  
**Section by Section Summary**  
**4/28/14**

**First Proposal of Amendment:** House Education’s first proposal of amendment would replace Ways and Means’ Sec. 1 with a new Sec. 1. The new Sec. 1 is very similar to the process and language of the Ways and Means amendment, but contains transitional and other provisions from the bill as introduced.

**Sec. 1.** Section 1 adds a new chapter 35 to Title 16 that requires realignment of existing school districts into an estimated 45–55 prekindergarten–grade 12 districts. The statutory sections in the chapter and the process it requires are roughly similar to those in Title 17 for legislative redistricting.

§ 4051. Purpose: § 4051 states that the new chapter is enacted to encourage and support (1) equity in the quality and variety of educational opportunities; (2) operational efficiencies, more equitable deployment of resources, and sharing of best practices; and (3) stronger connections between schools and the community.

§ 4052. Realignment: § 4052 states that as of July 1, 2020, school districts and SUs will be realigned into an estimated 45–55 new districts responsible for the prekindergarten–grade 12 education of resident students. The bill refers to these as Education Districts.

§ 4053. Definitions: § 4053 defines three terms: Design Team,” “Education District,” and the “Statewide Realignment Plan” (also known as “the Plan”).

§ 4054. Design Team: § 4054 creates a Design Team to consist of nine members who are geographically representative, have a broad range of experience and knowledge about Vermont education and communities, and represent diverse points of view, opinions, and interests. The Speaker, the Committee on Committee, and the Governor each appoint 3 members and they appoint the chair from among those appointees. In order to ensure the diversity required by the section, the appointing parties work collectively to identify potential candidates.

Meetings of the Design Team must be conducted pursuant to the Open Meeting laws. The Design Team may delegate its responsibilities and powers to any one or more of its members, except that a quorum of the Team must be present to conduct public engagement meetings.

The Agency of Education and Department of Taxes are required to provide technical assistance to the Design Team. The Team may seek the assistance of other public bodies, such as JFO, or private entities. Members of the Design Team receive per diem compensation and reimbursement of expenses. The Design Team ceases to exist on July 1, 2018.

§ 4055. Voluntary Realignment. Rather than create the separate, parallel process included in the bill as introduced, the *HWM* strike-all amendment referred to the voluntary realignment process that currently exists under the Act 153/156 RED and statutory union school district formation processes. § 4055 in this proposed Education amendment follows the *HWM* approach but puts the voluntary process in its own section to make it clear that voluntary realignment is part of the overall realignment envisioned in the bill. In addition, this section provides additional information, including transitional provisions, that help clarify how the voluntary process fits within the bill as a whole. The House Education proposal of amendment also provides assurance that districts that voluntarily realign will not be adjusted during the Statewide phase unless it is necessary to accommodate a “stranded” district.

§ 4056. Statewide Realignment Plan; Elements: § 4056 combines several *HWM* sections with more of the transitional and other provisions from the original bill.

Subsection (a) establishes guidelines that repeat some of the broad principles guiding creation of new districts in the bill as introduced, such as requiring the new districts to be designed to recognize each community’s unique character and traditions and to consider obstacles caused by geography. In addition, § 4056 requires the Statewide Plan to consider ongoing discussions of districts engage in the RED discussions and to consider the effect of national Forest Services funds and other unique revenue sources.

Subsection (b) establishes criteria to be met by an Education District under the bill. Education Districts will be responsible for the education of all resident preK-12 students, although there is no requirement that a district will operate a school. Subsection (b) requires that each new district has an average daily membership (ADM) of 1,000 students; be governed by no more than one school board; and adopt one districtwide budget. As specified in the *HWM* amendment, this proposal would require a common, districtwide education property tax rate.

Subsection (c) adds concepts from the bill as introduced regarding the need for the Statewide Plan to address initial articles of agreement and other transitional issues.

As specified in the *HWM* amendment, subsection (d) provides that during the first three years after realignment under the Statewide Plan, the equalized homestead property tax rate in each town within a new district shall not increase or decrease by more than 5 percent in a single year.

**§ 4057. Protections for “Choice” Districts and Operating Districts; Flexibility in Creating the Statewide Plan:** The new § 4057 addresses in one location issues concerning the protection of “Choice” and Operating Districts and flexibility in creation of the Statewide Plan.

Subsection (a) states that the Statewide Realignment Plan cannot force a district that currently pays tuition for students in one or more grades to change or discontinue that practice.

Subsection (b) provides the same protection to a district that chooses to provide for the education of resident students by operating a school.

