

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. 45, in 16 V.S.A. § 268, by striking out subdivision (4) (hiring
9 a superintendent) in its entirety and inserting in lieu thereof a new subdivision
10 (4) to read:

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

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

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

18 § 269a. WAIVERS; SUPERVISORY UNION DUTIES

19 (a) Notwithstanding the requirement in subsection 269(a) of this title that
20 a supervisory union is solely responsible for the duties set forth in that
21 subsection, a supervisory union may request the Secretary of Education to

1 grant it a waiver from the requirements of subdivision (a)(2) (special
2 education), (4) (transportation), (5) (goods and services), or (6) (construction
3 management).

4 (b) The Secretary shall identify standards and criteria by which he or she
5 shall determine whether the services will be performed most efficiently and
6 cost-effectively at the supervisory union level or in some other manner. The
7 Secretary shall publish the standards and criteria on or before October 1, 2014
8 together with guidelines for submitting a waiver request.

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

11 Sec. 46b. REPEAL

12 16 V.S.A. § 269a (waiver; supervisory union duties) is repealed on July 1,
13 2019.

14 Third: By inserting a new section to be Sec. 50a to read:

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

16 § 5401. DEFINITIONS

17 As used in this chapter:

18 * * *

19 (13) “District spending adjustment” means the greater of: one or a
20 fraction in which the numerator is the district’s education spending plus excess
21 spending plus any noncompliance penalty, per equalized pupil, for the school

1 year; and the denominator is the base education amount for the school year, as
2 defined in 16 V.S.A. § 4001. For a district that pays tuition to a public school
3 or an approved independent school, or both, for all of its resident students in
4 any year and which has decided by a majority vote of its school board to opt
5 into this provision, the district spending adjustment shall be the average of the
6 district spending adjustment calculated under this subdivision for the previous
7 year and for the current year. Any district opting for a two-year average under
8 this subdivision may not opt out of such treatment, and the averaging shall
9 continue until the district no longer qualifies for such treatment.

10 * * *

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

18 Fourth: By striking out Sec. 53 in its entirety and inserting in lieu thereof a
19 new Sec. 53 to read:

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

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

6 (1) subdivision (1) (professional development);

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

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

9 Fifth: By striking out Sec. 54a in its entirety and inserting in lieu thereof a
10 new Sec. 54a to read:

11 Sec. 54a. SUPERVISORY UNIONS; MERGER PLANS

12 (a) On or before April 1, 2015, each supervisory union, including a
13 supervisory district, shall explore the possibility of merger with at least one
14 other neighboring supervisory union and shall present to the State Board of
15 Education either a detailed plan by which it shall implement the merger or a
16 detailed explanation of the reasons that it believes that merger would inhibit
17 the effective and efficient use of financial and human resources or diminish
18 educational quality and opportunities in the district. If a supervisory union is
19 unable to identify a neighboring supervisory union that is willing to explore the
20 possibility of merger with it, then the State Board may facilitate a meeting or

1 meetings with one or more neighboring supervisory unions on the supervisory
2 union's behalf.

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

9 Sixth: By striking out Sec. 55 in its entirety and inserting in lieu thereof a
10 new Sec. 55 to read:

11 Sec. 55. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012
12 Acts and Resolves No. 156, Sec. 1, is further amended to read:

13 (a) Program created. There is created a school district merger incentive
14 program under which the incentives outlined in Sec. 4 of this act shall be
15 available to each new unified union school district created pursuant to Sec. 3 of
16 this act and to each new district created under Sec. 3 of this act by the merger
17 of districts that provide education by paying tuition; and to the Vermont
18 members of any new interstate school district if the Vermont members jointly
19 satisfy the size criterion of Sec. 3(a)(1) of this act and the new, merged district
20 meets all other requirements of Sec. 3 of this act. Incentives shall be available,

1 however, only if the ~~effective date of merger is on or before~~ electorate
2 approves the merger prior to July 1, 2017.

