

1 H.361

2 Introduced by Committee on Education

3 Date:

4 Subject: Education, education funding; education spending; education
5 governance

6 Statement of purpose of bill as introduced: This bill proposes to make a
7 variety of amendments to laws concerning education funding, education
8 spending, and education governance.

9 An act relating to making amendments to education funding, education
10 spending, and education governance

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

12 * * * Education Policy Goals * * *

13 Sec. 1. EDUCATION POLICY GOALS

14 (a) By enacting this legislation, the General Assembly intends to move the
15 State toward integrated education systems responsible for the equitable
16 delivery of high quality education to all resident prekindergarten–grade 12
17 students through a revised governance structure that:

18 (1) leads students to achieve or exceed the State’s educational quality
19 standards, including the ability to:

20 (A) think critically;

1 (B) communicate verbally, in writing, and through the use of
2 technology;

3 (C) collaborate; and

4 (D) solve problems creatively; and

5 (2) is delivered at a cost that parents, voters, and taxpayers value.

6 (b) This legislation is designed to encourage and support local decisions
7 and actions that:

8 (1) promote equity in the quality and variety of educational
9 opportunities available throughout the State, regardless of the school's size
10 or location;

11 (2) enable Vermont schools to meet or exceed the education quality
12 standards set forth in 16 V.S.A. § 165, including goals to improve student
13 performance established by each school in the continuous improvement plan it
14 develops pursuant to that section, and to provide a sequential, logical
15 curriculum to all students;

16 (3) advance solutions, including structural changes, that are developed
17 and implemented at the local level to meet community needs and priorities;

18 (4) enhance the possibility that the State's small schools remain open if
19 they are able to provide students with equitable educational opportunities and
20 improved student performance at a stable, affordable cost;

1 (5) create enhanced opportunities and other conditions that promote
2 stability in leadership;

3 (6) foster strong relationships between schools and the broader
4 community and increased parental and community engagement at the school
5 level;

6 (7) facilitate operational and educational efficiencies and effectiveness
7 through greater flexibility in the management of resources;

8 (8) improve affordability and stability for taxpayers; and

9 (9) increase accountability and transparency through greater consistency
10 in educational governance structures.

11 (c) On or before December 31, 2015, the State Board of Education, in
12 consultation with the Secretary of Education, shall adopt no more than two
13 performance measures for each policy goal identified by this section.

14 * * * Yield; Dollar Equivalent * * *

15 Sec. 2. 32 V.S.A. § 5401(15) is added to read:

16 (15) “Dollar equivalent” means the amount of spending per equalized
17 pupil that would result if the homestead tax rate were \$1.00 per \$100.00 of
18 equalized education property value, the applicable percentage in subdivision
19 6066(a)(2) of this title were 2.0 percent, and the statutory reserves under
20 16 V.S.A. § 4026 and section 5402b of this title were maintained at five
21 percent.

1 Sec. 3. 32 V.S.A. § 5402 is amended to read:

2 § 5402. EDUCATION PROPERTY TAX LIABILITY

3 (a) A ~~Statewide~~ statewide education tax is imposed on all nonresidential
4 and homestead property at the following rates:

5 (1) The tax rate for nonresidential property shall be \$1.59 per \$100.00.

6 (2) The tax rate for homestead property shall be ~~\$1.10~~ \$1.00 multiplied
7 by the district spending adjustment for the municipality, per \$100.00, of
8 equalized education property value as most recently determined under section
9 5405 of this title. The homestead property tax rate for each municipality which
10 is a member of a union or unified union school district shall be calculated as
11 required under subsection (e) of this section.

12 * * *

13 Sec. 4. 32 V.S.A. § 5402b is amended to read:

14 § 5402b. STATEWIDE EDUCATION TAX RATE ADJUSTMENTS YIELD

15 ~~(a) Annually, by December 1, the Commissioner of Taxes shall recommend~~
16 ~~to the General Assembly, after consultation with the Agency of Education, the~~
17 ~~Secretary of Administration, and the Joint Fiscal Office, the following~~
18 ~~adjustments in the statewide education tax rates under subdivisions 5402(a)(1)~~
19 ~~and (2) of this title:~~

20 (1) ~~If there is a projected balance in the Education Fund Budget~~
21 ~~Stabilization Reserve in excess of the five percent level authorized under~~

1 ~~16 V.S.A. § 4026, the Commissioner shall recommend a reduction, for the~~
2 ~~following fiscal year only, in the statewide education tax rates which will~~
3 ~~retain the projected Education Fund Budget Stabilization Reserve at the five~~
4 ~~percent maximum level authorized and raise at least 34 percent of projected~~
5 ~~education spending from the tax on nonresidential property; and~~

6 (2) ~~If there is a projected balance in the Education Fund Budget~~
7 ~~Stabilization Reserve of less than the three and one half percent level required~~
8 ~~under 16 V.S.A. § 4026, the Commissioner shall recommend an increase, for~~
9 ~~the following fiscal year only, in the statewide education tax rates which will~~
10 ~~retain the projected Education Fund Budget Stabilization Reserve at no less~~
11 ~~than the three and one half percent minimum level authorized under 16 V.S.A.~~
12 ~~§ 4026, and raise at least 34 percent of projected education spending from the~~
13 ~~tax rate on nonresidential property.~~

14 (3) ~~In any year following a year in which the nonresidential rate~~
15 ~~produced an amount of revenues insufficient to support 34 percent of education~~
16 ~~fund spending in the previous fiscal year, the Commissioner shall determine~~
17 ~~and recommend an adjustment in the nonresidential rate sufficient to raise at~~
18 ~~least 34 percent of projected education spending from the tax rate on~~
19 ~~nonresidential property.~~

20 (4) ~~If in any year in which the nonresidential rate is less than the~~
21 ~~statewide average homestead rate, the Commissioner of Taxes shall determine~~

1 ~~the factors contributing to the deviation in the proportionality of the~~
2 ~~nonresidential and homestead rates and make a recommendation for adjusting~~
3 ~~statewide education tax rates accordingly.~~

4 (a) Annually, on or before December 1, the Commissioner of Taxes shall
5 recommend to the General Assembly, after consultation with the Agency of
6 Education, the Secretary of Administration, and the Joint Fiscal Office, a dollar
7 equivalent for the following fiscal year. For the purpose of this calculation, the
8 Commissioner shall use a nonresidential base tax rate in subdivision
9 5402(a)(1) of this title that would result in an equivalent proportional change in
10 both the statewide median nonresident tax bill and the statewide median
11 homestead tax bill for the current fiscal year. When the Commissioner
12 recommends a dollar equivalent for use in the following fiscal year, he or she
13 shall also explain the nonresidential rate used to calculate the dollar equivalent
14 under this subsection. Annually, on or before the following January 1, the
15 Commission shall publicize to each district his or her recommendation
16 regarding the dollar equivalent for the following fiscal year.

