

1 H.717

2 Introduced by Representative Browning of Arlington

3 Referred to Committee on

4 Date:

5 Subject: Education; consolidation; education financing; health insurance

6 Statement of purpose of bill as introduced: This bill proposes to: (1) make
7 various amendments to 2015 Act and Resolves No. 46; (2) remove health
8 insurance benefits from the subjects for bargaining for teachers, administrators,
9 and other school employees that are subject to a collective bargaining
10 agreement; (3) direct qualified school employers that wish to offer health
11 insurance coverage to their employees to purchase plans through the Vermont
12 Health Benefit Exchange; and (4) specify that school employers may purchase
13 only health insurance plans that are not subject to the federal excise tax on
14 high-cost, employer-sponsored health coverage.

15 An act relating to amendments to Act 46

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

2 Sec. 1. 2015 Acts and Resolves No. 46, Sec. 5 is amended to read:

3 Sec. 5. PREFERRED EDUCATION GOVERNANCE STRUCTURE;
4 ALTERNATIVE STRUCTURE

5 (a) On or before ~~July 1, 2019~~ July 1, 2020, the State shall provide
6 educational opportunities through sustainable governance structures designed
7 to meet the goals set forth in Sec. 2 of this act pursuant to one of the models
8 described in this section.

9 * * *

10 Sec. 2. 2015 Acts and Resolves No. 46, Sec. 6 is amended to read:

11 Sec. 6. ACCELERATED ACTIVITY; SUPERVISORY UNION
12 BECOMING A SUPERVISORY DISTRICT; ENHANCED TAX
13 INCENTIVES; SMALL SCHOOL SUPPORT; DATA AND
14 REPORT

15 (a) A newly formed school district shall receive the incentives set forth in
16 subsection (b) of this section if it:

17 (1) is formed by merging the governance structures of all member
18 districts of a supervisory union into one unified union school district pursuant
19 to the processes and requirements of 16 V.S.A. chapter 11, and also could
20 include merger with a neighboring supervisory district;

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1 Sec. 3. 2015 Acts and Resolves No. 46, Sec. 7 is amended to read:

2 Sec. 7. SCHOOL DISTRICTS CREATED AFTER DEADLINE FOR
3 ACCELERATED ACTIVITY; TAX INCENTIVES; SMALL
4 SCHOOL SUPPORT; JOINT CONTRACT SCHOOLS

5 (a) A newly formed school district shall receive the incentives set forth in
6 subsection (b) of this section if it:

7 (1) is formed pursuant to the processes and requirements of 16 V.S.A.
8 chapter 11 (union school district formation);

9 (2) obtains a favorable vote of all “necessary” districts, which do not
10 need to be contiguous or within the same supervisory union, on or after
11 July 1, 2015;

12 (3) meets the criteria for an accelerated merger set forth in subdivisions
13 6(a)(3) through (7) of this act; and

14 (4) becomes operational after July 1, ~~2017~~ 2018, and on or before
15 ~~July 1, 2019~~ July 1, 2020.

16 * * *

17 (d) Notwithstanding other provisions of law to the contrary, if two or more
18 districts enter into a contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to
19 operate a school jointly, and if at least one of the districts was an “eligible
20 school district” that received a small school support grant in the fiscal year two
21 years prior to the effective date of the contract, then the contracting school

1 districts, as a single unit, shall receive annual merger support grants pursuant
2 to the provisions of subdivision (b)(2) of this section; provided, however, that
3 this section shall apply only to contracting districts that receive a favorable
4 vote of all affected districts to enter into a finalized contract after the effective
5 date of this section and on or before ~~July 1, 2017~~ July 1, 2018.

6 Sec. 4. 2015 Acts and Resolves No. 46, Sec. 7a is added to read:

7 Sec. 7a. VALUE OF MERGER INCENTIVES AND GRANTS

8 By July 1 of each year, the Joint Fiscal Office shall determine the total
9 value of the merger incentives or grants, described in Secs. 6 and 7 of this act,
10 that shall be paid to each eligible school district, and that amount shall then be
11 transferred from the General Fund to the Education Fund in the following
12 fiscal year. This transfer shall be in addition to the General Fund transfer made
13 pursuant to 16 V.S.A. § 4025.

