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1 **Senate Committee on Education**

2 ***Potential* Committee Bill or Strike-All Amendment to H.361**

3 *** * * Goals; Obstacles * * ***

4 **[NOTE:]** *Sec. 1 is based on notes from Senate Education's conversations this*
5 *Session. They do not necessarily represent the Committee's intentions and are*
6 *included here to help frame further discussion and decisions.]*

7 **Sec. 1. EDUCATION SYSTEM; GOALS; OBSTACLES**

8 **(a) Goals.** Vermont's goals for educational spending, opportunities, and
9 outcomes throughout the State include:

10 **(1) decreasing** the rate of growth in education **spending** through a
11 variety of approaches, including:

12 **(A) increased flexibility to manage, share, and transfer resources,**
13 **including personnel, among schools;**

14 **(B) higher student-to-adult ratios, at both the local and more regional**
15 **levels; and [NOTE:] Using the term "adult" in (B) is purposeful so that this**
16 **can apply, as appropriate, to the particular situation (to classroom-level**
17 **teaching staff, school-level administration, SU-level administration, etc.)]**

18 **(C) greater public accountability and transparency;**

19 **(2) providing **substantial equity** in the quality and variety of**
20 **educational **opportunities** for students statewide that support students to meet**
21 **or exceed the State's Education Quality Standards, adopted as rules by the**

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1 State Board of Education at the direction of the General Assembly, including a
2 range of

3 (A) course offerings;

4 (B) potential teachers and other adult mentors;

5 (C) potential peer groups; and [NOTE: (1) one grade/class with 5
6 students total; (2) only 1 student in grade/class of a particular gender]

7 (D) co-curricular and extracurricular activities;

8 (3) **improving student outcomes**, which:

9 (A) are measured through multiple forms of assessment; and

10 (B) can be expressed, at least in part and without violating federal or
11 State privacy protections, by data that:

12 (i) can be collected, shared, analyzed, and compared for groups of
13 students at the local, regional, and State levels; and also

14 (ii) facilitates the ability to gauge improvement in each individual
15 student's outcomes from year to year; and

16 (4) **promoting and facilitating**:

17 (A) effective, consistent, and stable leadership;

18 (B) excellent teaching; and

19 (C) active parental and community engagement.

20 (b) **Obstacles**. Current factors that inhibit achievement of the goals set
21 forth in subsection (a) of this section include:

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- 1 (1) the variety and complexity of governance units throughout the State;
2 (2) the large number of relatively autonomous governance units in a
3 state with approximately 80,000 student;
4 (3) the small size of some governance units and some schools; and
5 (4) the decline in student population statewide during the last 20 years
6 and the comparatively constant number of school-related personnel during the
7 last 10 years.

8 *[to be moved to EFFECTIVE DATE section]*

9 () Sec. 1 (goals; obstacles) shall take effect on July 1, 2015.

10 ***** Quality Assurance; Data-Driven Partnerships *****

11 Sec. 2. 16 V.S.A. § 165(g) is added to read:

12 (g) As used in this section, the term “supervisory union” is explicitly
13 intended to include supervisory districts.

14 Sec. 3. 16 V.S.A. § 165(b) and (c) are amended to read:

15 ~~(b) Every two years, the Secretary shall determine whether students in each~~
16 ~~Vermont public school are provided educational opportunities substantially~~
17 ~~equal to those provided in other public schools. If Quality assurance.~~

18 (1) Comprehensive educational data. [i.e., the “dashboard”]

19 (A) Annually, the Secretary shall gather and evaluate data related to:

20 (i) the efficient and viable use of financial, human, and other
21 resources, including:

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1 (I) flexibility in the management, sharing, and transfer of
2 resources;

3 (II) staffing ratios at the local, district, and supervisory union
4 levels;

5 (III) per pupil costs; and

6 (IV) public accountability and transparency;

7 (ii) equity in the quality and variety of educational opportunities,
8 which meet education quality standards, that are available statewide;

9 (iii) academic outcomes; and

10 (iv) other issues, including enrollment projections and the physical
11 plant conditions.

12 (B) The Secretary shall publish the data for:

13 (i) each supervisory union in the State; and

14 (ii) in a manner that is consistent with standards for reliability of
15 data and student confidentiality, for each school district and school in the State.