17 ~~(b) If the Commissioner makes a recommendation to the General Assembly~~
18 ~~to adjust the education tax rates under section 5402 of this title, the~~
19 ~~Commissioner shall also recommend a proportional adjustment to the~~
20 ~~applicable percentage base for homestead income based adjustments under~~

1 ~~section 6066 of this title, but the applicable percentage base shall not be~~
2 ~~adjusted below 1.94 percent. [Repealed.]~~

3 (c) [Repealed.]

4 Sec. 5. 32 V.S.A. § 5401(13) is amended to read:

5 (13) “District spending adjustment” means the greater of: one or a
6 fraction in which the numerator is the district’s education spending plus excess
7 spending, per equalized pupil, for the school year; and the denominator is the
8 ~~base education amount~~ “dollar equivalent” for the school year, as defined in
9 ~~16 V.S.A. § 4001 subdivision (15) of this section.~~ For a district that pays
10 tuition to a public school or an approved independent school, or both, for all of
11 its resident students in any year and which has decided by a majority vote of its
12 school board to opt into this provision, the district spending adjustment shall
13 be the average of the district spending adjustment calculated under this
14 subdivision for the previous year and for the current year. Any district opting
15 for a two-year average under this subdivision may not opt out of such
16 treatment, and the averaging shall continue until the district no longer qualifies
17 for such treatment.

* * * Fiscal Year 2016 Education Property Tax Rates, Applicable Percentage,
and Base Education Amount * * *

Sec. 6. FISCAL YEAR 2016 EDUCATION PROPERTY TAX RATES
AND APPLICABLE PERCENTAGE

(a) For fiscal year 2016 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rates of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.535 per \$100.00; and

(2) the tax rate for homestead property shall be \$1.00 multiplied by the district spending adjustment for the municipality per \$100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2015 only, “applicable percentage” in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.94 percent multiplied by the fiscal year 2015 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.94 percent.

Sec. 7. FISCAL YEAR 2016 BASE EDUCATION AMOUNT

As provided in 16 V.S.A. § 4011(b), the base education amount for fiscal year 2016 shall be \$9,459.00.

1 * * * Ballot Language; Per Pupil Spending * * *

2 Sec. 8. 16 V.S.A. § 563 is amended to read:

3 § 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE ~~IF BUDGET~~
4 ~~EXCEEDS BENCHMARK AND DISTRICT SPENDING IS ABOVE~~
5 ~~AVERAGE~~

6 The school board of a school district, in addition to other duties and
7 authority specifically assigned by law:

8 * * *

9 (11)(A) Shall prepare and distribute annually a proposed budget for the
10 next school year according to such major categories as may from time to time
11 be prescribed by the Secretary.

12 (B) ~~If the proposed budget contains education spending in excess of~~
13 ~~the Maximum Inflation Amount, and the district's education spending per~~
14 ~~equalized pupil in the fiscal year preceding the year for which the budget is~~
15 ~~proposed was in excess of the statewide average district education spending~~
16 ~~per equalized pupil in that same fiscal year, as determined by the Secretary,~~
17 ~~then in lieu of any other statutory or charter form of budget adoption or budget~~
18 ~~vote, the board shall present the budget to the voters by means of a divided~~
19 ~~question, in the form of vote provided in subdivision (ii) of this subdivision~~

20 (11)(B):

21 (i) ~~“Maximum Inflation Amount” in this section means:~~

1 ~~(I) the statewide average district education spending per~~
2 ~~equalized pupil, as defined in subdivision 4001(6) of this title, in the fiscal year~~
3 ~~preceding the year for which the budget is proposed, as determined by the~~
4 ~~Secretary, multiplied by the New England Economic Project Cumulative Price~~
5 ~~Index percentage change, as of November 15 preceding distribution of the~~
6 ~~proposed budget, for state and local government purchases of goods and~~
7 ~~services for the fiscal year for which the budget is proposed, plus one~~
8 ~~percentage point; plus the district's education spending per equalized pupil in~~
9 ~~the fiscal year preceding the year for which the budget is proposed, as~~
10 ~~determined by the Secretary;~~

11 ~~(II) multiplied by the higher of the following amounts as~~
12 ~~determined by the Secretary: (aa) the district's equalized pupil count in the~~
13 ~~fiscal year preceding the year for which the budget is proposed; or (bb) the~~
14 ~~district's equalized pupil count in the fiscal year for which the budget is~~
15 ~~proposed.~~

16 ~~(ii) The ballot shall be in the following form:~~

17 ~~“The total proposed budget of \$_____ is the amount determined~~
18 ~~by the school board to be necessary to support the school district's educational~~
19 ~~program. State law requires the vote on this budget to be divided because (i)~~
20 ~~the school district's spending per pupil last year was more than the statewide~~

1 ~~average and (ii) this year's proposed budget is greater than last year's budget~~
2 ~~adjusted for inflation.~~

3 ~~“Article #1 (School Budget):~~

4 ~~Part A. Shall the voters of the school district authorize the school~~
5 ~~board to expend \$ _____/t, which is a portion of the amount the school board~~
6 ~~has determined to be necessary?~~

7 ~~Part B. If Part A is approved by the voters, shall the voters of the~~
8 ~~school district also authorize the school board to expend \$ _____/t, which is~~
9 ~~the remainder of the amount the school board has determined to be necessary??”~~

10 [Repealed.]

11 (C) At a school district's annual or special meeting, the electorate
12 may vote to provide notice of availability of the school budget required by this
13 subdivision to the electorate in lieu of distributing the budget. If the electorate
14 of the school district votes to provide notice of availability, it must specify how
15 notice of availability shall be given, and such notice of availability shall be
16 provided to the electorate at least 30 days before the district's annual meeting.
17 The proposed budget shall be prepared and distributed at least ten days before
18 a sum of money is voted on by the electorate. Any proposed budget shall show
19 the following information in a format prescribed by the Secretary:

20 (i) all revenues from all sources, and expenses, including as
21 separate items any assessment for a supervisory union of which it is a member

1 and any tuition to be paid to a career technical center; and including the report
2 required in subdivision 242(4)(D) of this title itemizing the component costs of
3 the supervisory union assessment;

4 (ii) the specific amount of any deficit incurred in the most recently
5 closed fiscal year and how the deficit was or will be remedied;

6 (iii) the anticipated homestead tax rate and the percentage of
7 household income used to determine income sensitivity in the district as a
8 result of passage of the budget including those portions of the tax rate
9 attributable to supervisory union assessments; and

10 (iv) the definition of “education spending,” the number of pupils
11 and number of equalized pupils in the school district, and the district’s
12 education spending per equalized pupil in the proposed budget and in each of
13 the prior three years.

14 (D) The board shall present the budget to the voters by means of a
15 ballot in the following form:

16 “Article #1 (School Budget):

17 The total proposed budget of \$ _____ is the amount determined by
18 the school board to be necessary to support the school district’s educational
19 program. It is estimated that this proposed budget, if approved, will result in
20 education spending of \$ _____ per equalized pupil. This projected spending per
21 equalized pupil is _____% higher/lower than spending for the current year.