3 Seventh: By striking out Sec. 57 in its entirety and inserting in lieu thereof
4 a new Sec. 57 to read:

5 Sec. 57. 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts
6 and Resolves No. 156, Sec. 13, is further amended to read:

7 Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

8 * * *

9 (e) Consulting services reimbursement grant. From the ~~education fund~~
10 Education Fund, the ~~commissioner of education~~ Secretary of Education shall
11 pay up to \$20,000.00 to the merger study committee established under
12 16 V.S.A. § 706 to reimburse the participating districts for legal and other
13 consulting fees necessary for the analysis and report required by 16 V.S.A.
14 § 706b. The ~~study committee~~ Study Committee shall forward invoices to the
15 ~~commissioner~~ Secretary on a quarterly basis. The ~~commissioner~~ Secretary
16 shall reimburse one-half of the total amount reflected in each set of invoices
17 and the remaining one-half upon completion of the final report, provided that
18 no payment shall cause the total amount paid to exceed the \$20,000.00 limit.
19 ~~In addition, any transition facilitation grant funds paid to the RED pursuant to~~
20 ~~subsection (g) of this section shall be reduced by the total amount of~~
21 ~~reimbursement paid under this subsection (e).~~

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(g) Transition facilitation grant.

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

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

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

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

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

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

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

9 (2) up to \$20,000.00 of fees paid after June 30, 2017 and prior to July 1,
10 2019 by two or more supervisory unions for legal and other consulting services
11 necessary to analyze the advisability of the merger into a fewer number of
12 supervisory unions and to prepare a petition to the State Board of Education
13 requesting adjustment of supervisory union boundaries.

14 (b) Each group of supervisory unions shall forward invoices to the
15 ~~commissioner~~ Secretary on a quarterly basis. The ~~commissioner~~ Secretary
16 shall reimburse one-half of the total amount reflected in each set of invoices
17 and the remaining one-half upon submission of either a petition to the ~~state~~
18 ~~board~~ State Board requesting that the boundaries be redrawn or a written
19 statement of the entities' analysis supporting preservation of the current
20 boundaries, provided that no payment shall cause the total amount paid to
21 exceed the ~~\$20,000.00~~ limit set forth in subsection (a) of this section. A group

1 of supervisory unions shall not be eligible for reimbursement under both
2 subdivisions (1) and (2) of subsection (a).

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

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

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

8 Sec. 6. TRANSITION FACILITATION GRANT; MERGER;
9 SUPERVISORY UNIONS; SUNSET

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

15 (1) between \$150,000.00, less reimbursement funds received under Sec.
16 5 of this act and \$750,000.00, as determined by the Secretary based on
17 projected annual post-merger savings that do not decrease the quality of
18 education if the State Board approves the petition prior to July 1, 2017; and

19 (2) between \$75,000.00 and \$375,000.00, as determined by the
20 Secretary based on projected annual post-merger savings that do not decrease

1 the quality of education if the State Board approves the petition after June 30,
2 2017 and prior to July 1, 2019.

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

4 Tenth: By striking out Sec. 62 (positions) in its entirety and inserting in lieu
5 thereof a new Sec. 62 to read:

6 Sec. 62. POSITIONS; AGENCY OF EDUCATION

7 The General Assembly authorizes the establishment of two new limited
8 service positions in the Agency of Education in fiscal year 2015 as follows:
9 two analyst positions to provide technical assistance to school districts
10 as they explore voluntary realignment under the RED process and to
11 supervisory unions as they work together in supervisory union service regions
12 pursuant to Sec. 53 of this act and explore merger pursuant to Secs. 54a, 60a,
13 and 60b of this act.

14 Eleventh: By striking out Sec. 65 (effective dates) in its entirety and
15 inserting in lieu thereof two new sections to be Secs. 65 and 66 and related
16 reader assistance headings to read:

17 * * * Special Education Funding; Pilot * * *

18 Sec. 65. SPECIAL EDUCATION EXPENDITURES; PILOT PROGRAM;
19 REPORT

20 (a) There is created a three-year pilot program designed to encourage
21 reduced special education expenditures through the use of best practices to

1 provide special education services in the general classroom setting. Pursuant
2 to a process and criteria to be developed by the Secretary of Education and
3 based upon the Schoolwide Integrated Framework for Transformation
4 (SWIFT), the districts comprising the four supervisory unions currently
5 engaged in implementing the SWIFT model may expend special education
6 mainstream block grant funds received pursuant to 16 V.S.A. § 2961 in a
7 manner other than as required by State Board of Education Rule 2366.2.

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

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

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

16 (3) describe the manner in which the districts shall measure student
17 performance; and

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

1 (Committee vote: _____)

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Senator Ashe

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FOR THE COMMITTEE