14 Sec. 5. 2015 Acts and Resolves No. 46, Sec. 9 is amended to read:

15 Sec. 9. SELF-EVALUATION, MEETINGS, AND PROPOSAL

16 ~~(a)~~ On or before ~~November 30, 2017~~ November 30, 2018, the board of each
17 school district in the State that has a governance structure different from the
18 preferred structure identified in Sec. 5(b) of this act (Education District), or
19 that does not expect to become or will not become an Education District on or
20 before ~~July 1, 2019~~ July 1, 2020, shall perform each of the following actions.

21 * * *

1 Sec. 6. 2015 Acts and Resolves No. 46, Sec. 10 is amended to read:

2 Sec. 10. TRANSITION TO SUSTAINABLE GOVERNANCE

3 STRUCTURES; PROPOSAL; FINAL PLAN

4 (a) Secretary of Education's proposal. In order to provide educational
5 opportunities through sustainable governance structures designed to meet the
6 goals set forth in Sec. 2 of this act pursuant to one of the models described in
7 Sec. 5, the Secretary shall:

8 (1) Review the governance structures of the school districts and
9 supervisory unions of the State as they will exist, or are anticipated to exist, on
10 ~~July 1, 2019~~ July 1, 2020. This review shall include consideration of any
11 proposals submitted by districts or groups of districts pursuant to Sec. 9 of this
12 act and conversations with those and other districts.

13 (2) On or before ~~June 1, 2018~~ June 1, 2019, shall develop, publish on
14 the Agency of Education's website, and present to the State Board of
15 Education a proposed plan that, to the extent necessary to promote the purpose
16 stated at the beginning of this subsection (a), would move districts into the
17 more sustainable, preferred model of governance set forth in Sec. 5(b) of this
18 act (Education District). If it is not possible or practicable to develop a
19 proposal that realigns some districts, where necessary, into an Education
20 District in a manner that adheres to the protections of Sec. 4 of this act
21 (protection for tuition-paying and operating districts) or that otherwise meets

1 all aspects of Sec. 5(b), then the proposal may also include alternative
2 governance structures as necessary, such as a supervisory union with member
3 districts or a unified union school district with a smaller average daily
4 membership; provided, however, that any proposed alternative governance
5 structure shall be designed to:

6 (A) ensure adherence to the protections of Sec. 4 of this act; and

7 (B) promote the purpose stated at the beginning of this subsection (a).

8 (b) State Board's plan. On or before ~~November 30, 2018~~ November 30,
9 2019, the State Board shall review and analyze the Secretary's proposal under
10 the provisions in subsection (a) of this section, may take testimony or ask for
11 additional information from districts and supervisory unions, ~~shall approve~~
12 may recommend the proposal either in its original form or in an amended form
13 that adheres to the provisions of subsection (a) of this section, and shall publish
14 on the Agency's website its ~~order~~ recommendations for merging and realigning
15 districts and supervisory unions where necessary. The State Board's
16 recommendations shall not be binding on any district.

17 (c) Applicability. This section shall not apply to:

18 (1) an interstate school district;

19 (2) a regional career technical center school district formed under

20 16 V.S.A. chapter 37, subchapter 5A; or

1 (3) a district that, between June 30, 2013 and ~~July 2, 2019~~ July 2, 2020,
2 began to operate as a unified union school district and:

3 (A) voluntarily merged into the preferred education governance
4 structure, an Education District, as set forth Sec. 5(b) of this act; or

5 (B) is a regional education district or any other district eligible to
6 receive incentives pursuant to 2010 Acts and Resolves No. 153, as amended by
7 2012 Acts and Resolves No. 156.

