

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred House Bill No. 876
3 entitled “An act relating to making miscellaneous amendments and technical
4 corrections to education laws” respectfully reports that it has considered the
5 same and recommends that the Senate propose to the House that it amend the
6 bill as recommended by the Committee on Education with the following
7 amendments thereto:

8 First: In Sec. 44 (intent), in the catchline, after the word “EFFICIENCY”,
9 by inserting the following: ; EQUAL EDUCATIONAL OPPORTUNITY
10 and also in Sec. 44 by adding the subsection designation (a) and by adding a
11 new subsection to be subsection (b) to read:

12 (b) In order to increase equity in the quality and variety of educational
13 opportunities for all Vermont students, it is the intent of the State of
14 Vermont:

15 (1) to transition to an education governance system of
16 prekindergarten–grade 12 school districts that are responsible for the
17 education of all resident students; and

18 (2) that Secs. 45 through 54a of this act, which clarify the
19 responsibilities of supervisory unions and school districts, require supervisory
20 unions to work collaboratively, and assess penalties for a district’s
21 failure to comply with law, shall assist the State as it transitions to a

1 prekindergarten–grade 12 education system by supporting operational
2 efficiencies, more equitable deployment of resources, and the sharing of best
3 practices.

4 Second: By inserting a new section to be Sec. 44a to read:

5 Sec. 44a. 16 V.S.A. § 1 is amended to read:

6 § 1. RIGHT TO EQUAL EDUCATIONAL OPPORTUNITY

7 The right to public education is integral to Vermont’s constitutional form of
8 government and its guarantees of political and civil rights. Further, the right to
9 education is fundamental for the success of Vermont’s children in a
10 rapidly-changing society and global marketplace as well as for the ~~state’s~~
11 State’s own economic and social prosperity. To keep Vermont’s democracy
12 competitive and thriving, Vermont students must be afforded substantially
13 equal access to a quality ~~basic~~ education. ~~However, one~~ One of the strengths
14 of Vermont’s education system, however, lies in its rich diversity and the
15 ability for each local school district to adapt its educational program to local
16 needs and desires. Therefore, it is the policy of the ~~state~~ State that all Vermont
17 children will be afforded educational opportunities through a system of
18 prekindergarten–grade 12 school districts that are substantially equal although
19 educational programs may vary from district to district.

1 Third: In Sec. 45, in 16 V.S.A. § 268, by striking out subdivision (4)
2 (hiring a superintendent) in its entirety and inserting in lieu thereof a new
3 subdivision (4) to read:

4 (4) employ, at its discretion, a superintendent pursuant to the provisions
5 of section 270 of this title and evaluate and oversee the performance of the
6 superintendent;

7 Fourth: In Sec. 46, in 16 V.S.A. § 269, by striking out subsection (d)
8 (waivers) in its entirety and after Sec. 46, by inserting two new sections to be
9 Secs. 46a and 46b to read:

10 Sec. 46a. 16 V.S.A. § 269a is added to read:

11 § 269a. WAIVERS; SUPERVISORY UNION DUTIES

12 (a) Notwithstanding the requirement in subsection 269(a) of this title that
13 a supervisory union is solely responsible for the duties set forth in that
14 subsection, a supervisory union may request the Secretary of Education to
15 grant it a waiver from the requirements of subdivision (a)(2) (special
16 education), (4) (transportation), (5) (goods and services), or (6) (construction
17 management).

18 (b) The Secretary shall identify standards and criteria by which he or she
19 shall determine whether the services will be performed most efficiently and
20 cost-effectively at the supervisory union level or in some other manner. The

1 Secretary shall publish the standards and criteria on or before October 1, 2014
2 together with guidelines for submitting a waiver request.

3 (c) A waiver granted pursuant to this section shall be for no more than one
4 year, but may be renewed at the Secretary's discretion.

5 Sec. 46b. REPEAL

6 16 V.S.A. § 269a (waiver; supervisory union duties) is repealed on July 1,
7 2019.

