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NOTE: The Committee has not yet determined how it will describe the new districts or various elements of the process envisioned by this bill. Legislative Counsel selected names such as “*expanded prekindergarten–12 school districts,*” and “*Essential Components*” as placeholders to be used in this draft.

Introduced by Committee on Education

Date:

Subject: Education; _____

Statement of purpose of bill as introduced: This bill proposes to require that, as of [July 1, 2019], supervisory unions shall cease to exist and current school districts shall be realigned into expanded prekindergarten–12 school districts (Expanded Districts). The Expanded districts would be governed by a single board, operate on a single budget, and meet elements specifically identified in the bill (the Essential Components). The Essential Components conform generally to the requirements for the formation of Regional Education Districts (REDs) authorized in 2010 Acts and Resolves No. 153, Sec. 3. The process to achieve realignment includes the following:

- (1) The bill creates a working group to analyze and develop options on or before [January 15, 2015] to address legal and fiscal issues, including issues relating to voting and representation on school boards, the [integration] of

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1 operating and nonoperating districts, and tax rates. The work of this group
2 shall be used to inform decisions to be made by the State Board of Education
3 and the Design Team, which is also created in the bill.

4 (2) The bill provides opportunity for the voluntary realignment of
5 existing school districts into Expanded Districts. Through plans and a process
6 that conforms generally to those for union school district and RED formation,
7 districts would develop voluntary realignment plans and submit them for final
8 approval by the State Board and the electorate on or before **[March 15, 2017]**.

9 Districts interested in voluntary realignment could submit preliminary
10 applications to the State Board. In consultation with the Design Team, the
11 State Board would review the preliminary applications individually and
12 collectively. Districts that submitted preliminary applications would be
13 eligible to submit final plans of realignment to the State Board. The Board
14 would approve any application that (A) complies with the Essential
15 Components and (B) does not exclude an existing district that would be a
16 *[suitable]* member of the Expanded District and is either geographically
17 isolated from, or would otherwise be an *[unsuitable]* member of, another
18 proposed or potential Expanded District.

19 (3) The bill creates a Design Team to monitor the voluntary realignment
20 of school districts and to design a statewide plan for all remaining districts to
21 be realigned into Expanded Districts. The Design Team would conduct public

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1 engagement activities to inform design of the statewide plan/ It would then
2 submit the proposed statewide plan for approval by the State Board and
3 Legislative Committee on Administrative Rules through the statutory
4 rulemaking process.

5 An act relating to expanded prekindergarten–12 school districts

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

7 Sec. 1. STATEMENT OF ISSUES; PURPOSE [*or INTENT*] OF

8 LEGISLATION

9 (a) [Issues this legislation is designed to address]

10 **see separate document** (draft 1.1, 2/28/14)

11 (b) [Purpose [or intent] of this legislation]

12 **see separate document** (draft 1.1, 2/28/14)

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1 Sec. 2. EXPANDED PREKINDERGARTEN–12 SCHOOL DISTRICTS;

2 **CREATION**

3 As of July 1, 2019, pursuant to the processes and criteria set forth in this
4 act:

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

6 (2) all school districts in the State, except interstate school districts, shall
7 be realigned into expanded prekindergarten–12 school districts (Expanded
8 Districts).

9 Sec. 3. EXPANDED PREKINDERGARTEN–12 SCHOOL DISTRICTS;

10 **ESSENTIAL COMPONENTS; PERFORMANCE INDICATORS**

11 (a) Essential Components. Each Expanded District created under this act
12 shall:

13 (1) be designed to recognize historic relationships among communities,
14 existing connections between school districts, and potential obstacles caused
15 by geography, and consider the existing transportation infrastructure and *[the*
16 *existing boundaries of human services regions and other state service*
17 *regions]*;

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

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1 (3) operate at least one career technical education (CTE) center or enter
2 into an agreement for resident students to attend at least one CTE center not
3 operated by the district, or both;

4 (4) have an average daily membership of at least 1,250 students or result
5 from the merger of at least four existing districts, or both, unless the district
6 obtains a waiver from the State Board under the provisions of Sec. 7 of this
7 act;

8 (5) be governed by no more than one elected school board;

9 (6) adopt one district-wide budget;

10 (7) negotiate district-wide collective bargaining agreements and employ
11 all licensed and nonlicensed personnel as employees of the district;

12 (8) be designed to achieve: *[these are the general ideas; they need to*

13 *be rewritten to be more precise]*

14 (A) *[fiscal efficiency]*;

15 (B) *[conditions favorable for supporting stable leadership]*;

16 (C) *[a connected, professional workforce]*;

17 (D) *[stability and sustainability for taxpayers]*;

18 (E) *[a responsive accountability system]*; and

19 (F) *[flexibility in the deployment of resources]*.