16 **(2) Regional education quality review teams.**

17 (A) The Secretary shall create regional education quality review
18 teams (the Teams). Each Team shall include at least one Agency employee
19 and, to the extent practicable, a current or former superintendent, principal,
20 teacher, business manager, and school board member. A Team shall not
21 include a member who is currently or was formerly employed by or serving in

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1 a school district or a supervisory union located in the region for which the
2 Team is responsible.

3 (B) Based upon evaluation of the data collected in subdivision (1) of
4 this subsection (B), each Team shall conduct on-site reviews of selected
5 schools within each supervisory union in the assigned region. On-site reviews
6 shall occur at least once in every three years within each supervisory union.
7 The Team shall examine dimensions of school performance related to the data
8 and shall report directly to the Secretary.

9 (3) **Noncompliance; performance goals.** Based upon the data and
10 evaluations required in subdivisions (1) and (2) of this subsection (b), the
11 Secretary shall issue detailed performance goals that a school district or the
12 supervisory union in which the school district is located, or both, must meet if
13 the Secretary determines that:

14 (A) a school is not meeting the education quality standards listed in
15 subsection (a) of this section ~~or the~~ , including failure to meet or make
16 sufficient progress toward meeting the goals that the school established in its
17 continuous improvement plan developed pursuant to subdivision (a)(1) of this
18 section;

19 (B) the school is making insufficient progress in improving student
20 performance in relation to the standards for student performance set forth in
21 subdivision 164(9) of this title, ~~he or she shall describe in writing actions that a~~

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1 ~~district must take in order to meet either or both sets of standards and shall~~
2 ~~provide technical assistance to the school; or~~

3 (C) continued operation of the school is not financially viable.

4 (4) **Technical assistance.** The Agency and the Team shall provide
5 guidance and technical assistance to the school, the school district, and
6 supervisory union, as applicable, to meet the performance goals identified in
7 subdivision (3) of this subsection (b).

8 (5) **Continued failure** to meet or progress towards performance goals.

9 If the school fails to meet the ~~standards~~ performance goals identified in
10 subdivision (3) or to make sufficient progress toward meeting them by the end
11 of the next two-year period, then the Secretary shall recommend to the State
12 Board one or more of the following actions:

13 ~~(1)(A)~~ that the Agency and Team continue to provide technical
14 assistance;

15 ~~(2)(B)~~ that the State Board adjust supervisory union boundaries or
16 responsibilities of the superintendency pursuant to section 261 of this title;

17 ~~(3)(C)~~ that, notwithstanding the authority of school boards, the
18 [Secretary / State Board] assume administrative control of the school, the
19 school district, or the supervisory union, including budgetary control to ensure
20 sound financial practices, only to the extent necessary to correct deficiencies;

21 or

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1 ~~(4)(D)~~ that the State Board close the school and require that the
2 school district pay tuition to another public school or an approved independent
3 school pursuant to chapter 21 of this title.

4 (c) The State Board, after offering the school board an opportunity for a
5 hearing, shall either dismiss the Secretary's recommendation or order that one
6 or more of the actions listed in ~~subsection (b)~~ subdivision (b)(5) of this section
7 be taken. The action ordered by the State Board shall be the least intrusive
8 consistent with the need to provide students attending the school substantially
9 equal educational opportunities. A school board aggrieved by an order of the
10 State Board may appeal the order in accordance with the Rules of Civil
11 Procedure.

12 *[to be moved to EFFECTIVE DATE section]*

13 () Secs. 2 through 3 (quality assurance) shall take effect on July 1, 2015.

14 ***** Governance Transitions *****

15 Sec. 4. GUIDELINES [**QUESTION**: *Include Sec. 4? Move? Delete?*]

16 On or before December 31, 2015, in connection with the current,
17 continuous development and improvement of indicators to determine
18 compliance with the State's Education Quality Standards, the State Board of
19 Education shall adopt and publish guidelines that are designed:

20 (1) to assist districts to:

21 (A) meet the policy goals identified in Sec. 1 of this act; and

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- 1 (B) develop proposals pursuant to Sec. 5 of this act; and
2 (2) to guide the State Board’s evaluation of the districts’ proposals.