8 Fifth: By inserting a new section to be Sec. 50a to read:

9 Sec. 50a. 32 V.S.A. § 5401 is amended to read:

10 § 5401. DEFINITIONS

11 As used in this chapter:

12 * * *

13 (13) "District spending adjustment" means the greater of: one or a
14 fraction in which the numerator is the district's education spending plus excess
15 spending plus any noncompliance penalty, per equalized pupil, for the school
16 year; and the denominator is the base education amount for the school year, as
17 defined in 16 V.S.A. § 4001. For a district that pays tuition to a public school
18 or an approved independent school, or both, for all of its resident students in
19 any year and which has decided by a majority vote of its school board to opt
20 into this provision, the district spending adjustment shall be the average of the
21 district spending adjustment calculated under this subdivision for the previous

1 year and for the current year. Any district opting for a two-year average under
2 this subdivision may not opt out of such treatment, and the averaging shall
3 continue until the district no longer qualifies for such treatment.

4 * * *

5 (15) “Noncompliance penalty” means an amount equal to one percent of
6 a district’s total education spending, as defined in 16 V.S.A. § 4001(6),
7 included in the calculation of a district’s district spending adjustment if the
8 Secretary of Education determines, pursuant to criteria established by the State
9 Board of Education, that the district performed duties assigned by 16 V.S.A.
10 chapter 7 to the supervisory union board, the supervisory union, or the
11 superintendent.

12 Sixth: By striking out Sec. 53 in its entirety and inserting in lieu thereof a
13 new Sec. 53 to read:

14 Sec. 53. 16 V.S.A. § 269(d) is added to read:

15 (d) The supervisory unions in each supervisory union service region, as
16 established by the State Board, shall jointly provide the services required under
17 the following subdivisions of subsection (a) of this section unless, upon
18 petition of one or more supervisory unions within a region, the Secretary
19 determines that it would be more costly or less effective to do so:

20 (1) subdivision (1) (professional development);

21 (2) subdivision (4) (transportation); and

1 (3) subdivision (5) (goods and operational services).

2 Seventh: By striking out Sec. 54a in its entirety and inserting in lieu thereof
3 a new Sec. 54a to read:

4 Sec. 54a. SUPERVISORY UNIONS; MERGER PLANS

5 (a) On or before April 1, 2015, each supervisory union, including a
6 supervisory district, shall explore the possibility of merger with at least one
7 other neighboring supervisory union and shall present to the State Board of
8 Education either a detailed plan by which it shall implement the merger or a
9 detailed explanation of the reasons that it believes that merger would inhibit
10 the effective and efficient use of financial and human resources or diminish
11 educational quality and opportunities in the district. If a supervisory union is
12 unable to identify a neighboring supervisory union that is willing to explore the
13 possibility of merger with it, then the State Board may facilitate a meeting or
14 meetings with one or more neighboring supervisory unions on the supervisory
15 union's behalf.

16 (b) On or before July 1, 2015, the State Board either shall approve the plan
17 of merger or the decision not to merge or shall direct the supervisory union to
18 explore merger further and to report again to the State Board by a date certain
19 with either a detailed plan or explanation, as required in subsection (a) of this
20 section. The State Board may request that the supervisory union explore
21 merger repeatedly until he or she approves the plan or explanation.

1 (e) Consulting services reimbursement grant. From the education fund, the
2 commissioner of education shall pay up to \$20,000.00 to the merger study
3 committee established under 16 V.S.A. § 706 to reimburse the participating
4 districts for legal and other consulting fees necessary for the analysis and
5 report required by 16 V.S.A. § 706b. The study committee shall forward
6 invoices to the commissioner on a quarterly basis. The commissioner shall
7 reimburse one-half of the total amount reflected in each set of invoices and the
8 remaining one-half upon completion of the final report, provided that no
9 payment shall cause the total amount paid to exceed the \$20,000.00 limit. ~~In~~
10 ~~addition, any transition facilitation grant funds paid to the RED pursuant to~~
11 ~~subsection (g) of this section shall be reduced by the total amount of~~
12 ~~reimbursement paid under this subsection (e).~~

13 * * *

14 (g) Transition facilitation grant.

15 (1) After voter approval of the plan of merger, the ~~commissioner of~~
16 ~~education~~ Secretary of Education shall pay the RED a transition facilitation
17 grant from the education fund equal to the lesser of:

18 (A) five percent of the base education amount established in
19 16 V.S.A. § 4001(13) multiplied by the greater of either the combined
20 enrollment or the average daily membership of the merging districts on
21 October 1 of the year in which the successful vote is taken; or

1 (B) between \$150,000.00 and \$500,000.00, as determined by the
2 Secretary based on projected annual post-merger savings that do not decrease
3 the quality of education.

