



*Jim Kelly*

***Bill Analysis***

*Legislative Service Commission*

**H.B. 82**

123rd General Assembly  
(As Introduced)

**Reps. Haines, Terwilleger, Taylor, Damschroder, Krebs, Winkler**

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**BILL SUMMARY**

- Requires the State Board of Education to establish a pilot project involving three school districts that meet specified qualifications.
- Consolidates all teachers in the three pilot districts into one collective bargaining unit and requires the state Superintendent of Public Instruction, instead of the respective district boards, to negotiate a single collective bargaining agreement with the teachers of the three districts.
- Maintains the school boards of each pilot district as the employer of the teachers of the district, except for negotiating the collective bargaining agreement, terminating teacher contracts, and reducing the teaching force.
- Authorizes the state Superintendent to transfer teachers among the pilot project districts under a procedure established by the state Superintendent or negotiated in the collective bargaining agreement.
- Authorizes the school boards of the pilot districts to provide any teacher with additional salary or benefits above that provided under the collective bargaining agreement.
- Authorizes the pilot project districts to contract with any other public or private entity to provide any function the district would otherwise provide utilizing nonteaching employees, and prohibits a collective bargaining agreement from eliminating this authority.
- Provides alternative state funding to the pilot districts.

- Requires each pilot district to use local funds to pay for all other district expenses not paid for with the state funds under the pilot project.
- Exempts pilot project districts from requirements in current law related to school lunch and breakfast programs, pupil transportation, and the employment of attendance officers.

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## CONTENT AND OPERATION

The bill requires the State Board of Education to adopt rules for the Superintendent of Public Instruction to select three school districts and establish a pilot project under which the state would provide total funding to the school districts for instructional activities and materials and would collectively bargain one agreement on behalf of the three districts. The project must commence on July 1, 2000, and continue each fiscal year that the General Assembly appropriates funds for the project.

### *Eligibility and selection for the pilot project*

(Section 2)

The bill qualifies any city, local, or exempted village school district for selection as part of the pilot project if both of the following conditions are met:

(1) The district's collective bargaining agreement with its teachers expires on June 30, 2000, and the district has not entered into another collective bargaining agreement with teachers commencing on July 1, 2000;

(2) The board of education of the district has adopted a resolution requesting to participate in the pilot project and has submitted a certified copy of it to the Superintendent of Public Instruction by April 1, 2000.

The Superintendent of Public Instruction must select from among the eligible districts one district with an average daily membership (ADM) of no more than 2,000, one with an ADM of 2,001 to 5,000, and one with an ADM of 5,001 to 10,000.<sup>1</sup>

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<sup>1</sup> *The average daily membership must be the most recently certified October count ("formula ADM"), which includes pupils in the district attending classes in joint vocational schools.*



### *Exemption from certain state requirements*

(Section 3)

Any school district participating in the pilot project is subject to all statutes and rules that apply to school districts except as provided in the bill. The bill specifically exempts a pilot project school district from complying with current state laws pertaining to school lunch and breakfast and other food and nutrition programs, requiring the provision of pupil transportation, and requiring city and exempted village school districts to employ attendance officers.

### *Collective bargaining and teacher employment*

(Section 6)

The State Board of Education will function as the public employer of all teachers in pilot project districts for purposes of collective bargaining. The State Employee Relations Board must designate the teachers of all pilot project districts as a single collective bargaining unit. Under the bill, the Superintendent of Public Instruction is the representative for the State Board of Education for purposes of negotiating any collective bargaining agreement with the pilot project district teachers. One collective bargaining agreement would presumably be entered into that would apply to all three districts, although some provisions could presumably be specific to only one or two of the districts.

A collective bargaining agreement entered into between the State Board and the teachers of the pilot project districts cannot prohibit the board of education of a pilot project district from providing a teacher additional *pay* or benefits that exceed the salary and benefits the teacher receives under the collective bargaining agreement.

The bill stipulates that despite the State Board of Education being the employer for purposes of collective bargaining, the boards of the pilot project districts are the actual employer of teachers for all other legal purposes and must assign teachers to schools in accordance with state law pertaining to the employment of teachers. But the State Board, and not the district boards, is to apply state law (and any collectively bargained provisions) regarding the termination of teacher contracts and reducing the teaching force in the districts. A district board may submit requests to the state Superintendent for the termination of a teacher's contract or for a reduction in the number of teachers the district employs. The state Superintendent must review such requests and may take action in accordance with state law and the collective bargaining agreement.



The state Superintendent may transfer teachers from one pilot project district to another in accordance with a procedure the state Superintendent is required to establish, unless a procedure is created under the collective bargaining agreement between the State Board and the pilot project teachers.

**Contracting authority**

(Section 4)

Notwithstanding state civil service law, state education law, and state collective bargaining law, the bill permits pilot project districts to contract with any other school district, with any other governmental entity, or with any private for-profit or nonprofit person to provide any activity, service, or function that the district board would otherwise provide utilizing nonteaching employees. The contract must provide for the contractor to comply with all relevant provisions of the bill. All other terms and conditions must be as agreed to between the parties.

The bill prohibits a collective bargaining agreement entered into on or after July 1, 2000, by a pilot project district from containing any provisions that conflict with the bill's provisions.

**State funding of pilot project districts**

(Section 5)

The Department of Education must pay to each pilot project district the amount of funds as specified below in lieu of the funds the district would otherwise have been paid under current state school funding law:

(1) The actual cost to the district of employing one regular classroom teacher for each 25 students in grades one through twelve and one regular classroom teacher for each 50 students in kindergarten. The district may select the specific teachers that it wishes to count for teacher funding. The district must report the actual cost of employing each teacher so selected. The actual cost must be based on the cost of paying the teacher in accordance with the salary schedule in the collective bargaining agreement and based on the cost of providing the benefits required under that agreement. The district may not report any other costs of employing such a teacher, such as additional pay or benefits provided to the teacher under the employment provisions of the bill. Students receiving special education cannot be counted for purposes of teacher funding. Vocational education students are counted only for the time that they are enrolled in nonvocational education courses.

(2) The actual cost of providing special education and related services to each student enrolled in the district who is entitled under state law to receive special education and related services.

(3) The actual cost of providing vocational education to each student enrolled in the district who participates in a vocational education program that the district itself operated at the time it became a pilot project district or that the Department of Education approves for the district to operate after becoming a pilot project district.

(4) A per pupil amount for the cost of instructional materials. The Department must establish the per pupil amount in light of available appropriations after having reported to the Speaker of the House and the President of the Senate what a reasonable per pupil amount would be.

The bill also requires that the Department of Education do the following with regard to a pilot project district:

(1) Not deduct or subtract any amount from state funding for payment of interdistrict open enrollment costs of students from the district; certain tuition payments for district children being educated elsewhere; and for payments to colleges and universities for district students participating in post-secondary enrollment options; and

(2) Pay from state funds appropriated for the pilot project payments due on behalf of a pilot project district to other school districts or any colleges under state law pertaining to interdistrict open enrollment, post-secondary enrollment options, and tuition payments for certain students educated in a district or institution other than the school district where the student is entitled to attend school.

Any expenses of a pilot project school district that are not paid for with funds provided by the Department of Education must be paid from other moneys available to the district, presumably from local property taxes and school district income taxes, or grants and gifts.<sup>2</sup>

Each pilot project district must report to the Department of Education, in accordance with Department rules, the information the Department determines to be necessary in order to make the payments to the district.

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<sup>2</sup> *The bill does not alter the requirement for these districts to levy at least 20 mills of property tax (or property and income tax combined) in order to receive state funds.*

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## HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-28-99	p. 116

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