3 Sec. 5. GOVERNANCE TRANSITIONS TO ACHIEVE EDUCATION
4 POLICY GOALS

5 [**Question:** *Regarding the overview in (a) below: Keep it as (a)? Move it to*
6 *be new Sec. 1 or 2? Delete it entirely?*]

7 (a) **Intent.** It is the intent of the General Assembly that, on or before July
8 1, 2019, the State shall provide educational opportunities through governance
9 structures that promote increased equity of opportunity and greater cost
10 efficiency. These governance structures will be in one of two models: either a
11 prekindergarten – grade 12 district or a supervisory union (SU) with member
12 districts. Both models shall serve a student population that meets or exceeds
13 an established minimum average daily membership either by operating a
14 school or schools or paying tuition for students in one or more grades, or a
15 combination of both. The number of districts in an supervisory shall not
16 exceed an established maximum number.

17 (b) **Size and Structure.**

18 (1) On or before July 1, 2019, pursuant to the processes and criteria set
19 forth in this section, each school district in the State shall be in at least one of
20 the following two categories:

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1 (A) Prekindergarten – grade 12 district. The district shall:

2 (i) be responsible for the education of all resident prekindergarten
3 through grade 12 students, either by operating a school or schools or paying
4 tuition for students in one or more grades, or a combination of both; and

5 (ii) have an average daily membership (ADM) of no fewer than
6 [900] students. [**QUESTION:** *also try to incorporate projected ADM?*]

7 (B) Supervisory union. The district shall be a member of a
8 supervisory union that:

9 (i) has an ADM of no fewer than [1,500] students; and
10 [QUESTION: also try to incorporate projected ADM?]

11 (ii) except as otherwise provided in subdivision (e)(2)(B) of this
12 section, has no more than [six] member districts.

13 (2) On or before July 1, 2015, using the most current data available, the
14 Secretary of Education shall publish on the Agency’s website a list of each
15 school district that does not meet the requirements of subdivision (1) of this
16 subsection (the Identified Districts).

17 (c) School districts; self-evaluation. On or before [**DATE #2**], in
18 consultation with the education quality review teams created pursuant to 16
19 V.S.A. § 165(b) [and using the guidelines developed pursuant to Sec. 4 of this
20 act,] the board of each school district in the State, including those that are not
21 Identified Districts, shall:

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1 (1) evaluate the district’s financial efficiency, the educational
2 opportunities it offers, and its students’ outcomes; and

3 (2) meet with the boards of one or more other districts, inside or outside
4 the supervisory union, or both, to discuss ways to increase financial
5 efficiencies, provide and enhance substantially equitable educational
6 opportunities, and improve student outcomes throughout the region.

7 **(d) Declaration, demonstration, and proposal by districts that are not**
8 **Identified Districts.**

9 (1) On or before [DATE #1], the board of a district that is not an
10 Identified District may submit a letter to the State Board of Education:

11 (A) declaring the district’s decision to retain its current governance
12 structure;

13 (B) demonstrating how this decision supports its ability to provide
14 educational opportunities in the region in an equitable and cost-efficient
15 manner; and

16 (C) proposes detailed actions it will take to continue to increase
17 financial efficiencies, enhance educational opportunities, and improve student
18 outcomes.

19 (2) Notwithstanding subdivision (1) of this subsection (d), the board of a
20 district that does not meet the requirements of subdivision (b)(1)(A) of this

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1 section (prekindergarten – grade 12 district size) may submit a declaration
2 under this subdivision only if:

3 (A) the district submits the declaration, demonstration, and proposal
4 jointly with the boards of all member districts of the supervisory union
5 pursuant to subdivision (b)(1)(B) of this section (SU size); and

6 (B) the supervisory union has no more than /six/ member districts.

7 **(e) Proposals by Identified Districts and other districts.** Each Identified
8 District and any other district that does not submit a declaration pursuant to
9 subsection (d) of this section shall form a study committee with one or more
10 other districts within or outside its supervisory union, or both, pursuant to 16
11 V.S.A. chapter 11 to develop a proposal of how best to meet the requirements
12 of subsection (b) of this section and to increase financial efficiencies, provide
13 and enhance substantially equitable educational opportunities, and improve
14 student outcomes throughout the region. On or before [DATE #2], each study
15 committee shall perform one of the following two actions:

16 **(1) Prekindergarten – grade 12 district.**

17 (A) The study committee shall prepare and submit a report to the
18 Secretary and State Board of Education pursuant to 16 V.S.A. chapter 11 (the
19 Report) proposing to form a union school district that meets the requirements
20 of subdivision (b)(1)(A) of this section.