1 Shall the voters of the school district approve the school board to expend
2 \$ _____, which is the amount the school board has determined to be
3 necessary for the ensuing fiscal year?"

4 Sec. 9. REPEAL

5 16 V.S.A. § 4001(6)(A) (divided voted; exceptions to education spending)
6 is repealed on July 1, 2015.

7 * * * Merger Support Grants * * *

8 Sec. 10. 2010 Acts and Resolves No. 153, Sec. 4(d) is amended to read:

9 (d) Merger support grant. If the merging districts of a RED included at
10 least one "eligible school district," as defined in 16 V.S.A. § 4015, that had
11 received a small school support grant under section 4015 in the fiscal year two
12 years prior to the first fiscal year of merger, then the RED shall ~~be eligible to~~
13 receive a merger support grant ~~in each of its first five fiscal years~~ annually in
14 an amount equal to the small school support grant received by the eligible
15 school district in the fiscal year two years prior to the first fiscal year of
16 merger. If more than one merging district was an eligible school district, then
17 the merger support grant shall be in an amount equal to the total combined
18 small school support grants they received in the fiscal year two years prior to
19 the first fiscal year of merger. Payment of the grant under this section shall
20 continue annually until explicitly repealed by the General Assembly; provided,
21 however, that the Secretary shall discontinue payment of the grant in the fiscal

1 year following closure by the merged district of a school located in what had
2 been an “eligible school district” prior to merger; provided, however, if a
3 school building located in a formerly “eligible school district” is closed in
4 order to consolidate with another school into a renovated or new school
5 building, then the Secretary shall continue to pay the grant during the
6 repayment term of any bonded indebtedness incurred in connection with the
7 consolidation-related renovation or construction.

8 Sec. 11. MERGER SUPPORT GRANT; INTEGRATED EDUCATION
9 SYSTEMS; JOINT CONTRACT SCHOOLS

10 (a) Notwithstanding other provisions of law to the contrary, if the merging
11 districts of an integrated education system capable of achieving the goals and
12 requirements set forth in Sec. 17(a) of this act include at least one “eligible
13 school district,” as defined in 16 V.S.A. § 4015, that received a small school
14 support grant under section 4015 in the fiscal year two years prior to the first
15 fiscal year of merger, then the integrated education system shall receive annual
16 merger support grants pursuant to the provisions of 2010 Acts and Resolves
17 No. 153, Sec. 4(d) as amended by this act; provided, however, that this section
18 shall apply only to an integrated education system that obtains a favorable vote
19 of all “necessary” districts on or before November 30, 2017, and becomes
20 effective on or before July 1, 2019.

1 (b) Notwithstanding other provisions of law to the contrary, if two or more
2 districts enter into a contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to
3 operate a school jointly, and if at least one of the districts was an “eligible
4 school district” that received a small school support grant in the fiscal year two
5 years prior to the effective date of the contract, then the contracting school
6 districts, as a single unit, shall receive annual merger support grants pursuant
7 to the provisions of 2010 Acts and Resolves No. 153, Sec. 4(d) as amended by
8 this act; provided, however, that this section shall apply only to contracting
9 districts that receive a favorable vote of all affected districts to enter into a
10 finalized contract on or before November 30, 2017.

11 * * * Small School Support; Effective Fiscal Year 2020 * * *

12 Sec. 12. 16 V.S.A. § 4015 is amended to read:

13 § 4015. SMALL SCHOOL SUPPORT

14 (a) In this section:

15 (1) “Eligible school district” means a school district that:

16 (A) operates at least one school; and

17 ~~(A) has a two-year average combined enrollment of fewer than 100~~

18 ~~students in all the schools operated by the district; or~~

19 (B) has an average grade size of 20 or fewer;

20 (C) has participated in a merger study and submitted a merger report

21 to the State Board pursuant to chapter 11 of this title or otherwise; and

1 (D) has been determined by the State Board, on an annual basis, to be
2 eligible due to:

3 (i) the district's high student-to-staff ratios;

4 (ii) the lengthy driving times or inhospitable travel routes between
5 the school district and the nearest district or districts in which there is excess
6 capacity; and

7 (iii) the district's success in providing high quality educational
8 opportunities that meet the educational quality standards adopted by the State
9 Board pursuant to section 165 of this title.

10 * * *

11 (6) "School district" means a town, city, incorporated, interstate, or
12 union school district or a joint contract school established under subchapter 1
13 of chapter 11 of this title.

14 * * *

15 (c) ~~Small schools financial stability grant: In addition to a small schools~~
16 ~~support grant, an eligible school district whose two year average enrollment~~
17 ~~decreases by more than 10 percent in any one year shall receive a small~~
18 ~~schools financial stability grant. However, a decrease due to a reduction in the~~
19 ~~number of grades offered in a school or to a change in policy regarding paying~~
20 ~~tuition for students shall not be considered an enrollment decrease. The~~
21 ~~amount of the grant shall be determined by multiplying 87 percent of the base~~

1 ~~education amount for the current fiscal year, by the number of enrollment, to~~
2 ~~the nearest one hundredth of a percent, necessary to make the two-year~~
3 ~~average enrollment decrease only 10 percent. [Repealed.]~~

4 (d) ~~Funds for both grants shall be appropriated from the Education Fund~~
5 ~~and shall be added to payments for the base education amount or deducted~~
6 ~~from the amount owed to the Education Fund in the case of those districts that~~
7 ~~must pay into the Fund under section 4027 of this title. [Repealed.]~~

8 (e) In the event that a school or schools that have received a grant under
9 this section merge in any year following receipt of a grant, and the
10 consolidated school is not eligible for a grant under this section or the small
11 school grant for the consolidated school is less than the total amount of grant
12 aid the schools would have received if they had not combined, the consolidated
13 school shall continue to receive a grant for three years following consolidation.
14 The amount of the annual grant shall be:

15 (1) in the first year following consolidation, an amount equal to the
16 amount received by the school or schools in the last year of eligibility;

17 (2) in the second year following consolidation, an amount equal to
18 two-thirds of the amount received in the previous year; and

19 (3) in the third year following consolidation, an amount equal to
20 one-third of the amount received in the first year following consolidation.

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

2 Sec. 13. 16 V.S.A. § 4010(f) is amended to read:

3 (f) For purposes of the calculation under this section, a district's equalized
4 pupils shall in no case be less than 96 and one-half percent of the ~~district's~~
5 actual number of equalized pupils in the district in the previous year, prior to
6 making any adjustment under this subsection.

7 Sec. 14. DECLINING ENROLLMENT; TRANSITION

8 (a) If a district's equalized pupils in fiscal year 2016 do not reflect any
9 adjustment pursuant to 16 V.S.A. § 4010(f), then Sec. 13 of this act shall apply
10 to the district in fiscal year 2017 and after.