20 (9) create school-based community councils designed to build
21 partnerships among families, staff, and the community and strong community

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1 involvement. A school council may, for example, serve as a liaison between
2 the school and the elected local representative or representatives to the school
3 board and perform advisory duties requested by the principal or included in the
4 articles of agreement creating the Expanded District. The articles of agreement
5 shall determine membership on the council and the manner in which members
6 are selected.

7 (b) Performance indicators. On or before [DATE], the Agency of
8 Education [, in consultation with the State Board,] shall develop criteria to
9 measure performance under the Essential Components itemized under
10 subdivision (a)(8) of this section. It shall publish the indicators on its website
11 to provide guidance to school districts pursuing voluntary realignment pursuant
12 to Sec. 5 of this act. The State Board shall use the indicators to measure
13 compliance with those components when reviewing a proposed voluntary plan
14 of realignment and the Design Team’s statewide plan developed pursuant to
15 Sec. 6.

16 Sec. 4. EXPANDED PREKINDERGARTEN–12 SCHOOL DISTRICTS;

17 **LEGAL AND FISCAL WORKING GROUP; REPORT**

18 (a) There is established a Working Group that shall facilitate and inform
19 the work required under this act by analyzing and developing options to
20 address legal and fiscal issues, including issues relating to:

- 21 (1) voting and representation on school boards;

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- 1 (2) current districts that operate schools, that operate schools for some
2 grades and pay tuition for the remaining grades, and that operate no schools;
3 (3) the Vermont Supreme Court decision in *Brigham v. State*;
4 (4) assessments, common level of appraisal, grand lists, and tax rates;
5 (5) uniform data and financial accounting and reporting; and
6 (6) _____.

7 (b) The Working Group shall be composed of: _____

8 (c) On or before [January 15, 2015], the Working Group shall submit a
9 written report of its analysis of identified issues, together with potential options
10 to address the issues, to the House Committees on Education and on Ways and
11 Means, the Senate Committees on Education and Finance, the Agency of
12 Education, the State Board of Education, and the Design Team created in Sec.
13 7 of this act. After that date, the Working Group shall analyze additional
14 issues at the request of one or more of the entities named in this subsection.

15 (e) The Working Group shall cease to exist on [June 30, 2016].

16 Sec. 5. EXPANDED PREKINDERGARTEN–12 SCHOOL DISTRICTS;

17 **VOLUNTARY REALIGNMENT**

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

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1 (b) Plan. Existing school districts may realign into Expanded Districts by
2 appointing a study committee and preparing of a plan of realignment
3 (Realignment Plan) to be approved by the State Board of Education (State
4 Board) and the electorate of the districts. If approved, the Realignment Plan
5 shall become the Expanded District’s articles of agreement. The Realignment
6 Plan shall:

7 (1) incorporate the Essential Components of an Expanded District
8 identified in Sec. 3 of this act as may be clarified by the Working Group [and
9 the Design Team] created in Secs. 4 [and 6 respectively]; and [timing?]

10 (2) provide for the education of the resident prekindergarten–12 students
11 in one of the following ways:

12 (A) by operating one or more public schools that offer elementary
13 and secondary education;

14 (B) by operating one or more public schools that offer elementary
15 education and may offer some secondary education and by entering into an
16 agreement with [one of the four approved independent schools that has
17 historically served as the public school for the community in which it is
18 located] to provide education for the remaining grades [and to provide data
19 and information as required by 16 V.S.A. § 242(4)(A)]; or

20 (C) in some other manner pursuant to a waiver from the State Board
21 granted under the provisions of Sec. 7 of this act.

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

3 (d) Preliminary application.

4 (1) On or before [DATE], districts that are preparing Realignment Plans
5 may submit a preliminary application to the Secretary in a format developed by
6 the Agency. The Secretary shall review the preliminary applications and
7 submit them with his or her recommendations to the State Board on or before
8 [DATE].

9 (2) The State Board, in consultation with the Design Team created in
10 Sec. 6 of this act, shall review each preliminary application on its own merits
11 and in relation to the other preliminary applications.

