

[changes from 2.1 not yet reviewed by editors]

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on _____ to which was referred House Bill
3 No. 883 entitled “An act relating to expanded prekindergarten–grade 12 school
4 districts” respectfully reports that it has considered the same and recommends
5 that the bill 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 SCHOOL
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 as identified in _____ and to
17 decrease the achievement gap between students from different socioeconomic
18 backgrounds;

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

[changes from 2.1 not yet reviewed by editors]

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, and
7 supervisory unions shall be realigned into an estimated 45–55 expanded
8 prekindergarten–grade 12 school districts that are responsible for the education
9 of all resident students in prekindergarten–grade 12 and that shall assume the
10 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) “Expanded District” means a new school district that shall be created
17 from the realignment of existing school districts pursuant to this chapter that
18 shall be responsible for the education of all resident students in
19 prekindergarten–grade 12 through educational opportunities that meet the
20 educational quality standards adopted by the State Board of Education
21 pursuant to section 165 of this title.

[changes from 2.1 not yet reviewed by editors]

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 Expanded 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.

[changes from 2.1 not yet reviewed by editors]

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.

[changes from 2.1 not yet reviewed by editors]

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

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

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

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

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

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

[changes from 2.1 not yet reviewed by editors]

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

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

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

7 § 4056. STATEWIDE REALIGNMENT PLAN; ELEMENTS

8 (a) Guidelines. The Statewide Realignment Plan shall be informed by the
9 public hearings and other public engagement processes required by sections
10 4058 and 4059 of this chapter and shall be designed to recognize:

11 (1) each community's unique character;

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

14 (3) historic relationships among communities;

15 (4) existing connections between school districts;

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

18 (6) potential obstacles caused by geography; and

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

[changes from 2.1 not yet reviewed by editors]

- 1 (b) Requirements. Subject to the provisions of sections 4055 and 4057 of
2 this chapter, an Expanded District shall:
- 3 (1) be responsible for the education of all resident
4 prekindergarten–grade 12 students through educational opportunities that meet
5 the educational quality standards adopted by the State Board of Education
6 pursuant to section 165 of this title;
- 7 (2) have an average daily membership at least 1,000 students;
- 8 (3) be governed by no more than one elected school board;
- 9 (4) adopt one district budget;
- 10 (5) have a common, districtwide education property tax rate;
- 11 (6) negotiate districtwide collective bargaining agreements and employ
12 all licensed and nonlicensed personnel as employees of the new district;
- 13 (7) be the local education agency as that term is defined in 20 U.S.C.
14 § 7801(26);
- 15 (8) account for and report financial information in accordance with
16 Generally Accepted Accounting Principles and in a manner that promotes
17 transparency and public accountability and supports a statewide integrated data
18 collection system; and
- 19 (9) operate one or more career technical education (CTE) centers or
20 enter into an agreement for resident students to attend one or more CTE centers
21 not operated by the district, or both.

[changes from 2.1 not yet reviewed by editors]

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

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

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

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

18 (B) assumption of debt;

19 (C) ownership and management of property;

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

[changes from 2.1 not yet reviewed by editors]

1 (E) creation, at the Expanded 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 Expanded District created by the Plan:

9 (1) the equalized homestead property tax rate for each town within an
10 Expanded 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

[changes from 2.1 not yet reviewed by editors]

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

10 (c) Flexibility.

11 (1) If the requirements in subsections (a) and (b) of this section preclude
12 creation of an Expanded 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 insurmountable factors preclude creation of an Expanded
19 District that has an average daily membership of at least 1,000 students, then
20 the Plan may create an Expanded District that does not meet those criteria

[changes from 2.1 not yet reviewed by editors]

1 provided that the District otherwise meets the criteria 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 district boards, parents, students, school administrators,
15 teachers and other school staff, public and private entities that regularly
16 collaborate with schools, and other local education and community leaders;

17 (2) conduct no fewer than ten facilitated public hearings throughout the
18 State to gain insight into local communities' visions for education in Vermont
19 in order to inform development of the Statewide Realignment Plan;

[changes from 2.1 not yet reviewed by editors]

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

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

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

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

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

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

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

20 § 4059. FINAL STATEWIDE REALIGNMENT PLAN

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

[changes from 2.1 not yet reviewed by editors]

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

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

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

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

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

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

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

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

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

[changes from 2.1 not yet reviewed by editors]

1 effect of the Plan upon the expenditures or revenues of the State and school
2 districts for fiscal year 2021 and for the next five succeeding years.

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

6 § 4060. ACCOUNTABILITY

7 On or before July 1, 2016:

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

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

14 (B) student outcomes; and

15 (C) financial costs; and

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

[changes from 2.1 not yet reviewed by editors]

1 § 4061. TRANSITIONAL PROVISIONS

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

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

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

11 (2) recognize the representatives of the employees of the realigning
12 districts as the recognized representatives of the employees of the Expanded
13 District.

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

18 (d) An employee of a realigning district who was not a probationary
19 employee shall not be considered a probationary employee of the Expanded
20 District.

[changes from 2.1 not yet reviewed by editors]

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

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

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

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

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

17 § 4062. INNOVATION

18 During and after the creation of Expanded Districts under this chapter,
19 districts are encouraged to explore innovative ways to expand opportunities for
20 students and to seek waivers of State Board rules or other legal requirements
21 that inhibit implementation. Innovations may address any area of education

[changes from 2.1 not yet reviewed by editors]

1 policy, including instructional practices and principles; the use of technology
2 and data systems to improve instruction and expand learning opportunities;
3 services provided to discrete populations of students, including gifted and
4 talented students, students with limited English proficiency, students not
5 demonstrating adequate academic growth, and students at risk of academic
6 failure or expulsion; early education and school readiness; and preparation and
7 counseling of students for postsecondary education, training, and employment.

8 **§ 4063. GUIDELINES AND FLEXIBLE, ALTERNATIVE MODELS**

9 **The Agency of Education, in consultation with the Design Team, shall**
10 **revise and add to the existing template developed in connection with the RED**
11 **process to provide meaningful guidance and flexible, alternative models both**
12 **to districts pursuing voluntary realignment under this chapter and to districts**
13 **created under the Statewide Realignment Plan. The Agency and Design Team**
14 **shall update these material as necessary until full implementation of the**
15 **Expanded Districts.**

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

18 **(6) 2012 Acts and Resolves No. 156, Sec. 9 (reimbursement of up to**
19 **\$20,000.00 in fees relating to merger of school districts).**

20 **Third:** After Sec. 2 and before the reader assistance heading, by inserting
21 two new sections to be Secs. 3 and 4 to read:

[changes from 2.1 not yet reviewed by editors]

1 Sec. 3. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012 Acts
2 and Resolves No. 156, Sec. 1, is further amended to read:

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

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

15 Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

16 * * *

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

18 Fourth: By renumbering Secs. 3 through 6 to be Secs. 5 through 8.

19 Fifth: By striking out Secs. 7 and 8 in their entirety and inserting new
20 sections to be Secs. 9 through and a related reader assistance headings to
21 read:

[changes from 2.1 not yet reviewed by editors]

1

2 (Committee vote: _____)

3

4

Representative _____

5

FOR THE COMMITTEE