11 (b) If a district's equalized pupils in fiscal year 2016 reflect adjustment
12 pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of
13 § 4010(f) as amended by this act:

14 (1) in fiscal year 2017, the district's equalized pupils shall in no case be
15 less than 90 percent of the district's equalized pupils in the previous year; and

16 (2) in fiscal year 2018, the district's equalized pupils shall in no case be
17 less than 80 percent of the district's equalized pupils in the previous year.

1 * * * Publicly-Funded Tuition; Vermont Schools; Grandfathering Clause in
2 Effective Date Section * * *

3 Sec. 15. 16 V.S.A. § 822(a) is amended to read:

4 (a) Each school district shall maintain one or more approved high schools
5 in which high school education is provided for its resident students unless:

6 (1) the electorate authorizes the school board to close an existing high
7 school and to provide for the high school education of its students by paying
8 tuition to a public high school, an approved independent high school, or an
9 independent school meeting school quality standards, to be selected by the
10 parents or guardians of the student, within ~~or outside~~ the State; or

11 (2) the school district is organized to provide only elementary education
12 for its students.

13 Sec. 16. 16 V.S.A. § 828 is amended to read:

14 § 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

15 (a) A school district shall not pay the tuition of a student except to a public
16 school, an approved independent school, an independent school meeting school
17 quality standards, a tutorial program approved by the State Board, an approved
18 education program, ~~or an independent school in another state or country~~
19 ~~approved under the laws of that state or country, nor shall~~ located in Vermont,
20 or a school operated by an interstate school district. The payment of tuition on
21 behalf of a person shall not be denied on account of age. Unless otherwise

1 provided, a person who is aggrieved by a decision of a school board relating to
2 eligibility for tuition payments, the amount of tuition payable, or the school he
3 or she may attend, may appeal to the State Board and its decision shall be final.

4 (b) Notwithstanding subsection (a) of this section, a school district may pay
5 tuition to a public or independent school in another state or country approved
6 under the laws of that state or country if by doing so the district is providing
7 for the education of:

8 (1) all resident students in one or more grades pursuant to:

9 (A) subsection 827(e) or section 835 of this title; or

10 (B) a determination by the State Board that payment of tuition to a
11 school outside Vermont is authorized due to geographic necessity because
12 driving times, distances, and travel routes are an obstacle to transporting
13 students to a Vermont school, consistent with guidelines to be developed
14 jointly by the State Board and Secretary;

15 (2) some or all of its career technical education students pursuant to
16 subsection 1531(c) of this title;

17 (3) a student eligible for special education whose individualized
18 education program requires an out-of-state placement pursuant to chapter 101
19 of this title; or

20 (4) a student enrolled in a school located in a community in the United
21 States or Canada that shares a border with Vermont.

1 * * * Integrated Education Systems; Transition * * *

2 Sec. 17. INTEGRATED EDUCATION SYSTEMS; GOVERNANCE

3 TRANSITIONS TO ACHIEVE EDUCATION POLICY GOALS

4 (a) Integrated education systems. On or before July 1, 2019, the State shall
5 provide educational opportunities through integrated education systems
6 responsible for the equitable delivery of high quality education to all resident
7 prekindergarten through grade 12 students and for stable, affordable education
8 costs as provided in this section.

9 (1) Each integrated education system shall advance the goals set forth in
10 Sec. 1 of this act by:

11 (A) providing equitable access to high quality educational
12 opportunities that meet the educational quality standards adopted by the State
13 Board pursuant to 16 V.S.A. § 165;

14 (B) fostering stable leadership by developing and supporting both
15 school and district leaders;

16 (C) hiring, training, supporting, and retaining excellent
17 administrators, teachers, and staff;

18 (D) maximizing the effective, flexible, and efficient use of fiscal,
19 human, and facility resources to support student achievement and success, with
20 a goal of increasing the district-level ratio of students to full-time equivalent
21 staff;

1 (E) promoting budgetary stability, leading to less volatility for
2 taxpayers;

3 (F) accounting for and reporting financial information in accordance
4 with Generally Accepted Accounting Principles and in a manner that promotes
5 transparency and public accountability and supports a statewide integrated data
6 collection system;

7 (G) increasing parental and community engagement at the school
8 level; and

9 (H) promoting a shared commitment to a strong, flexible, and
10 coherent system.

11 (2) Each integrated education system shall have an average daily
12 membership of at least 1,100 students in prekindergarten through grade 12
13 unless granted a waiver by the State Board of Education based upon criteria
14 developed by the Board.

15 (b) Self-evaluation and proposal by districts.

16 (1) Each district is required to evaluate its own structure and programs
17 and meet with neighboring districts, within or outside the supervisory union, to
18 determine how best to create and implement an integrated education system in
19 the region that achieves the goals and requirements set forth in subsection (a)
20 of this section.

1 (2) Except as provided in subsection (d) of this section, a district is
2 required to form a study committee with one or more other districts within or
3 outside its supervisory union and prepare a study report (Report) pursuant to
4 16 V.S.A. chapter 11 proposing how best to create a new district, or a
5 prekindergarten–grade 12 education system with more than one district
6 pursuant to subdivision (c)(2) of this section, that provides for the education of
7 resident prekindergarten through grade 12 students by realigning neighboring
8 districts with similar patterns of school operation and tuition payment.

9 Through creation of the Report, the districts shall demonstrate how their
10 proposal is designed to create an integrated education system that is capable of
11 achieving the goals and requirements set forth in subsection (a) of this section
12 and that is effective on or before July 1, 2019. The Report, which if approved
13 by the State Board of Education and subsequently by the electorate, shall be
14 the new district’s articles of agreement, shall also, to the extent required by the
15 proposal:

16 (A) decide issues specified in 16 V.S.A. § 706b, including ownership
17 of buildings, representation on the new district board, and whether votes on the
18 budget and other issues will be by Australian ballot;

19 (B) decide issues of particular interest to the local communities, such
20 as the conditions under which the new district would be permitted to close an
21 existing school building; and

1 (C) provide for the election of an initial school board prior to the first
2 day of the new district's existence in order to transition to the new structure by
3 negotiating and entering into contracts, preparing an initial proposed budget,
4 adopting policies, and otherwise planning for implementation of the new
5 district.

6 (3) Districts shall present the Report to the State Board and subsequently
7 to the electorate, pursuant to the provisions of 16 V.S.A. chapter 11.

8 (c) Evaluation by the State Board of Education.

9 (1) Evaluation. When evaluating Reports presented to it pursuant to
10 16 V.S.A. chapter 11 and subsections (b) and (d) of this section, the State
11 Board shall also:

12 (A) Consider whether the proposal is designed to create an integrated
13 education system capable of achieving the goals and requirements set forth in
14 subsection (a) of this section.

15 (B) Be mindful of any other district in the region that may become
16 geographically isolated or would otherwise be an inappropriate member of
17 another supervisory district or union school district. At the request of the State
18 Board, the Secretary shall work with the potentially isolated district and other
19 districts in the region to move toward a governance model that is designed to
20 achieve the goals and requirements set forth in subsection (a) of this section.