4 (2) ~~A transition facilitation grant awarded under this subsection (g) shall~~
5 ~~be reduced by the total amount of reimbursement paid under subsection (e) of~~
6 ~~this section.~~ Notwithstanding any other provision of this subsection, a
7 transition facilitation grant paid to a modified unified union school district
8 created pursuant to 2012 Acts and Resolves No. 156, Sec. 17 shall not exceed
9 \$150,000.00.

10 (h) ~~This section is repealed on July 1, 2017.~~ The incentives provided in
11 this section shall be available only if the electorate approves the plan of merger
12 prior to July 1, 2017.

13 Tenth: In Sec. 58, in subsection (e), by striking out the final sentence
14 (transition grant reduced by amount of reimbursement) and also in Sec. 58, by
15 striking out subsection (g) in its entirety and inserting in lieu thereof a new
16 subsection (g) to read:

17 (g) Transition facilitation grant. After voter approval of the plan of merger,
18 the Secretary shall pay the RED a transition facilitation grant from the
19 education fund equal to the lesser of:

20 (1) two and one-half percent of the base education amount established in
21 16 V.S.A. § 4001(13) multiplied by the greater of either the combined

1 enrollment or the average daily membership of the merging districts on
2 October 1 of the year in which the successful vote is taken; or

3 (2) between \$75,000.00 and \$250,000.00, as determined by the
4 Secretary based on projected annual post-merger savings that do not decrease
5 the quality of education; provided, however, that a transition facilitation grant
6 paid to a modified unified union school district created pursuant to 2012 Acts
7 and Resolves No. 156, Sec. 17 shall not exceed \$75,000.00.

8 Eleventh: By inserting two new sections to be Secs. 60a and 60b to read:

9 Sec. 60a. 2012 Acts and Resolves No.156, Sec. 5 is amended to read:

10 Sec. 5. REIMBURSEMENT OF FEES FOR CONSULTING SERVICES;
11 MERGER; SUPERVISORY UNIONS; SUNSET

12 (a) From the ~~education fund~~ Education Fund, the ~~commissioner of~~
13 ~~education~~ Secretary of Education shall reimburse:

14 (1) up to ~~\$20,000.00~~ \$40,000.00 of fees paid prior to July 1, 2017 by
15 two or more supervisory unions for legal and other consulting services
16 necessary to analyze the advisability of the merger into a fewer number of
17 supervisory unions and to prepare a petition to the ~~state board of education~~
18 State Board of Education requesting adjustment of supervisory union
19 boundaries; or

20 (2) up to \$20,000.00 of fees paid after June 30, 2017 and prior to July 1,
21 2019 by two or more supervisory unions for legal and other consulting services

1 necessary to analyze the advisability of the merger into a fewer number of
2 supervisory unions and to prepare a petition to the s State Board of Education
3 requesting adjustment of supervisory union boundaries.

4 (b) Each group of supervisory unions shall forward invoices to the
5 ~~commissioner~~ Secretary on a quarterly basis. The ~~commissioner~~ Secretary
6 shall reimburse one-half of the total amount reflected in each set of invoices
7 and the remaining one-half upon submission of either a petition to the ~~state~~
8 ~~board~~ State Board requesting that the boundaries be redrawn or a written
9 statement of the entities' analysis supporting preservation of the current
10 boundaries, provided that no payment shall cause the total amount paid to
11 exceed the ~~\$20,000.00~~ limit set forth in subsection (a) of this section. A group
12 of supervisory unions shall not be eligible for reimbursement under both
13 subdivisions (1) and (2) of subsection (a).

14 (c) ~~Any transition facilitation grant funds paid pursuant to Sec. 6 of this act~~
15 ~~shall be reduced by the total amount of reimbursement provided under this~~
16 ~~section.~~

17 (d) This section is repealed on July 1, ~~2017~~ 2019.