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1 (B) The Report shall demonstrate how the proposed prekindergarten
2 – grade 12 district will increase financial efficiencies, provide and enhance
3 substantially equitable educational opportunities, and improve student
4 outcomes throughout the region. In addition, the Report shall provide that:

5 (i) it shall be presented to the electorate for a vote on or before
6 [DATE #3]; and

7 (ii) if approved by the electorate, the new prekindergarten – grade
8 12 district shall become operational on or before July 1, 2019.

9 (C) Pursuant to 16 V.S.A. chapter 11, the Report shall be the new
10 district’s articles of agreement if approved by the State Board of Education and
11 subsequently by the electorate of each “necessary district.”

12 **(2) Expanded SU.**

13 (A) Petition. The study committee shall submit to the State Board a
14 petition pursuant to 16 V.S.A. 261 proposing that the State Board adjust
15 existing supervisory union boundaries to create a new Expanded SU that meets
16 the requirements of subdivision (a)(1)(B) of this section and would become
17 operational on or before July 1, 2019. In addition, the petition shall
18 demonstrate how the proposed Expanded SU will increase financial
19 efficiencies, provide and enhance substantially equitable educational
20 opportunities, and improve student outcomes throughout the region.

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1 (B) Maximum number of member districts. Notwithstanding the
2 provisions of subdivision (A), a proposed Expanded SU that meets the ADM
3 requirement of /1,500/ students may have no more than the greater of the
4 following number of member districts:

5 (i) /six/; or

6 (ii) one-half the total number of districts that exist as of July 1,
7 2015 within the geographic boundaries of the proposed expanded supervisory
8 union.

9 (C) Merged districts. A study committee proposing an Expanded SU
10 shall proceed pursuant to 16 V.S.A. chapter 11(union school district
11 formation) to the extent necessary to avoid exceeding the maximum number of
12 member school districts.

13 (D) Existing supervisory union. If an existing supervisory union with
14 a minimum ADM of /1,500/ students wishes to retain its current boundaries but
15 has more than /six/ member school districts, then, subject to the provisions of
16 subdivisions (B) and (C) of this subdivision (2), it may petition the State Board
17 to confirm its boundaries pursuant to subdivision (A)

18 **(f) Evaluation by the State Board of Education.**

19 (1) Isolated districts. When evaluating a proposal presented to it
20 pursuant to subdivision (d)(1), (e)(1), or (e)(2) of this section, the State Board
21 shall be mindful of any other district in the region that may become

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1 geographically isolated or would otherwise be an inappropriate member of
2 another prekindergarten – grade 12 district or supervisory union. At the
3 request of the State Board, the Secretary shall work with the potentially
4 isolated district and other districts in the region to move toward a governance
5 model that is designed to achieve the requirements set forth in this section.

6 The State Board is authorized to deny approval to a proposal that would
7 geographically isolate a district that would not be an appropriate member of
8 another prekindergarten – grade 12 district or supervisory union in the region.

9 (2) Supervisory union budgets. When evaluating a proposal to confirm
10 or adjust existing supervisory union boundaries pursuant to subdivision (d)(1)
11 or (e)(2) of this section, the State Board may approve the supervisory union
12 structure only if the structure ensures transparency and accountability in
13 relation to the supervisory union budget, which may include a process by
14 which the electorate votes directly whether to approve the proposed
15 supervisory union budget. Pursuant to 16 V.S.A. § 261(d), the State Board
16 may waive requirements of 16 V.S.A. chapters 5 and 7 if necessary to facilitate
17 the vote.

18 (g) **Interstate school districts.** This section shall not apply to interstate
19 school districts.

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1 **[QUESTION:** *Include sub (h)?]*

2 (h) **School closure.** A prekindergarten – grade 12 created pursuant to this
3 section shall not close a school within its boundaries during the first four years
4 after the effective date of operation unless agreed to by unanimous vote of the
5 board of the new district. The participating districts’ proposal to merge may
6 include processes governing the manner in which the new district may close
7 schools after the fourth year of operation.