8 Sec. 7. 2015 Acts and Resolves No. 46, Sec. 11 is amended to read:

9 Sec. 11. QUALITY ASSURANCE; ACCOUNTABILITY; DATA

10 COLLECTION

11 The Secretary of Education shall regularly review, evaluate, and keep the
12 State Board of Education apprised of the following:

13 (1) the discussions, studies, and activity among districts to move
14 voluntarily toward creating the preferred education governance structure, an
15 Education District, as set forth Sec. 5(b) of this act;

16 (2) the data collected from districts that vote prior to ~~July 1, 2016~~ July 1,
17 2017 to merge into a supervisory district pursuant to Sec. 6 (accelerated
18 activity) of this act and from other districts that have merged or do merge into
19 a regional education district or one of its variations or into an Education
20 District as otherwise provided in this act; and

1 (3) the data and other information collected in connection with the
2 Education Quality Standards, and related on-site education quality reviews,
3 including data and information regarding the equity of educational
4 opportunities, academic outcomes, personalization of learning, a safe school
5 climate, high-quality staffing, and financial efficiency.

6 Sec. 8. 2015 Acts and Resolves No. 46, Sec. 13 is amended to read:

7 Sec. 13. REFUND UPON SALE OF SCHOOL BUILDINGS
8 REQUIREMENT; NEW SCHOOL DISTRICTS; JOINT
9 CONTRACT SCHOOLS

10 (a) Notwithstanding 16 V.S.A. § 3448(b), the refund upon sale requirement
11 shall not apply to:

12 (1) a union school district created under 16 V.S.A. chapter 11 that
13 becomes operational on or after July 1, 2015; ~~and~~

14 (2) two or more districts that, on or after July 1, 2015, enter into a
15 contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to operate a school
16 jointly; and

17 (3) any district that closes a school.

18 (b) As used in subsection (a) of this section, a union school district
19 established under 16 V.S.A. chapter 11 includes a school district voluntarily
20 created pursuant to the provisions of this act, or a regional education district or
21 any other district eligible to receive incentives pursuant to 2010 Acts and

1 Resolves No. 153, as amended by 2012 Acts and Resolves No. 156 and 2013
2 Acts and Resolves No. 56.

3 (c) This section is repealed on ~~July 1, 2017~~ July 1, 2018.

4 Sec. 9. 2015 Acts and Resolves No. 46, Sec. 37 is amended to read:

5 Sec. 37. ALLOWABLE GROWTH IN EDUCATION SPENDING FOR
6 FISCAL YEARS 2018 AND 2019

7 (a) Notwithstanding any other provision of law, for fiscal years 2017 and
8 2018 only, “excess spending” under 32 V.S.A. § 5401(12) means the
9 per-equalized-pupil amount of the district’s education spending, as defined in
10 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital
11 Construction Reserve Fund under 24 V.S.A. § 2804(b), that is in excess of the
12 district’s per-equalized-pupil amount of education spending in the prior fiscal
13 year, plus the district’s allowable growth.

14 (b) For fiscal years 2017 and 2018 the “allowable growth” for any
15 individual school district is an amount equal to the actual amount of
16 per-equalized-pupil education spending in the district in the prior fiscal year,
17 multiplied by the district’s “allowable growth percentage.” A district’s
18 “allowable growth percentage” means a percentage that results from the
19 following equation: the highest per-equalized-pupil amount of the education
20 spending in any district in the State in the prior fiscal year, divided by the
21 actual amount of per-equalized-pupil education spending in the district in the

1 prior fiscal year, minus one, multiplied by five and one-half percent. For the
2 purpose of the calculations made under this subsection, the term “education
3 spending” refers to education spending as used to calculate excess spending
4 under 16 V.S.A. § 4001(6), including all the adjustments under 16 V.S.A.
5 § 4001(6)(B), but excluding any costs related to unfunded mandates, as defined
6 in subsection (c) of this section, and pre-kindergarten.

7 (c) On or before July 1 of each year, the Joint Fiscal Office shall determine
8 the total amount of new unfunded mandates imposed on supervisory unions
9 and school districts for the following fiscal year, and that amount shall then be
10 transferred from the General Fund to the Education Fund in the following
11 fiscal year. This transfer shall be in addition to the General Fund transfer made
12 pursuant to 16 V.S.A. § 4025. As used in this subsection, an “unfunded
13 mandate” means a State statute or State rule that requires a supervisory union
14 or school district to perform certain actions, but with no money or funding
15 mechanism in place for fulfilling the requirement.