21 The State Board is authorized to deny approval to a proposal that would

1 geographically isolate a district that would not be an appropriate member of
2 another supervisory district or union school district in the region.

3 (2) Supervisory unions. The State Board may authorize the creation or
4 continuation of a supervisory union with two or more member districts, each
5 with a distinct school board if the Board concludes that it is the best means of
6 accomplishing an integrated education system capable of achieving the goals
7 and requirements set forth in subsection (a) of this section in a particular
8 region; provided, however, that the State Board may approve the supervisory
9 union structure only if the structure ensures transparency and accountability in
10 relation to the supervisory union budget, which may include a process by
11 which the electorate votes directly whether to approve the proposed
12 supervisory union budget. Pursuant to 16 V.S.A. § 261(d), the State Board
13 may waive requirements of 16 V.S.A. chapters 5 and 7 if necessary to facilitate
14 the vote.

15 (d) Exceptions to requirement for study committee.

16 (1) If the board of a supervisory district believes that the district can
17 function as an integrated education system capable of achieving the goals and
18 requirements set forth in subsection (a) of this section without altering its
19 current governance structure, then the board may submit a proposal
20 demonstrating this belief to the State Board and subsequently to the electorate

1 pursuant to 16 V.S.A. chapter 11 without forming a study committee pursuant
2 to that chapter and subdivision (b)(2) of this section.

3 (2) If the board of a supervisory union believes that the member districts
4 can function as an integrated education system capable of achieving the goals
5 and requirements set forth in subsection (a) of this section by realigning into a
6 supervisory district, then the supervisory union board may submit a proposal in
7 the form of a Report demonstrating this belief to the State Board and
8 subsequently to the electorate pursuant to 16 V.S.A. chapter 11 without
9 forming a study committee pursuant to that chapter and subdivision (b)(2) of
10 this section.

11 (e) Creation of integrated education systems.

12 (1) If a district or group of districts does not complete the process
13 outlined in subsection (b) or (d) of this section, or does so but does not obtain a
14 favorable vote of all “necessary” districts on or before November 30, 2017
15 (collectively, the remaining districts), then the Secretary shall develop a plan
16 by which remaining districts of the State shall be realigned if necessary to
17 create integrated education systems capable of achieving the goals and
18 requirements set forth in subsection (a) of this section.

19 (2) The Secretary shall present the proposal to the State Board of
20 Education on or before July 1, 2018.

1 (3) On or before September 1, 2018, the State Board shall approve the
2 Secretary's proposal in its original or in an amended form, and publish its
3 order realigning the remaining districts on the Agency's website.

4 (4) For the new districts that will be created by the State Board's order,
5 the order shall:

6 (A) 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 districts 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 (B) establish transition procedures and guidance necessary for the
14 creation of each new district, including provisions for:

15 (i) 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 (ii) assumption of debt;

21 (iii) ownership and management of property; and

1 (iv) the transition of employees to the new employer, including
2 membership in collective bargaining units; and

3 (C) ensure that no school employee subject to employment transition
4 under the order will experience a detrimental change in status within the
5 Vermont Municipal Employees' Retirement System.

6 (f) Interstate school districts. This section shall not apply to interstate
7 school districts.

8 (g) Protection for nonoperating districts and operating districts; statement
9 of intent.

10 (1) Nonoperating districts. All governance transitions achieved pursuant
11 to this section shall preserve the ability of a district that, as of the effective date
12 of this act, provides for the education of all resident students in one or more
13 grades by paying tuition on the students' behalf, to continue to provide
14 education by paying tuition on behalf of all students in the grade or grades if it
15 chooses to do so and shall not require the district to limit the options available
16 to students if it ceases to exist as a discrete entity and is realigned into a
17 supervisory district or union school district.

18 (2) Operating districts. All governance transitions achieved pursuant to
19 this section shall preserve the ability of a district that, as of the effective date of
20 this act, provides for the education of all resident students in one or more
21 grades by operating a school offering the grade or grades, to continue to

1 provide education by operating a school for all students in the grade or grades
2 if it chooses to do so and shall not require the district to pay tuition for students
3 if it ceases to exist as a discrete entity and is realigned into a supervisory
4 district or union school district.

5 (3) Statement of intent. Nothing in this section shall be construed to
6 restrict or repeal, or to authorize or require the restriction or repeal of, the
7 ability of a school district that, as of the effective date of this act, provides for
8 the education of all resident students in one or more grades:

9 (A) by paying tuition on the students' behalf, to continue to provide
10 education by paying tuition on behalf of all students in the grade or grades if it
11 chooses to do so; or

12 (B) by operating a school offering the grade or grades, to continue to
13 provide education by operating a school for all students in the grade or grades
14 if it chooses to do so.

15 (h) Guidelines. Based upon the performance measures adopted in Sec. 1(c)
16 of this act, the State Board of Education, in consultation with the Secretary of
17 Education, shall issue guidelines on or before December 31, 2015, that are
18 designed to:

19 (1) assist districts to develop Reports submitted pursuant to subsection
20 (b) or (d) of this section that are consistent with the goals set forth in Sec. 1 of
21 this act and subsection (a) of this section; and

1 (2) guide the State Board’s evaluation of Reports pursuant to subsection
2 (c) of this section.

3 (i) Statutory amendments. On or before December 1, 2015, the Office of
4 Legislative Council shall provide to the House and Senate Committees on
5 Education, the House Committee on Ways and Means, and the Senate
6 Committee on Finance proposed statutory amendments necessary to
7 accomplish the purpose of this section and reflect the governance changes it
8 requires.

9 Sec. 18. TAX INCENTIVES; INTEGRATED EDUCATION SYSTEMS

10 A integrated education system capable of achieving the goals and outcomes
11 set forth in Sec. 17(a) of this act shall receive an equalization of its homestead
12 property tax rates during fiscal years 2020 through 2023 pursuant to 2010 Acts
13 and Resolves No. 153, Sec. 4(a), as amended by 2012 Acts and Resolves No.
14 156, Sec. 13; provided, however, that this section shall apply only to an
15 integrated education system that obtains a favorable vote of all “necessary”
16 districts on or before November 30, 2017, and is effective on or before July 1,
17 2019.

