

1 **[YELLOW = NEW and AMENDED language since version 1.1 (on House**
2 **Committee on Education’s webpage for 4/18)]**

3 TO THE HOUSE OF REPRESENTATIVES:

4 The Committee on _____ to which was referred House Bill
5 No. 883 entitled “An act relating to expanded prekindergarten–grade 12 school
6 districts” respectfully reports that it has considered the same and recommends
7 that the bill **as proposed to be amended by the Committee on Ways and Means**
8 **be further amended as follows:**

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

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

12 CHAPTER 135. PREKINDERGARTEN–GRADE 12 SCHOOL
13 DISTRICTS; REALIGNMENT PROCESS

14 § 4051. PURPOSE

15 This chapter is enacted to encourage and support:

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

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

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

4 § 4052. REALIGNMENT

5 As of July 1, 2020, pursuant to the processes and criteria set forth in
6 this chapter:

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

8 (2) school districts in the State, except interstate school districts, shall be
9 realigned into an estimated 45–55 expanded prekindergarten–grade 12 school
10 districts that are responsible for the education of all resident students in
11 prekindergarten–grade 12.

12 § 4053. DEFINITIONS

13 As used in this chapter:

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

17 (2) “Expanded District” means a new school district that shall be created
18 from the realignment of existing school districts pursuant to this chapter that
19 shall be responsible for the education of all resident students in
20 prekindergarten–grade 12 through educational opportunities that meet the

1 educational quality standards adopted by the State Board of Education
2 pursuant to section 165 of this title.

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

7 § 4054. DESIGN TEAM; CREATION

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

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

13 (1) On or before June 1, 2014, the Speaker of the House, the Committee
14 on Committees, and the Governor shall each choose three members. No
15 member of the Design Team shall be a member of the House of
16 Representatives or the Senate during the period of appointment. **[deleted 2nd**
17 **sentence]**

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

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

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

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

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

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

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

18 § 4055. VOLUNTARY REALIGNMENT

19 (a) Under the regional education district (RED) process set forth in 2010
20 Acts and Resolves No. 153, Secs. 2–4, as amended by 2012 Acts and Resolves
21 No. 156, Secs. 1 and 13–17, and further amended by 2013 Acts and Resolves

1 No. 56, Sec. 3, existing school districts may realign into districts that meet
2 specific criteria.

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

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

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

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

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

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

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

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

10 § 4056. STATEWIDE REALIGNMENT PLAN; ELEMENTS

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

14 (1) each community's unique character;

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

17 (3) historic relationships among communities;

18 (4) existing connections between school districts;

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

21 (6) potential obstacles caused by geography; and

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

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

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

10 (2) have an average daily membership of between 1,000 and 4,000
11 students;

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

13 (4) adopt one district budget;

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

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

17 (7) be the local education agency as that term is defined in 20 U.S.C.
18 § 7801(26);

19 (8) account for and report financial information in accordance with
20 Generally Accepted Accounting Principles and in a manner that promotes

1 transparency and public accountability and supports a statewide integrated data
2 collection system; and

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

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

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

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

18 (A) the election of an initial school board prior to the first day of the
19 Expanded District's existence in order to transition to the new structure by
20 negotiating and entering into contracts, preparing an initial proposed budget,

1 hiring a superintendent, adopting policies, and otherwise planning for the
2 District's implementation;

3 (B) assumption of debt;

4 (C) ownership and management of property;

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

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

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

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

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

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

1 § 4057. STATEWIDE REALIGNMENT PLAN; PROTECTIONS;

2 FLEXIBILITY; STATEMENT OF INTENT

3 (a) Tuitioning districts. The Statewide Realignment Plan shall preserve the
4 ability of a district that, as of the effective date of this act, provides for the
5 education of all resident students in one or more grades by paying tuition on
6 the students' behalf, to continue to provide education by paying tuition on
7 behalf of all students in the grade or grades and shall not require the district to
8 limit the options available to students when it ceases to exist as a discrete
9 entity and becomes realigned into an Expanded District.