16 Sec. 10. 2015 Acts and Resolves No. 46, Sec. 38 is amended to read:

17 Sec. 38. TRANSITION

18 For fiscal years ~~2017 and 2018~~ 2018 and 2019 only, if a district’s equalized
19 pupils in fiscal year ~~2016~~ 2017 reflect an adjustment pursuant to 16 V.S.A.
20 § 4010(f) that results in an equalized pupil count that is 110 percent or greater
21 than the actual equalized pupil count for that year, then notwithstanding any

1 other provision of law, the district's spending adjustment under 32 V.S.A.

2 § 5401(13) shall be calculated without any addition for excess spending.

3 Sec. 11. 2015 Acts and Resolves No. 46, Sec. 52 is amended to read:

4 Sec. 52. EFFECTIVE DATES

5 (a) This section (effective dates) and Secs. 1 through 11 shall take effect on
6 passage.

7 * * *

8 (k) Secs. 37 and 38 (cost containment; education spending; allowable
9 growth) shall take effect on July 1, 2015, and shall apply to fiscal years ~~2017~~
10 ~~and 2018~~ 2018 and 2019.

11 * * *

12 Sec. 12. 16 V.S.A. § 2004 is amended to read:

13 § 2004. AGENDA

14 (a) The school board, through its negotiations council, shall, upon request,
15 negotiate with representatives of the teachers' or administrators' organization
16 negotiations council on matters of salary, related economic conditions of
17 employment, the manner in which it will enforce an employee's obligation to
18 pay the agency service fee, procedures for processing complaints and
19 grievances relating to employment, and any mutually agreed upon matters not
20 in conflict with the statutes and laws of the State of Vermont.

1 (b) As used in this section, the terms “salary” and “related economic
2 conditions of employment” shall not include medical benefits or health
3 insurance. Medical benefits and health insurance shall not be a subject of
4 collective bargaining under this chapter. If a school board elects to provide
5 health insurance coverage for teachers and administrators, it shall purchase
6 health insurance coverage as provided under section 2011 of this title.

7 Sec. 13. 16 V.S.A. § 2011 is added to read:

8 § 2011. HEALTH INSURANCE FOR TEACHERS AND
9 ADMINISTRATORS

10 (a) A school board that elects to provide health insurance coverage for its
11 employees shall purchase plans offered through the Vermont Health Benefit
12 Exchange if the school district is a qualified employer under 33 V.S.A. § 1804.

13 (b) A school board that elects to provide health insurance coverage for its
14 employees may purchase only health insurance plans that are not subject to the
15 excise tax imposed pursuant to 26 U.S.C. § 4980I.

16 Sec. 14. 21 V.S.A. § 1722 is amended to read:

17 § 1722. DEFINITIONS

18 As used in this chapter:

19 * * *

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* * *

1 proposal nor to make a concession, nor to bargain over any issue of managerial
2 prerogative.

3 (2) For purposes of collective bargaining related to municipal school
4 employees, “wages, hours, and conditions of employment” shall not include
5 medical benefits or health insurance. Medical benefits and health insurance
6 shall not be a subject of collective bargaining for municipal school employees
7 under this chapter. If a municipal employer elects to provide health insurance
8 coverage for municipal school employees, it shall purchase health insurance
9 coverage as provided in section 1737 of this title.

10 * * *

11 Sec. 16. 21 V.S.A. § 1737 is added to read:

12 § 1737. HEALTH INSURANCE FOR MUNICIPAL SCHOOL
13 EMPLOYEES

14 (a) A municipal employer that elects to provide health insurance coverage
15 for its municipal school employees shall purchase plans offered through the
16 Vermont Health Benefit Exchange if the municipal employer is a qualified
17 employer under 33 V.S.A. § 1804.

18 (b) A municipal employer that elects to provide health insurance coverage
19 for its municipal school employees may purchase only health insurance plans
20 that are not subject to the excise tax imposed pursuant to 26 U.S.C. § 4980I.

1 Sec. 17. EFFECTIVE DATES

2 (a) This section shall take effect on passage.

3 (b) Notwithstanding 1 V.S.A. § 214, Secs. 1 through 11 shall take effect
4 retroactively on January 1, 2016.

5 (c) Secs. 12 through 16 shall take effect on passage and shall apply to all
6 contract negotiations that begin on or after passage of this act.