18 * * * Sale of School Buildings * * *

19 Sec. 19. 16 V.S.A. § 3448(b) and (c) are amended to read:

20 (b) ~~Refund upon sale. Upon the sale by a district of any item, building, or~~
21 ~~unit that may be relocated, for which State construction aid was awarded under~~

1 ~~this title, the district shall refund to the State a percentage of the sale price~~
2 ~~equal to the percentage of construction aid received. In no event shall the sum~~
3 ~~refunded be in excess of the amount of the original State aid received for the~~
4 ~~purchase of the item, building, or unit. All refunds shall be deposited with the~~
5 ~~State Treasurer and used for school construction aid awards. [Repealed.]~~

6 (c) ~~Repayment as a condition of general aid. No school district shall~~
7 ~~receive any State general aid unless the school district complies with~~
8 ~~subsection (b) of this section. [Repealed.]~~

9 * * * Voluntary Mergers; Incentives; REDS * * *

10 Sec. 20. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012
11 Acts and Resolves No. 156, Sec. 1, is further amended to read:

12 (a) Program created. There is created a school district merger incentive
13 program under which the incentives outlined in Sec. 4 of this act shall be
14 available to each new unified union school district created pursuant to Sec. 3 of
15 this act and to each new district created under Sec. 3 of this act by the merger
16 of districts that provide education by paying tuition; and to the Vermont
17 members of any new interstate school district if the Vermont members jointly
18 satisfy the size criterion of Sec. 3(a)(1) of this act and the new, merged district
19 meets all other requirements of Sec. 3 of this act. Incentives shall be available,
20 however, only if the ~~effective date of merger is on or before July 1~~ merger
21 receives final approval of the electorate prior to November 30, 2017.

1 Sec. 21. 2010 Acts and Resolves No. 153, Sec. 4, as amended by 2012 Acts
2 and Resolves No. 156, Sec. 13, is further amended to read:

3 Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

4 * * *

5 (h) ~~This section is repealed on July 1, 2017.~~ The incentives provided in
6 this section shall be available only if the merger receives final approval of the
7 electorate prior to November 30, 2017 or as otherwise provided by the General
8 Assembly.

9 * * * Recently Merged Districts; Articles of Agreement * * *

10 Sec. 22. ARTICLES OF AGREEMENT; MERGED DISTRICT

11 If on or before the effective date of this section the voters of all “necessary”
12 districts granted final approval under 16 V.S.A. chapter 11 to form a regional
13 education district (RED) or any other district eligible to receive RED
14 incentives pursuant to 2010 Acts and Resolves No. 153, as amended by 2012
15 Acts and Resolves No. 156 and 2013 Acts and Resolves No. 56, and if the
16 merged district’s voter-approved articles of agreement specifically identify the
17 process by which another district may become or seek to become a member of
18 the merged district in the future, then nothing in this act shall abrogate or
19 otherwise alter that process.

1 * * * Data; Quality Assurance; Accountability * * *

2 Sec. 23. DATA; QUALITY ASSURANCE; ACCOUNTABILITY

3 On or before July 1, 2017, the Agency of Education shall have fully
4 implemented statewide, integrated systems to maintain financial reporting and
5 accounting data and longitudinal student data that are designed to measure and
6 compare on a district-to-district basis:

7 (1) the quality and variety of educational opportunities available to
8 students throughout the State;

9 (2) student outcomes; and

10 (3) financial costs.

11 * * * Contract Imposition; Strikes; Binding Interest Arbitration * * *

12 Sec. 24. CONTRACT IMPOSITION; STRIKES; BINDING INTEREST
13 ARBITRATION

14 On or before January 15, 2016, the Secretary of Education, in consultation
15 with the Vermont Superintendents Association, the Vermont School Boards
16 Association, and the Vermont – National Education Association, shall evaluate
17 current collective bargaining laws for educators as they relate to the imposition
18 of contracts, strikes, and binding interest arbitration and shall recommend any
19 proposals for legislative changes to the House and Senate Committees on
20 Education.

1 *** Transition of Employees ***

2 Sec. 25. 16 V.S.A. chapter 53, subchapter 3 is added to read:

3 Subchapter 3. TRANSITION OF EMPLOYEES

4 § 1801. DEFINITIONS

5 As used in this subchapter:

6 (1) “New District” means a district created by the realignment or merger
7 of two or more current districts into a new supervisory district, union school
8 district, or any other form of merged or realigned district authorized by law,
9 regardless of whether one or more of the districts creating the New District (a
10 Realigning District) is a town school district, a city school district, an
11 incorporated school district, a union school district, a unified union school
12 district, or a supervisory district.

13 (2) “New SU” means a supervisory union created from the merger or
14 realignment of two or more current supervisory unions or of all or some of the
15 districts in one or more current supervisory unions (a Realigning SU). “New
16 SU” also means a supervisory union created by the State Board’s adjustment of
17 the borders of one or more current supervisory unions or parts of supervisory
18 unions pursuant to section 261 of this title or otherwise, regardless of whether
19 the New SU is known by the name of one of the current supervisory unions or
20 the adjustment is otherwise structured or considered to be one in which one

1 current supervisory union (the Absorbing SU) is absorbing one or more other
2 supervisory unions or parts of supervisory unions into the Absorbing SU.

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

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

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

17 § 1802. TRANSITION OF EMPLOYEES TO NEWLY CREATED

18 EMPLOYER

19 (a) Prior to the first day of a New District’s or a new SU’s existence, upon
20 creation of the Transitional Board, the Board shall:

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

3 (2) recognize the representatives of the Employees of the Realigning
4 Districts or Realigning SUs as the recognized representatives of the employees
5 of the New District or New SU.

6 (b) Negotiations shall commence within 90 days after formation of the
7 Transitional Board and shall be conducted pursuant to the provisions of chapter
8 57 of this title for teachers and administrators and pursuant to 21 V.S.A.
9 chapter 22 for other employees.

10 (c) An Employee of a Realigning District or Realigning SU who was not a
11 probationary employee shall not be considered a probationary employee of the
12 New District or New SU.

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

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

18 (2) the parties shall adhere to the provisions of an agreement among the
19 Employees of the Realigning Districts or the Realigning SUs, as represented
20 by their respective recognized representatives, regarding how provisions under
21 the existing contracts regarding issues of seniority, reduction in force, layoff,

1 and recall will be reconciled during the period prior to ratification of a new
2 agreement; and

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

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

12 § 1803. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

13 (a) A New District or New SU, on the first day of its existence, shall
14 assume the responsibilities of any one or more of the Realigning Districts or
15 Realigning SUs that have been participants in the system; provided, however,
16 that this subsection shall not be construed to extend benefits to an employee
17 who would not otherwise be a member of the system under any other provision
18 of law.

19 (b) The existing membership and benefits of an Employee of a Realigning
20 District or a Realigning SU shall not be impaired or reduced either by

1 negotiations with the New District or New SU under 21 V.S.A. chapter 22 or
2 otherwise.

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

7 * * * Education Mandates; Moratorium * * *

8 Sec. 26. EDUCATION PROPERTY TAX RATE INCREASES;
9 MORATORIUM

10 (a) Notwithstanding 16 V.S.A. § 4028(d) and 2 V.S.A. § 502(b)(2), the
11 Joint Fiscal Office (JFO) shall prepare a fiscal note for any legislation
12 proposed during the 2015–2016 biennium that JFO believes may have the
13 effect of increasing the education property tax rate, regardless of whether the
14 proposed legislation includes a related appropriation or funding mechanism.
15 JFO shall complete the fiscal note no later than the date on which the
16 legislation is considered for a vote of a committee, the House, or the Senate,
17 whichever is earliest.