18 Sec. 60b. 2012 Acts and Resolves No.156, Sec. 6 is amended to read:

19 Sec. 6. TRANSITION FACILITATION GRANT; MERGER;

20 SUPERVISORY UNIONS; SUNSET

1 (a) After ~~state board of education~~ State Board of Education approval of the
2 petition of two or more supervisory unions to merge into a fewer number of
3 supervisory unions, the ~~commissioner of education~~ Secretary of Education
4 shall pay to the new supervisory union board or the new group of boards a
5 transition facilitation grant from the ~~education fund~~ Education Fund of:

6 (1) between \$150,000.00, less reimbursement funds received under Sec.
7 5 of this act and \$750,000.00, as determined by the Secretary based on
8 projected annual post-merger savings that do not decrease the quality of
9 education if the State Board approves the petition prior to July 1, 2017; and

10 (2) between \$75,000.00 and \$375,000.00, as determined by the
11 Secretary based on projected annual post-merger savings that do not decrease
12 the quality of education if the State Board approves the petition after June 30,
13 2017 and prior to July 1, 2017.

14 (b) This section is repealed on July 1, ~~2017~~ 2019.

15 Twelfth: By striking out Sec. 62 (appropriations) in its entirety and
16 inserting in lieu thereof a new Sec. 62 to read:

17 Sec. 62. POSITIONS; AGENCY OF EDUCATION

18 The General Assembly authorizes the establishment of two new limited
19 service positions in the Agency of Education in fiscal year 2015 as follows:
20 two analyst positions to provide technical assistance to school districts
21 as they explore voluntary realignment under the RED process and to

1 supervisory unions as they work together in supervisory union service regions
2 pursuant to Sec. 53 of this act and explore merger pursuant to Secs. 54a, 60a,
3 and 60b of this act.

4 Thirteenth: By striking out Sec. 65 (effective dates) in its entirety and
5 inserting in lieu thereof two new sections to be Secs. 65 and 66 and related
6 reader assistance headings to read:

7 * * * Special Education Funding; Pilot * * *

8 Sec. 65. SPECIAL EDUCATION EXPENDITURES; PILOT PROGRAM;
9 REPORT

10 (a) There is created a three-year pilot program designed to encourage
11 reduced special education expenditures through the use of best practices to
12 provide special education services in the general classroom setting. Pursuant
13 to a process and criteria to be developed by the Secretary of Education and
14 based upon the Schoolwide Integrated Framework for Transformation
15 (SWIFT), the districts comprising the four supervisory unions currently
16 engaged in implementing the SWIFT model may expend special education
17 mainstream block grant funds received pursuant to 16 V.S.A. § 2961 in a
18 manner other than as required by State Board of Education Rule 2366.2.

19 (b) To be eligible for the pilot program, all districts within a supervisory
20 union shall submit a joint application providing information prescribed by the
21 Secretary on or before September 1, 2014. The joint application shall:

1 (1) describe how the districts' special education spending plan under the
2 SWIFT model will be less costly than special education spending without
3 using the SWIFT model;

4 (2) describe how the districts will serve students on individual education
5 programs in a general classroom setting using the SWIFT model;

6 (3) describe the manner in which the districts shall measure student
7 performance; and

8 (4) demonstrate how the use of the SWIFT model shall result in fewer
9 students found to be in need of special education services at the end of the
10 three-year pilot program.

11 (c) Beginning in 2015, annually on or before January 15 for the duration of
12 the pilot program, the Secretary shall submit a report to the House and Senate
13 Committees on Education, the House Committee on Ways and Means, and the
14 Senate Committee on Finance regarding the results of the pilot project and any
15 recommendations for legislative action.

16 (d) This section is repealed on July 1, 2017.

17 * * * Effective Dates * * *

18 Sec. 66. EFFECTIVE DATES

19 (a) Secs. 45–51 of this act (supervisory unions and school district
20 responsibilities) shall take effect on July 1, 2014, provided, however that Sec.

1 50b (noncompliance penalty) shall apply to noncompliance occurring on or
2 after July 1, 2015.

3 (b) Secs. 52–54 (collaboration among supervisory unions) shall take effect
4 on July 1, 2014 and shall apply beginning in academic year 2016–2017.

5 (c) This section and all other sections shall take effect on passage;
6 provided, however, that Sec. 29 (tuition for graduate and distance education
7 programs) shall not apply to students who are enrolled as of that date in the
8 University of Vermont in:

9 (1) a distance education course or program; or

10 (2) a graduate program other than in the College of Medicine.

11 (Committee vote: _____)

12 _____

13 Senator _____

14 FOR THE COMMITTEE