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

17 (c) Flexibility. [you asked for a synonym for "failsafe" – still looking]

18 (1) If the requirements in subsections (a) and (b) of this section preclude
19 creation of an Expanded District that has an average daily membership of at
20 least 1,000 students, then the Plan may create a supervisory union with two
21 prekindergarten–grade 12 districts: one existing or newly realigned district

1 that operates one or more public schools offering elementary and secondary
2 education and one existing or newly realigned district that pays tuition for
3 some or all grades.

4 (2) If other insurmountable factors preclude creation of an Expanded
5 District that has an average daily membership of at least 1,000 students, then
6 the Plan may create an Expanded District that does not meet those criteria
7 provided that the District otherwise meets the criteria and furthers the purposes
8 of this chapter.

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

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

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

17 § 4058. PRELIMINARY STATEWIDE REALIGNMENT PLAN

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

19 (1) consult with local education leaders, including members of school
20 boards in every supervisory union;

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

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

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

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

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

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

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

17 (b) Within 28 days of receipt, the Joint Fiscal Office shall review the
18 preliminary Plan and prepare a fiscal note to assist the General Assembly and
19 the public to conduct informed deliberations on the preliminary Plan. The
20 fiscal note shall contain an estimate of the effect of the Plan upon the

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

3 § 4059. FINAL STATEWIDE REALIGNMENT PLAN

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

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

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

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

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

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

17 (b) On or before November 1, 2018, the Design Team shall submit the final
18 Plan to the State Board, which shall post it on its website.

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

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

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

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

9 § 4060. ACCOUNTABILITY

10 On or before July 1, 2016:

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

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

17 (B) student outcomes; and

18 (C) financial costs; and

19 (2) each supervisory union and school district shall have the
20 technological ability to provide all requested data to the systems and access all
21 data to which they are entitled under State and federal privacy laws, and shall

1 follow protocols to be developed by the Agency by which they transition the
2 systems, if necessary, to the Expanded Districts.

3 § 4061. TRANSITIONAL PROVISIONS

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

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

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

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

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

1 (d) An employee of a realigning district who was not a probationary
2 employee shall not be considered a probationary employee of the Expanded
3 District.

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

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

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

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

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

1 § 4062. INNOVATION

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

13 Second: In Sec. 2, by striking out subdivision (6) in its entirety [Sec. 2 of
14 HWM is same as Sec. 4 of draft 1.1 of this amendment; the incentive in (6)
15 is amended in Sec. 4 below because the repeal date is incorrect]

16 Third: After Sec. 2 and before the reader assistance heading, by inserting
17 two new sections to be Secs. 3 and 4 to read: [Secs 2 & 3 in draft 1.1]
18 Sec. 3. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012 Acts
19 and Resolves No. 156, Sec. 1, is further amended to read:

20 (a) Program created. There is created a school district merger incentive
21 program under which the incentives outlined in Sec. 4 of this act shall be

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

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

11 Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

12 * * *

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

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

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

18 * * * Positions; Appropriations * * *

19 Sec. 9. FACILITATOR

20 The sum of \$ _____ is transferred in fiscal year 2014 to the Agency of
21 Education from the special fund created by 32 V.S.A. § 6075 for the purpose

1 of entering into a contract with a neutral individual or entity with deep
2 experience in public policy at the community and State levels to facilitate the
3 ten or more public hearings that the Design Team will conduct when it
4 develops the preliminary Statewide Realignment Plan pursuant to Sec. 1,
5 16 V.S.A. § 4058(2), of this act and _____.

6

7 ***[positions for AOE?]***

8 ***[other appropriations?]***

9

10 * * * Effective Date * * *

11 **Sec. ____.** EFFECTIVE DATE

12 This act shall take effect on passage.

13

14 (Committee vote: _____)

15

16

Representative _____

17

FOR THE COMMITTEE