8 Sec. 6. COMPLIANCE WITH GOVERNANCE TRANSITION;

9 INCENTIVES

10 (a) **Prekindergarten – grade 12 district.** A new prekindergarten – grade
11 12 district created pursuant to Sec. 5 of this act that obtains a final favorable
12 vote of each “necessary district” on or before [DATE #3] and that becomes
13 operational on or before July 1, 2019 shall receive in the first fiscal year of
14 operation a transition facilitation grant in an amount equal to \$400.00
15 multiplied by the total number of students in the new district in that year.

16 **[NOTE:** *(1) need to have further discussions about small school grants*
17 *below. (2) 3.5% hold-harmless below is also an incentive]*

18 (b) **Expanded supervisory union.** An Expanded SU created by the State
19 Board of Education pursuant to Sec. 5 of this act that becomes operational on
20 or before July 1, 2019 shall receive in the first fiscal year of operation

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1 reimbursement of legal and other costs of transition in an amount not to exceed
2 \$20,000.00.

3 Sec. 7. NONCOMPLIANCE WITH GOVERNANCE TRANSITION;

4 SECRETARY OF EDUCATION'S PROPOSAL; STATE BOARD

5 OF EDUCATION'S ORDER

6 (a) If a district or group of districts does not complete the process required
7 of it pursuant to Sec. 5 of this act within the time periods specified (the
8 Remaining Districts), then the Secretary of Education shall develop a proposal
9 by which the Remaining Districts shall be realigned to the extent possible to
10 meet the requirements of subsection (a) of this section. Notwithstanding the
11 provisions of Sec. 5 of this act, if it is not possible or practicable to realign one
12 or more Remaining Districts in a manner that meets the requirements of that
13 section or of Sec. 14 of this act (protection for tuition-paying and operating
14 districts), then, in consultation with the Remaining District or Districts, the
15 Secretary shall design the proposal in a manner that serves the best interests of
16 the resident students, the local communities, and the State. The Secretary shall
17 submit the proposal to the State Board of Education on or before [DATE #4].

18 (b) On or before [DATE #5], the State Board shall approve the Secretary's
19 proposal in its original or an amended form, and publish its order realigning
20 the Remaining Districts on the Agency of Education's website.

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1 (c) The new prekindergarten – grade 12 districts and expanded or otherwise
2 realigned supervisory unions created under this section shall be operational on
3 or before July 1, 2019.

4 (d) For a new prekindergarten – grade 12 district that will be created by the
5 State Board’s order, the order shall:

6 (1) include one or more models of initial articles of agreement
7 addressing issues required by 16 V.S.A. § 706b that will govern the actions of
8 the new district until such time as each district adopts its own amended
9 articles, including the method of apportioning the representation on the new
10 district’s board, whether votes on the budget and other issues will be by
11 Australian ballot, and the conditions under which the new district would be
12 authorized to close a school building;

13 (2) establish transition procedures and guidance necessary for the
14 creation of each new district, including provisions for:

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

20 (B) assumption of debt;

21 (C) ownership and management of property; and

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1 (D) the transition of employees to the new employer, including
2 membership in collective bargaining units, and ensuring that no school
3 employee subject to employment transition under the order will experience a
4 detrimental change in status within the Vermont Municipal Employees’
5 Retirement System.

6 *[to be moved to EFFECTIVE DATE section]*

7 () Secs. 4 and 7 (governance transitions) shall take effect on passage.

8 ***** Small School Support *****

9 Sec. 8. 16 V.S.A. § 4015 is amended to read:

10 § 4015. SMALL SCHOOL SUPPORT

11 (a) In this section:

12 (1) “Eligible school district” means a school district that operates at least
13 one school that has been determined by the State Board to be eligible due to
14 geographic necessity; and

15 ~~(A) has a two-year average combined enrollment of fewer than 100~~
16 ~~students in all the schools operated by the district; or~~

17 ~~(B)~~ that school has an average grade size of 20 or fewer.

18 * * *

19 (6) “School district” means a town, city, incorporated, interstate, or
20 union school district or a joint contract school established under subchapter 1
21 of chapter 11 of this title.

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Sec. 9. SMALL SCHOOL SUPPORT; TRANSITION

[NOTE: *Dates are place-holders only. Final dates will depend on dates for Secs 5–7 and the extent to which small school grants in Sec. 8 are used as incentives (e.g., merger support grants)]*

(a) In fiscal year 2017, any district that was eligible for small school support pursuant to 16 V.S.A. § 4015 in fiscal year 2016 but is not “eligible due to geographic necessity” for small school support in fiscal year 2017 shall, upon application, receive small school support that is two-thirds of the amount it received in fiscal year 2016.

