

H.883

An act relating to expanded prekindergarten–grade 12 school districts

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

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

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

CHAPTER 135. PREKINDERGARTEN–GRADE 12 EDUCATION

DISTRICTS; REALIGNMENT PROCESS

§ 4051. PURPOSE

This chapter is enacted to encourage and support:

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

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

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

§ 4052. REALIGNMENT

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

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

§ 4053. DEFINITIONS

As used in this chapter:

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

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

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

§ 4054. DESIGN TEAM; CREATION

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

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

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

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

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

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

(d) The Design Team shall have the authority to delegate to one or more of its members any responsibility or power granted to it in this chapter, provided,

however, that no fewer than five of the Design Team members shall be present at the required public engagement meetings.

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

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

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

§ 4055. VOLUNTARY REALIGNMENT

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

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

realignment (the Report). Through creation of the Report, the districts exploring realignment:

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

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

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

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

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

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

under the Plan; provided, however, pursuant to criteria identified by the Design Team, realignment is permissible if necessary to accommodate another existing district that:

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

(2) is an appropriate member of the RED.

§ 4056. STATEWIDE REALIGNMENT PLAN; ELEMENTS

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

(1) each community's unique character;

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

(3) historic relationships among communities;

(4) existing connections between school districts;

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

(6) potential obstacles caused by geography; and

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

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

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

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

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

(4) adopt one districtwide budget;

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

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

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

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

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

(10) be designed to:

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

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

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

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

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

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

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

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

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

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

(B) assumption of debt;

(C) ownership and management of property;

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

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

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

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

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

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

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

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

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

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

(c) Flexibility.

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

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

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

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

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

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

§ 4058. PRELIMINARY STATEWIDE REALIGNMENT PLAN

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

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

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

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

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

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

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

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

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

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

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

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

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

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

§ 4059. FINAL STATEWIDE REALIGNMENT PLAN

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

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

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

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

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

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

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

(c) On or before January 1, 2018:

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

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

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

§ 4060. ACCOUNTABILITY

On or before July 1, 2016:

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

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

(B) student outcomes; and

(C) financial costs; and

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

§ 4061. TRANSITIONAL PROVISIONS

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

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

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

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

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

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

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

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

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

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

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

§ 4062. INNOVATION

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

§ 4063. GUIDELINES AND FLEXIBLE, ALTERNATIVE MODELS;

ACCOUNTABILITY

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

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

(b) Performance indicators; accountability.

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

(A) provide guidance:

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

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

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

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

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

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

Sec. 2. REIMBURSEMENT OF FEES AND INCENTIVE GRANTS

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

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

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

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

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

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

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

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

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

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

Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

* * *

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

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

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

§ 261a. DUTIES OF SUPERVISORY UNION BOARD

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

* * *

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

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

(8) provide the following services for the benefit of member districts in a manner that promotes the efficient use of financial and human resources, which shall be provided pursuant to joint agreements under section 267 of this title whenever feasible; provided, however, if a supervisory union determines that services would be provided more efficiently and effectively in another manner, then it may ask the Secretary to grant it a waiver from this subdivision:

* * *

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

* * *

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

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

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

(14)–(17) [Repealed.]

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

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

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

Sec. 18. TRANSITION

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

* * *

(b) ~~For purposes of this section and Sec. 9 of this act~~ As used in this section, “special education employee” shall include a special education teacher, a special education administrator, and a special education

paraeducator, which means a teacher, administrator, or paraeducator whose job assignment consists of providing special education services directly related to students' individualized education programs or to the administration of those services. Provided, however, that "special education employee" shall include a "special education paraeducator" only if the supervisory union board elects to employ some or all special education paraeducators because it determines that doing so will lead to more effective and efficient delivery of special education services to students. If the supervisory union board does not elect to employ all special education paraeducators, it must use objective, nondiscriminatory criteria and identify specific duties to be performed when determining which categories of special education paraeducators to employ.

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

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

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

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

* * * Ownership of School Buildings * * *

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

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

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

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

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

* * * Education Mandates; Funding * * *

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

(d) On or before July 1 of each year, the Joint Fiscal Office shall determine the total amount of new unfunded mandates imposed on supervisory unions and school districts for the coming fiscal year. The Joint Fiscal Office shall present this total to the Joint Fiscal Committee at its July meeting. The Joint Fiscal Committee shall review and approve the total, and that amount shall then be added to the General Fund transfer in subdivision 4025(a)(2) of this title for that fiscal year and after. As used in this subsection, an “unfunded mandate” means a State statute or State regulation that requires a supervisory union or school district to perform certain actions, but with no money or funding mechanism in place for fulfilling the requirement.

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

Sec. 8. PREKINDERGARTEN–GRADE 12 DISTRICT SPECIAL FUND

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

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

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

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

(3) to support the work of the Design Team created in Sec. 1, 16 V.S.A. § 4054, of this act to monitor the voluntary realignment process, to conduct public hearings and other public engagement activities, and to develop the preliminary and final Plans;

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

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

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

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

Sec. 9. POSITIONS; AGENCY OF EDUCATION

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

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

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

Sec. 10. TRANSFERS

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

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

Sec. 11. PREKINDERGARTEN–GRADE 12 DISTRICT

APPROPRIATIONS

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

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

Sec. 12. EDUCATION ANALYST; UNIFORM CHART OF ACCOUNTS;

BUSINESS MANAGER HANDBOOK AND TRAINING;

SOFTWARE SPECIFICATIONS

Secs. 8–11 of this act are intended to be in addition to, and to work in concert with, those sections of 2014 Acts and Resolves No. _____ (H.889) (education tax) regarding an education analyst who shall create tools and indicators for State and local education decision makers and a contract for development and completion of a uniform chart of accounts; an updated, comprehensive accounting manual, with related business rules, for school district business managers; related training programs; and specifications for school financial software.

* * * Analysis * * *

Sec. 13. REGIONAL EDUCATION DISTRICTS; ANALYSIS; REPORT

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

(b) The State Board shall comprehensively analyze the educational and financial benefits and detriments of consolidation in each of the three Test Sites, including a review of curriculum, course offerings, special programs, budgets, class sizes and student-to-adult ratios, collective bargaining agreements, district educational policies, relationships between schools and the community, and other important factors identified during the process. When analyzing financial costs, and for the purposes of modeling only, the State Board shall assume that employees within a RED bargaining unit shall receive compensation pursuant to the highest-paying fiscal year 2015 compensation schedule of the original districts. The State Board shall develop a possible administrative structure and budget for the RED, as well as an estimate of a

unified education property tax rate for each of the Test Sites using data from fiscal year 2015 district budgets. The State Board shall also explore alternative governance structures for the REDs and shall consider constitutionally sound alternatives, such as weighted and nonweighted voting board members.

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

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

* * * Effective Date * * *

Sec. 14. EFFECTIVE DATE

This act shall take effect on passage.