18 (b) If the fiscal note prepared under this section confirms that the proposed
19 legislation shall have the effect of increasing the education property tax rate,
20 then the proposed legislation as then drafted shall be withdrawn from

1 consideration and shall not be voted upon by any committee, the House, or the
2 Senate, as applicable.

3 (c) This section shall not apply to legislation annually establishing the base
4 education amount pursuant to 16 V.S.A. chapter 133 or the tax rate pursuant to
5 32 V.S.A. § 5402.

6 (d) This section is repealed on July 1, 2016.

7 * * * Education Spending Cap * * *

8 Sec. 27. EDUCATION SPENDING CAP

9 (a) If any school district approves a budget that contains equalized per
10 pupil education spending, as defined in 16 V.S.A. § 4001(6), that is 2.0 percent
11 in excess of the equalized per pupil education spending amount adopted in the
12 previous year's budget, then the budget shall be deemed to have failed to pass.

13 (b) For a budget approved under subsection (a) of this section, a school
14 district shall not borrow any amount to pay for operating costs.

15 Sec. 28. SUNSET

16 Section 27 of this act (creating the education spending cap) is repealed on
17 December 31, 2018.

1 * * * Special Education; Funding; Average Daily Membership; Study * * *

2 Sec. 29. SPECIAL EDUCATION; FUNDING; AVERAGE DAILY

3 MEMBERSHIP; STUDY AND PROPOSAL

4 On or before January 15, 2016, the Secretary of Education shall develop
5 and present to the House and Senate Committees on Education a proposal for
6 an alternative funding model for the provision of special education services in
7 Vermont. In developing the proposal, the Secretary shall

8 (1) consult with experts in the provision or funding of special education
9 services;

10 (2) consider the report regarding the use of paraprofessionals to provide
11 special education services required by the General Assembly pursuant to 2014
12 Acts and Resolves No. 95, Sec. 79a;

13 (3) consider ways in which some portion of State funds for special
14 education services could be provided to school districts or supervisory unions
15 based on average daily membership; and

16 (4) consider ways in which the proposal could also help to reduce
17 administrative responsibilities at the local level and increase flexibility in the
18 provision of services.

1 * * * Principals and Superintendents; Study * * *

2 Sec. 30. PRINCIPALS AND SUPERINTENDENTS; STUDY AND
3 PROPOSAL

4 On or before January 15, 2016, the Secretary of Education, in consultation
5 with the Vermont Superintendents Association, the Vermont School Boards
6 Association, and the Vermont Principals' Association, shall develop and
7 present to the House and Senate Committees on Education a proposal to clarify
8 the roles of superintendents as systems managers and principals as
9 instructional leaders. The proposal shall also address superintendents' and
10 principals' relative responsibilities of supervision and evaluation.

11 * * * Property Tax Adjustment Lag; Study * * *

12 Sec. 31. YEAR USED TO CALCULATE PROPERTY TAX
13 ADJUSTMENTS

14 On or before January 15, 2016, the Commissioner of Taxes shall report to
15 the General Assembly on the steps that would be required to transition to
16 calculation of the property tax adjustments under 32 V.S.A. chapter 154 on a
17 current year basis. As used in this section, "a current year basis" means using
18 the current year's homestead adjusted tax rates, the current year's assessed
19 property values, and the taxable income from the prior calendar year to
20 calculate a property tax adjustment filed in the current claim year. In preparing
21 the report, the Commissioner shall consult with the Vermont Association of

1 Listers and Assessors, the Vermont League of Cities and Towns, and any other
2 interested stakeholders identified by the Commissioner.

3 * * * Adequacy Funding; Study * * *

4 Sec. 32. ADEQUACY FUNDING; STUDY

5 (a) Adequacy funding study. On or before July 15, 2015, the Joint Fiscal
6 Office, in consultation with the President Pro Tempore of the Senate, the
7 Speaker of the House, and the Chairs of the House and Senate Committees on
8 Education, shall develop a request for proposals to conduct a study of the
9 implementation of an adequacy-based education funding system in the State,
10 including a recommendation on the determination of adequacy. The Joint
11 Fiscal Office shall select and enter into a contract with a consultant from
12 among those submitting proposals.

13 (1) The recommendation for the adequacy determination shall be based
14 on the educational standards adopted under Vermont law, including adherence
15 to *Brigham v. Vermont*, 166 Vt. 246 (1997), and the promotion of substantial
16 equality of educational opportunity for all Vermont students. The
17 determination shall consider all sources of spending related to education,
18 including spending that is currently characterized as categorical grants, but not
19 including capital expenditures. The determination shall be reached using one
20 of the following four methods: the evidence-based model, the professional
21 judgment model, the successful schools model, or the cost function model.

1 (2) The consultant shall incorporate the following into the study:

2 (A) a review of the existing studies of Vermont's education finance
3 system since the enactment of 1998 Acts and Resolves No. 60 and 2004 Acts
4 and Resolves No. 68;

5 (B) a review of the existing data collected by the Agency of
6 Education and the Department of Taxes related to the Vermont education
7 finance system under Act 60 and Act 68; and

8 (C) a review of adequacy funding systems in comparable states with
9 an emphasis on states in New England and states committed to equity.

10 (b) Interested stakeholders. The consultant selected shall carry out public
11 participation activities with interested stakeholders as part of its study.

12 (c) Report. On or before January 15, 2016, the consultant shall submit a
13 report to the General Assembly on the study required by this section.

14 (d) Technical assistance. The Agency of Education, the Department of
15 Taxes, the Joint Fiscal Office, and the Office of Legislative Council shall assist
16 the consultant with gathering data required for the study.

17 (e) Funding. The Joint Fiscal Office is authorized to expend up to a total of
18 \$300,000.00 for the required study and related expenses, and is appropriated
19 funds from the General Fund for this purpose.

1 * * * Joint Legislative Education Oversight Committee * * *

2 Sec. 33. 2 V.S.A. chapter 29 is added to read:

3 CHAPTER 29. JOINT LEGISLATIVE EDUCATION

4 OVERSIGHT COMMITTEE

5 § 991. JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

6 (a) Creation. There is created a Joint Legislative Education Oversight
7 Committee. The Committee shall monitor, evaluate, research, oversee, and
8 provide a continuing review of matters concerning education policy, education
9 funding, and student outcomes and the intersections of each with corrections,
10 economic development, health care, and human services issues and shall
11 provide information and assistance to other legislative committees on these
12 matters.

13 (b) Membership. The Committee shall consist of six members who are
14 appointed biennially. The members shall be the Chair or the Chair's designee
15 of each of the following committees: The House and Senate Committees on
16 Appropriations and on Education, the House Committee on Ways and Means,
17 and the Senate Committee on Finance.

18 (c) Powers and duties. In addition to the general duties of the Committee
19 as set forth in subsection (a) of this section, the Committee shall:

1 (1) evaluate legislative policy and funding initiatives when the General
2 Assembly is not in session, including the progress and consequences of
3 consolidation efforts;

4 (2) at the request of the House or Senate Committee on Education,
5 research and examine issues that may lead to future legislative action;

6 (3) assess the work of the Agency of Education to implement Quality
7 Review Teams; and

8 (4) evaluate the ways in which education policy, education funding, and
9 student outcomes intersect with corrections, economic development, health
10 care, and human services issues.