(b) In fiscal year 2018, any district that was eligible for small school support pursuant to 16 V.S.A. § 4015 in fiscal year 2016 but is not “eligible due to geographic necessity” for small school support in fiscal year 2018 shall, upon application, receive small school support that is one-third of the amount it received in fiscal year 2016.

[to be moved to EFFECTIVE DATE section]

() Secs. 8 and 9 (small school support) shall take effect on July 1, 2016, and shall apply to grants made in fiscal year 2017 and after.

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***** Declining Enrollment; Equalized Pupils; 3.5 Percent Limit *****

Sec. 10. 16 V.S.A. § 4010(f) is amended to read:

(f) For purposes of the calculation under this section, a district's equalized pupils shall in no case be less than 96 and one-half percent of the ~~district's~~ actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this subsection; provided, however, this subsection shall not apply to:

(1) a unified union school district or supervisory district with an average daily membership in the previous year of less than [900]; or

(2) to any other school district if the supervisory union of which it is a member had a combined average daily membership in the previous year of less than [1,500]. [**NOTE:** *not sure how to add max districts – but maybe don't have to because will already have occurred?*]

Sec. 11. DECLINING ENROLLMENT; TRANSITION

(a) If a district's equalized pupils in fiscal year 2019 do not reflect any adjustment pursuant to 16 V.S.A. § 4010(f), then Sec. 10 of this act shall apply to the district in fiscal year 2020 and after.

(b) If a district's equalized pupils in fiscal year 2019 reflect adjustment pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of § 4010(f) as amended by this act:

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1 (1) in fiscal year 2020, the district's equalized pupils shall in no case be
2 less than 90 percent of the district's equalized pupils in the previous year; and

3 (2) in fiscal year 2021, the district's equalized pupils shall in no case be
4 less than 80 percent of the district's equalized pupils in the previous year.

5 *[to be moved to EFFECTIVE DATE section]*

6 () Secs. 10 and 11 (declining enrollment; hold-harmless provision;
7 transition) shall take effect on July 1, 2019.

8 ***** Joint Activity; Current Incentives *****

9 Sec. 12. CURRENT INCENTIVES FOR JOINT ACTIVITY; LIMITATIONS
10 ON APPLICABILITY

11 (a) Notwithstanding the provisions of the following sections of law, the
12 grants and reimbursements authorized by those sections shall be available only
13 as provided in subsection (b) of this section:

14 (1) 2012 Acts and Resolves No. 156, Sec. 2 (reimbursement of fees of
15 up to \$5,000.000 incurred by school districts or supervisory unions for initial
16 exploration of joint activity).

17 (2) 2012 Acts and Resolves No. 156, Sec. 4 (reimbursement of analysis
18 or transition costs of up to \$10,000.000 incurred by school districts or
19 supervisory unions for joint activity other than a merger).

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1 (3) 2012 Acts and Resolves No. 156, Sec. 5 (reimbursement of fees of
2 up to \$20,000.000 incurred by supervisory unions for analysis relating to the
3 advisability of merger).

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

6 (5) 2012 Acts and Resolves No. 156, Sec. 9 (reimbursement of fees of
7 up to \$20,000.000 incurred by school districts for analysis relating to the
8 advisability of merger).

9 (6) 2012 Acts and Resolves No. 156, Sec. 11 (transition facilitation
10 grant of the lesser of \$150,000.00 or 5 percent of the base education amount
11 multiplied by the combined enrollment for the successful merger of two or
12 more districts (other than a RED)).

13 (7) 2010 Acts and Resolves No. 153, Secs. 2–3, as amended by 2012
14 Acts and Resolves No. 156, Sec. 1 (RED program)

15 (8) 2012 Acts and Resolves No. 156, Secs. 15–17, as amended by 2013
16 Acts and Resolves No. 56, Sec. 3 (three alternative governance structures that
17 are eligible for RED incentives).

18 (9) 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012
19 Acts and Resolves No. 156, Sec. 13 (RED incentives).