12 (3) The State Board shall provide preliminary approval to an application
13 if it preliminarily complies with the Essential Components identified in Sec. 3
14 of this act and it does not exclude an existing district that would be a [suitable]
15 member of the Expanded District and is geographically isolated from, or would
16 otherwise be an [unsuitable] 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

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1 section. The Board shall make a decision regarding each preliminary
2 application on or before [DATE].

3 (5) An existing unified union school district that is also a supervisory
4 district, that has an average daily membership of at least 1,250 students, and
5 that does not wish to realign with another district may submit a preliminary
6 application and have it reviewed pursuant to the provisions of this subsection.
7 If approval is granted under this subsection, then the unified union school
8 district shall be considered an Expanded District and shall not be realigned
9 under the statewide plan created pursuant to Sec. 6 of this act.

10 (e) Final application.

11 (1) Districts that have submitted a preliminary application may submit a
12 proposed final Realignment Plan to the Secretary and State Board pursuant to
13 16 V.S.A. § 706c. In addition to the other considerations required by that
14 section, the State Board, in consultation with the Design Team, shall review the
15 proposed Realignment Plan to ensure:

16 (A) compliance with the Essential Components of Expanded Districts
17 identified in Sec. 3 of this act; and

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

19 (i) would be a [suitable] member of the Expanded District; and

20 (ii) is geographically isolated from, or would otherwise be an
21 [unsuitable] member of another Expanded District.

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1 *[(1) Should this (and how could this) be even more explicit that the Board*
2 *won't allow districts to exclude an "undesirable" district?*

3 *(2) Is there a more direct way (beyond planned merger) to deal with a*
4 *"suitable" district that can't easily go elsewhere that doesn't want to join?]*

5 (2) If the State Board determines that the proposed Realignment Plan
6 does not comply with subdivision (1)(A) or (1)(B) of this subsection, then the
7 Board shall not approve it and the districts shall be realigned according to the
8 statewide plan developed by the Design Team and approved by the State Board
9 and Legislative Committee on Administrative Rules pursuant to Sec. 6 of this
10 act..

11 (3) If the State Board determines that the proposed Realignment Plan
12 complies with subdivisions (1)(A) and (1)(B) and that it satisfies all other
13 considerations under 16 V.S.A. § 706c, then the study committee shall proceed
14 to a vote of the electorate pursuant to the provisions of 16 V.S.A. chapter 11.

15 (f) District vote. An Expanded District created under this section shall be
16 approved by the electorate pursuant to the provisions of 16 V.S.A. chapter 11
17 on or before March 31, 2017. If an Expanded District is approved, then it shall
18 not be realigned under the statewide plan created pursuant to Sec. 6 of this act.
19 If an Expanded District is not approved, then it shall be subject to realignment
20 under the statewide plan.

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1 (g) Tax rates. During the first four years an Expanded District created
2 under this section operates, the tax rate for each town within the District shall
3 not increase or decrease by more than five percent in a single year. The
4 household income percentage shall be calculated accordingly.

5 Sec. 6. EXPANDED PREKINDERGARTEN–12 SCHOOL DISTRICTS;

6 **DESIGN TEAM**; REPORT

7 (a) Creation. There is created a Design Team to assist with the voluntary
8 realignment of school districts authorized pursuant to Sec. 5 of this act and to
9 design the plan for all remaining districts to be realigned into Expanded
10 Districts by July 1, 2019 (Statewide Plan). The plan shall be submitted to the
11 State Board for adoption under the rulemaking process.

12 (b) Number and qualifications of members. The Design Team shall be
13 composed of nine members who are *[geographically representative, have a*
14 *broad range of knowledge of and experience in the Vermont education system*
15 *and in Vermont communities, and represent diverse points of view and*
16 *interests, such as _____].*

17 (c) Appointment. On or before [July 1, 2014], the Speaker of the House,
18 the Committee on Committees, and the Governor shall each choose three
19 members, none of whom shall be members of the House of Representatives or
20 the Senate during the period of appointment. In order to ensure the diversity of
21 knowledge, experience, and opinions required by this section, the Speaker, the

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1 Committee on Committees, and the Governor, or their designees, shall work
2 collectively to identify potential candidates for appointment. The Speaker, the
3 Committee on Committees, and the Governor shall jointly appoint one of the
4 nine members to serve as Chair of the Design Team.