11 (d) Officers. The Committee shall elect a chair, vice chair, and clerk from
12 among its members and shall adopt rules of procedure to perform its duties.
13 The Chair shall rotate biennially between the House and Senate members, and
14 a member from the other body shall serve as the Vice Chair.

15 (e) Quorum and voting.

16 (1) A majority of the members of the entire Committee, whether
17 physically present at the meeting location or participating remotely, constitutes
18 a quorum for the purpose of discussing the business of the Committee.

19 (2) A majority of the members of the entire Committee must be
20 physically present or electronically at the same location to constitute a quorum
21 for the purpose of voting to take action.

1 (3) A member of the Committee may vote on an action only if he or she
2 is physically or electronically present at the meeting location.

3 (4) An action may be taken by the Committee only by assent of a
4 majority of the members attending and voting, assuming a quorum.

5 (f) Meetings. When the General Assembly is in session, the Committee
6 shall meet at the call of the Chair. The Committee may meet six times during
7 adjournment and may meet more often subject to approval of the Speaker of
8 the House and the President Pro Tempore of the Senate.

9 (g) Reimbursement. For attendance at meetings during adjournment of the
10 General Assembly, members of the Committee shall be entitled to per diem
11 compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

12 (h) Assistance. The Committee shall have the administrative, technical,
13 and legal assistance of the Office of Legislative Council and the Joint Fiscal
14 Office.

15 (i) Report. Notwithstanding 2 V.S.A. § 20(d), the Committee shall report
16 its activities at least annually to the General Assembly on or before January 15,
17 together with any recommendations for legislative or other action. The report
18 shall be in brief summary form.

1 Sec. 34. TRANSITION

2 (a) The Chair of the House Committee on Education shall call the first
3 meeting of the Joint Legislative Education Oversight Committee to occur on or
4 before August 1, 2015.

5 (b) The members shall elect a member from the House of Representatives
6 to serve as its initial Chair.

7 * * * Education Spending; Health Care Costs; Working Group * * *

8 Sec. 35. EDUCATION SPENDING: HEALTH CARE COSTS

9 (a) Findings. The General Assembly finds:

10 (1) Health care expenses are a major cause of increases in school
11 budgets and education property taxes.

12 (2) Until the State solves the problems associated with the cost of health
13 care, it will be increasingly difficult for school districts to contain education
14 spending and education property taxes.

15 (b) Working Group.

16 (1) In order to address issues concerning the cost of health care in a
17 manner that is fair to employees and employers, the Commissioner of Vermont
18 Health Access and the Secretary of Education shall convene a working group
19 to consider alternatives available to school districts, supervisory unions, and
20 their employees on or before August 1, 2015. Among other options, the

1 working group shall consider the possibility of transitioning to plans offered
2 through Vermont Health Connect (the Exchange) by 2018.

3 (2) In addition to the Commissioner and Secretary, the members of the
4 working group shall be:

5 (A) the Executive Director of the Vermont School Boards
6 Association or designee;

7 (B) the President of the Vermont – National Education Association or
8 designee;

9 (C) The Chair of the Board of the Vermont Education Health
10 Initiative (VEHI) or designee; and

11 (D) The Director of Health Care Reform in the Agency of
12 Administration or designee.

13 (3) On or before January 15, 2016, the working group shall deliver one
14 or more proposals to the General Assembly

15 * * * Effective Dates * * *

16 Sec. 36. EFFECTIVE DATES

17 (a) This section (effective dates) and Sec. 1 (policy) shall take effect on
18 passage.

19 (b) Secs. 2 through 5 (yield; dollar equivalent) shall take effect on July 1,
20 2015, and apply to fiscal year 2017 and after.

1 (c) Secs. 6 and 7 (fiscal year 2016; tax rates; base education amount) shall
2 take effect on July 1, 2015, and apply to fiscal year 2016.

3 (d) Secs. 8 and 9 (ballot language; per pupil spending) shall take effect on
4 July 1, 2015.

5 (e) Secs. 10 and 11 (merger support grants) shall take effect on passage.

6 (f) Sec. 12 (small school support) shall take effect on July 1, 2019, and
7 shall apply to grants made in fiscal year 2020 and after.

8 (g) Sec. 13 (declining enrollment; hold-harmless provision) shall take
9 effect on July 1, 2016.

10 (h) Sec. 14 (declining enrollment; hold-harmless provision; transition) shall
11 take effect on July 1, 2015.

12 (i) Secs. 15 and 16 (tuition; schools outside Vermont) shall take effect
13 on July 1, 2015, and shall apply to tuition paid by school districts for the
14 2016–2017 academic year and after; provided, however, that a student who, in
15 fiscal year 2016, is enrolled in a school located outside Vermont and on whose
16 behalf the student’s district of residence has paid tuition then, notwithstanding
17 the provisions of Secs. 15 and 16 of this act, the school district shall continue
18 to pay tuition on behalf of the student for each year the student remains a
19 resident of that district and is enrolled in the school if the district does not
20 operate a school and is required to pay tuition upon receiving parental
21 notification pursuant to 16 V.S.A. § 821(d) or 822(a)(1).

1 (j) Sec. 17 (governance transitions) shall take effect on passage.

2 (k) Sec. 18 (tax incentives) shall take effect on passage.

3 (l) Sec. 19 (repayment of State construction aid) shall take effect on
4 passage.

5 (m) Secs. 20 and 21 (REDS; incentives for merger; effective dates) shall
6 take effect on passage.

7 (n) Sec. 22 (articles of agreement; merged district) shall take effect on
8 passage.

9 (o) Sec. 23 (data; quality assurance; accountability) shall take effect on
10 July 1, 2015.

11 (p) Sec. 24 (contract imposition; strikes; binding interest arbitration) shall
12 take effect on passage.

13 (q) Sec. 25 (employee transition) shall take effect on passage and apply to
14 any New District or New SU that has its first day of existence on or after that
15 date.

16 (r) Sec. 26 (education mandates; moratorium) shall take effect on passage.

17 (s) Secs 27 and 28 (education spending cap; creation; repeal) shall take
18 effect on July 1, 2015, and apply to proposed school budgets for fiscal years
19 2017, 2018, and 2019.

20 (t) Sec. 29 (special education funding; average daily membership; study)
21 shall take effect on passage.

1 (u) Sec. 30 (superintendents and principals; study) shall take effect on
2 passage.

3 (v) Sec. 31 (property tax adjustment lag; study) shall take effect on July 1,
4 2015.

5 (w) Sec. 32 (adequacy funding model; study) shall take effect on passage.

6 (x) Secs. 33 and 34 (Joint Legislative Education Oversight Committee)
7 shall take effect on passage.

8 (y) Sec. 35 (health care costs; working group) shall take effect on passage.