20 (b) A group of districts or supervisory unions shall receive one or more of
21 the incentives listed in subsection (a) of this section only if it:

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1 (1) meets the specific eligibility criteria for the incentive; and

2 (2) completes the specific requirements for eligibility on or before

3 [December 31, 2015.]

4 *[to be moved to EFFECTIVE DATE section]*

5 () Sec. 12 (existing incentives; applicability) shall take effect on July 1,

6 2015.

7 ***** Transition of Employees *****

8 Sec. 13. 16 V.S.A. chapter 53, subchapter 3 is added to read:

9 Subchapter 3. TRANSITION OF EMPLOYEES

10 § 1801. DEFINITIONS

11 As used in this subchapter:

12 (1) “New District” means a district created by the realignment or merger
13 of two or more current districts into a new supervisory district, union school
14 district, or any other form of merged or realigned district authorized by law,
15 regardless of whether one or more of the districts creating the New District (a
16 Realigning District) is a town school district, a city school district, an
17 incorporated school district, a union school district, a unified union school
18 district, or a supervisory district.

19 (2) “New SU” means a supervisory union created from the merger or
20 realignment of two or more current supervisory unions or of all or some of the
21 districts in one or more current supervisory unions (a Realigning SU). “New

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1 SU” also means a supervisory union created by the State Board’s adjustment of
2 the borders of one or more current supervisory unions or parts of supervisory
3 unions pursuant to section 261 of this title or otherwise, regardless of whether
4 the New SU is known by the name of one of the current supervisory unions or
5 the adjustment is otherwise structured or considered to be one in which one
6 current supervisory union (the Absorbing SU) is absorbing one or more other
7 supervisory unions or parts of supervisory unions into the Absorbing SU.

8 (3) “Employees of a Realigning Entity” means the licensed and
9 nonlicensed employees of a Realigning District or Realigning SU, or both, that
10 create the New District or New SU, and includes employees of an Absorbing
11 SU and employees of a Realigning SU whose functions will be performed by
12 employees of a New District that is a supervisory district.

13 (4) “System” shall mean the Vermont Municipal Employees’
14 Retirement System created pursuant to 24 V.S.A. chapter 125.

15 (5) “Transitional Board” means the board created prior to the first day of
16 a New District’s or a New SU’s existence in order to transition to the new
17 structure by negotiating and entering into contracts, preparing an initial
18 proposed budget, adopting policies, and otherwise planning for implementation
19 of the New District or New SU, and includes the board of an Absorbing
20 District to which members from the other Realigning SU or SUs have been
21 added in order to perform transitional responsibilities.

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1 § 1802. TRANSITION OF EMPLOYEES TO NEWLY CREATED

2 EMPLOYER

3 (a) Prior to the first day of a New District's or a new SU's existence, upon
4 creation of the Transitional Board, the Board shall:

5 (1) appoint a negotiations council for the New District or New SU for
6 the purpose of negotiating with future employees' representatives; and

7 (2) recognize the representatives of the Employees of the Realigning
8 Districts or Realigning SUs as the recognized representatives of the employees
9 of the New District or New SU.

10 (b) Negotiations shall commence within 90 days after formation of the
11 Transitional Board and shall be conducted pursuant to the provisions of chapter
12 57 of this title for teachers and administrators and pursuant to 21 V.S.A.
13 chapter 22 for other employees.

14 (c) An Employee of a Realigning District or Realigning SU who was not a
15 probationary employee shall not be considered a probationary employee of the
16 New District or New SU.

17 (d) If a new agreement is not ratified by both parties prior to the first day of
18 the New District's or New SU's existence, then:

19 (1) the parties shall comply with the existing agreements in place for
20 Employees of the Realigning Districts or the Realigning SUs until a new
21 agreement is reached;

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

7 (3) a new employee beginning employment after the first day of the
8 New District's or New SU's existence shall be covered by the agreement in
9 effect that applies to the largest bargaining unit for Employees of the
10 Realigning Districts in the New District or for Employees of the Realigning
11 SU in the New SU.

12 (e) On the first day of its existence, the New District or New SU shall
13 assume the obligations of existing individual employment contracts, including
14 accrued leaves and associated benefits, with the Employees of the Realigning
15 Districts.