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

6 (1) engage the public in all areas of the State in order to inform the
7 Statewide Plan design process;

8 (2) monitor the progress of voluntary realignment of school districts and
9 provide guidance to the State Board *[in order to support broad inclusion of*
10 *districts in the voluntary realignment process].*

11 (3) design the Statewide Plan by which the districts that did not
12 voluntarily realign shall be assigned to Expanded Districts by July 1, 2019; and

13 (4) submit the Statewide Plan on or before [August 1, 2017] to the State
14 Board for adoption as rules pursuant to 3 V.S.A. chapter 25, which shall occur
15 on or before [April 1, 2018].

16 (e) The Statewide Plan.

17 (1) The Statewide Plan shall be guided by the Essential Components as
18 set forth in Sec. 3 of this act, the analysis of the Working Group created in Sec.
19 4, and the public engagement process required under subsection (d) of this
20 section.

21 (2) Among other things, the Statewide Plan shall:

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1 (A) include articles of agreement that will govern the actions of the
2 Expanded Districts that were not created during the voluntary realignment
3 process, including the method of apportioning the representation that each prior
4 school district shall have on the new school board of the Expanded District;

5 (B) establish transition procedures necessary for the creation of the
6 Expanded District, including assumption of debt by the Expanded District, [the
7 allocation of capital and operating expenses?], and provisions regarding the
8 transition of employees to the new employer, including impacts upon
9 membership in the Vermont Municipal Employees' Retirement System and in
10 collective bargaining units.

11 (3) If the Design Team determines it is [in the best interest of the State],
12 the Statewide Plan may include gradual transition to new tax rates as
13 [provided] to voluntarily realigned districts under Sec. 5(g).

14 (f) Assistance. The Design Team shall have the administrative, technical,
15 and legal assistance of the Agency of Education, the Department of Taxes, the
16 Joint Fiscal Office, and the Office of Legislative Council. [hire staff?]

17 (g) Updates. Beginning in [October 2014], the Design Team shall provide
18 quarterly updates to the House Committees on Education and on Ways and
19 Means, the Senate Committees on Education and Finance, the Agency of
20 Education, and the State Board of Education regarding the status of voluntary
21 realignment and the development of the Statewide Plan.

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1 (h) Meetings.

2 (1) The Chair of the Design Team shall call the first meeting of the
3 Design Team to occur on or before [August 15, 2014].

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

6 (i) Reimbursement. *[is this how you want to handle it?]* Members of the
7 Design Team who are not employees of the State and who are not otherwise
8 compensated or reimbursed for their participation shall be entitled to *[per diem*
9 *compensation/reimbursement of expenses/both]* pursuant to 32 V.S.A. § 1010.

10 (j) Appropriation. The sum of [\$.00] is appropriated to Agency of
11 Education from the *[FUND]* for use in Fiscal Years 2015 through [YEAR] for
12 *[per diem compensation] [and reimbursement of expenses], the costs of*
13 *conducting public engagement activities, and [add in any other expenses that*
14 *the section authorizes/directs the Design Team to incur – staff?].*

15 *[(1) This should probably be enough money to cover the Team for all*
16 *years of work]*

17 *[(2) Do you want to authorize them to hire staff?]*

18 **[32 V.S.A. § 6075]**

19 (j) The Design Team shall cease to exist on [DATE].

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1 Sec. 7. STATE BOARD OF EDUCATION; **WAIVERS**

2 The State Board of Education shall develop criteria and a process under
3 which it may grant waivers under Sec. 3(4) (1,250 average daily membership
4 or 4 districts) and Sec. 5(b)(2)(C) (voluntary realignment of districts that do
5 not operate any or all grades) to districts that wish to realign in an alternative
6 manner. The waiver criteria shall be guided by the Essential Components set
7 forth in Sec. 3 of this act and the analysis of the Working Group created in Sec.
8 4. In addition, the State Board shall grant a waiver only if doing so would not
9 isolate an existing district that would be a [suitable] member of the alternative
10 district and that is geographically isolated from, or would otherwise be an
11 [unsuitable] member of any other potential Expanded District.

12 *to do / consider:*

13 *(1) Act 153/156 – repeal statutes and grandfather districts already eligible*
14 *for incentives*

15 *(2) how to ensure AOE has whatever support it needs to provide assistance*
16 *to the districts and to the Design Team*

17 *(3) how to ensure that the State Board has whatever support it needs to*
18 *review the plans of voluntary realignment and to adopt the Statewide Plan by*
19 *rulemaking*

20 Sec. X. EFFECTIVE DATE

21 This act shall take effect on _____