Subsection (c) provides flexibility in creation of the Statewide Plan. First, subdivision (1) provides flexibility if needed to accomplish the dual purposes of subsections (a) and (b) – protecting both “choice” districts and operating districts. Second, subdivision (2) authorizes flexibility if necessary to address other situations where it would be difficult to create a district with an ADM of 1,000 students.

Subsection (d) states that nothing in the bill shall be construed to restrict or repeal or to authorize restriction or repeal of the ability of a school district to continue to educate resident students as it currently does – either by paying tuition or by operating a school.

**§ 4058. Preliminary Realignment Plan:** Between July 1, 2014 and April 1, 2017, the Design Team is required to:

- consult with local education leaders
- conduct no fewer than 10 facilitated public engagement meetings statewide
- conduct independent research
- develop a preliminary Statewide Realignment Plan
- make the preliminary Plan available to the public; and
- submit the preliminary Plan to the State Board of Ed and the General Assembly for review.

The preliminary Statewide Plan is required to include a schedule and process for transition to the new format by July 1, 2020. The preliminary Plan must include a process by which a district can appeal its placement or otherwise voice unique concerns before the Design Team finalizes the Plan.

The JFO is required to review the preliminary Plan and prepare a fiscal note.

**§ 4059. Final Realignment Plan:** Between April 1, 2017 and November 1, 2017, the Design Team is required to:

- conduct no fewer than 10 additional public engagement meetings statewide and consult with local educational leaders about the preliminary Plan
- conduct any additional independent research that may be necessary
- conduct the process by which districts can request a change in their placement
- develop a final Statewide Realignment Plan

The Design Team is required to submit the final Plan to the State Board of Ed by November 1, 2017. Without changing the Plan, the State Board then submits it with its recommendations to the General Assembly by January 1, 2018. The JFO again prepares a fiscal note.

The Plan submitted to the General Assembly on January 1, 2018 takes effect on July 1, 2018 when the General Assembly explicitly enacts it, or an amended plan, into law.

**§ 4060. Accountability:** § 4060 requires that the Agency of Ed and all districts have fully implemented both an integrated financial accounting system (“chart of accounts”) and the student longitudinal system by July 1, 2016.

**§ 4061. Transitional Provisions:** § 4061 mirrors language in Acts 153 and 156 to govern the transition of employees from exiting districts to the new, larger employer.

**§ 4062. Innovation:** § 4062 e§ encourages districts to explore innovative ways to expand opportunities for students and to seek waivers from State Board Rules when necessary to do so.

**§ 4063. Guidelines; Models; Accountability:**

Subsection (a) requires the Agency, in consultation with the Design Team, to revise and add to the existing templates, and update them whenever necessary, in order to provide guidance and alternative models for districts under both the voluntary realignment phase and under the Statewide Plan.

Subsection (b) requires the Agency of Education to identify performance indicators for some of the less easily quantifiable criteria that Expanded Districts must meet. The indicators would provide guidance for the creation of Expanded Districts and could be used to measure performance after creation. Due: January 1, 2015.

**Second Proposal of Amendment:** House Education's second proposal of amendment would amend Ways and Means' Sec. 2 in two ways. Sec. 2 confirms that nothing in the bill restricts or repeals the financial and other incentives offered by Act 156 of 2012 for districts and supervisory unions that work together or merge. This amendment would delete reference to one of the incentives because it is specifically addressed in the new Sec. 2b. It would also insert another incentive to the list that was inadvertently omitted in the HWM amendment.

**Third Proposal of Amendment:** House Education's third proposal of amendment adds two new sections – Sec. 2a and 2b – concerning the existing RED process.

**Sec. 2a** amends the law creating the RED process. That process currently provides that a new district must be operational by July 1, 2017 in order to receive the financial and other incentives. In order to integrate with the overall process created by this H.883, Sec. 2a amends this so that a new RED could receive the financial and other incentives as long as the affirmative vote of the electorate occurs on or before July 1, 2017.

**Sec. 2b.** amends the repeal date for the law creating incentives for the formation of a RED. Because the incentives are not actually paid or implemented until the four years following the date on which the RED is operational, and because H.883 would not require new districts to be operational until 2020, the repeal date of the incentives is changed to July 1, 2020.

**Fourth Proposal of Amendment:** House Education's fourth proposal of amendment expands the provision in both H.883 as introduced and in the HWM amendment regarding buildings owned by the North Bennington School District. In this proposal of amendment there would be three situations in which title to a school building would transfer to the town in which the building is situated (if the townspeople want the town to own it):

- (1) if existing district decides, as part of the realignment process, that the new Education District will not operate the school;
- (2) if at any time in the future the Education District decides not to operate a school in the building; and
- (3) the situation covering North Bennington – when a school district owns a school building but the *district* does not itself operate a school in it, then title transfers to the town when realignment into an Education District occurs.