16 § 1803. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

17 (a) A New District or New SU, on the first day of its existence, shall
18 assume the responsibilities of any one or more of the Realigning Districts or
19 Realigning SUs that have been participants in the system; provided, however,
20 that this subsection shall not be construed to extend benefits to an employee

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1 who would not otherwise be a member of the system under any other provision
2 of law.

3 (b) The existing membership and benefits of an Employee of a Realigning
4 District or a Realigning SU shall not be impaired or reduced either by
5 negotiations with the New District or New SU under 21 V.S.A. chapter 22 or
6 otherwise.

7 (c) In addition to general responsibility for the operation of the System
8 pursuant to 24 V.S.A. § 5062(a), the responsibility for implementation of all
9 sections of this subchapter relating to the System is vested in the Retirement
10 Board.

11 *[to be moved to EFFECTIVE DATE section]*

12 () Sec. 13 (transition of employees) shall take effect on passage and shall
13 New District or New SU that has its first day of existence on or after that date.

14 ***** Legislative Intent *****

15 Sec. 14. NONOPERATING AND OPERATING DISTRICTS;

16 STATEMENT OF INTENT

17 (a) **Nonoperating districts.** All governance transitions achieved pursuant
18 to this act shall preserve the ability of a district that, as of the effective date of
19 this section, provides for the education of all resident students in one or more
20 grades by paying tuition on the students' behalf, to continue to provide
21 education by paying tuition on behalf of all students in the grade or grades if it

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1 chooses to do so and shall not require the district to limit the options available
2 to students if it ceases to exist as a discrete entity and is realigned into a
3 supervisory district or union school district.

4 **(b) Operating districts.** All governance transitions achieved pursuant to
5 this act shall preserve the ability of a district that, as of the effective date of this
6 section, provides for the education of all resident students in one or more
7 grades by operating a school offering the grade or grades, to continue to
8 provide education by operating a school for all students in the grade or grades
9 if it chooses to do so and shall not require the district to pay tuition for students
10 if it ceases to exist as a discrete entity and is realigned into a supervisory
11 district or union school district.

12 **(c) Statement of intent.** Nothing in this act shall be construed to restrict or
13 repeal, or to authorize, encourage, or contemplate the restriction or repeal, of
14 the ability of a school district that, as of the effective date of this section,
15 provides for the education of all resident students in one or more grades:

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

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

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1 Sec. 15 SCHOOL CLOSURE; STATEMENT OF INTENT

2 (a) Nothing in this act shall be construed to require, encourage, or
3 contemplate the closure of schools in Vermont.

4 (b) It is not the State's intent to close its small schools, arguably the source
5 of its academic success, but rather to ensure that those schools enjoy the
6 expanded opportunities and economies of scale available in one of the two
7 larger governance models set forth in Sec. 5 of this act.

8 *[to be moved to EFFECTIVE DATE section]*

9 () Secs. 14 – 15 (operating and nonoperating districts; school closure;
10 intent) shall take effect on passage.

11
12 **[QUESTION:** *Include the following? Both subsections are from Sec. 1 of Sen.*
13 *Baruth's original proposal*

14 (c) Given that a prekindergarten – grade 12 district facilitates the sharing of
15 resources, costs, and opportunities among several schools — many of which
16 may suffer from dwindling enrollment — a prekindergarten – grade 12
17 governance model best suits the goals of the State. As a result, the incentives
18 offered in this act are most generous for districts that choose to create a
19 prekindergarten – grade 12 district.

20 (d) Expanded supervisory unions also meet the State's basic goals,
21 however. Districts that do not currently meet the requisite size either as a

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1 prekindergarten – grade 12 district or as a member of a supervisory union may
2 choose to expand the size of their supervisory union, retaining their current
3 school boards. The State shall reimburse a portion of the design and transition
4 costs for districts choosing this governance model.

***** Reports *****

6 Sec. 16. GOVERNANCE TRANSITIONS; REPORT

7 On or before January 15, 2021, the Secretary of Education shall report to
8 the General Assembly regarding the governance transitions that occurred
9 pursuant to this act and whether and to what extent the changes support the
10 districts' ability to increase financial efficiencies, provide and enhance
11 substantially equitable educational opportunities, and improve student
12 outcomes as set forth in Secs. 1 (goals) and 3 (16 V.S.A. § 165(b)) of this act.

***** Effective Dates *****

14 Sec. ____ . EFFECTIVE DATES

15 () _____

16 () This section shall take effect on passage.