

H.361
As Introduced and Proposed Committee Amendments as of 3/26/2015
Side by Side Comparison
(DRS) – **DRAFT!!**

| TOPIC | As Introduced | Proposed Amendments |
|-----------------------------|---|--|
| Education Policy | <p><u>Sec. 1(a) – (b):</u></p> <p>move State toward integrated education systems responsible for equitable delivery of high quality education through revised governance structures –</p> <ul style="list-style-type: none"> * leading students to meet or achieve EQS * delivered at cost parents, voters, and taxpayers value * identifies specific goals <p><u>Sec. 17(a)(1):</u></p> <p>identifies specific goals tied to Sec. 1</p> | <p><u>Sec. 1(a) – (b) (<i>Rep Christie / HEC #1</i>):</u></p> <p>same as in As Introduced, but –</p> <ul style="list-style-type: none"> * clarifies and emphasizes connection with EQS (rather than being in addition to) * emphasizes transparency and accountability * incorporates Sec. 17(a)(1) goals |
| Performance Measures | <p><u>Sec. 1(c):</u></p> <p>by 12/31/15, SBE adopts no more than two performance measure for each policy goal in section</p> | <p><u>Sec. 1(c) (<i>Rep Christie / HEC #1</i>):</u></p> <p>same as in As Introduced, but –</p> <ul style="list-style-type: none"> * clarifies that performance measures are part of ongoing work to develop EQS indicators * refers to student outcomes |

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| Guidelines | <p><u>Sec. 17(h):</u></p> <p>by 12/31/15, based on performance measures in Sec. 1(c), SBE issues guidelines to assist:</p> <ul style="list-style-type: none"> (1) districts to develop governance proposals and (2) SBE to evaluate the proposals | <p><u>Sec. 1(d) (<i>Rep Christie / HEC #1</i>):</u></p> <p>same as As Introduced, but –</p> <ul style="list-style-type: none"> * refers to student outcomes * indicates that guidelines need to recognize that some proposals will be for a continued, expanded, or new SU rather than only SDs |
| Yield; Dollar Equivalent | <p><u>Secs. 2 – 5:</u></p> <p>replaces base education amount used to calculate base tax rates each year with a “dollar equivalent” that states the amount of per pupil spending that could be supported each year by a fixed base tax</p> <p><i>[more on next page]</i></p> | <p><u>Secs. 2 – 5 (<i>HWM #1</i>):</u></p> <p>replaces base education amount used to calculate base tax rates each year with a different “dollar equivalent yield” for two groups:</p> <ul style="list-style-type: none"> * taxpayers who pay on the value of their property * taxpayers who receive an income sensitivity adjustment. <p>the “dollar equivalent yield” states the amount of per pupil spending that could be supported each year by a fixed homestead base tax of \$1.00 for property payers, and by a fixed applicable income percentage of 2.0 for income payers</p> <p><i>[more on next page]</i></p> |

| TOPIC | As Introduced | Proposed Amendments |
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| | Tax Commissioner proposes dollar equivalent annually General Assembly sets it annually | Tax Commissioner proposes each dollar equivalent yield annually General Assembly sets both annually |
| FY16 Tax Rates & Applicable %; Base Ed Amount | <u>Secs. 6 – 7:</u> * rates = \$1.535 and \$1.00 * applicable percentage = 1.94% * base education amount = \$9,459 | <u>Secs. 6 – 7 (HWM #2):</u> * rates = \$1.525 and \$0.98 |
| Ballot Language; Per Pupil Spending | <u>Secs. 8–9:</u> * budget Warning includes data re: per equalized pupil spending * repeals inactive divided vote | <i>[no proposals of amendment]</i> |

| TOPIC | As Introduced | Proposed Amendments |
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| Merger Support Grants for Districts Receiving Small School Support (current RED incentive) | <p><u>Sec. 10:</u></p> <p><i>current law:</i> REDS that formerly received small school support grants continue to receive the grant as a Merger Support Grant for <u>5 years</u></p> <p>Amendments:</p> <ul style="list-style-type: none"> * continues indefinitely * grants cease if close small school * EXCEPT – if close school in connection with consolidation of buildings that involves construction or renovation, then grant continues for life of construction / renovation bond <p><u>Sec. 11:</u></p> <p>(a) provides Merger Support Grants per Sec. 10 to mergers under Sec. 17 with deadlines: 11/20/17 vote and 7/1/19 operation</p> <p>(b) provides same to districts contracting to operate school jointly</p> | <p><i>[no proposals of amendment]</i></p> |

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| Small School Grants | <p><u>Sec. 12:</u></p> <p>limits grants to districts:</p> <ul style="list-style-type: none"> * average grade size <20 * participated in merger study * high student-to-staff ratio * is geographically isolated per * high quality ed opportunities <p>repeals financial stability grant – an additional grant for small schools with rapidly declining enrollment</p> <p>repeals obsolete language</p> <p>applies FY20 and after</p> | <p><i>[no proposals of amendment]</i></p> |
| 3.5% Hold Harmless Provision (“phantom students”) | <p><u>Secs. 13 – 14:</u></p> <p>applies 3.5% to district’s actual equalized pupils from prior year, rather than amount already inflated by application of 3.5% in prior year; effective FY17</p> <p>transitions districts that currently have an inflated number of equalized pupils to new system over 3 years</p> | <p><i>[no proposals of amendment]</i></p> |

| TOPIC | As Introduced | Proposed Amendments |
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| Tuition Paid Outside VT | <p><u>Secs. 15 – 16:</u></p> <p>prohibits public funds for out-of-state tuition payments except:</p> <ul style="list-style-type: none"> * school outside VT is part of interstate school district * all resident students in grade attend particular school outside VT * attendance outside VT is geographically necessary * statute specifically permits attendance at certain career tech ctrs * school outside VT is part of student’s IEP * school is in community in NH, NY, MA, or Canada that borders VT <p>currently enrolled students are grandfathered (Sec. 36(i))</p> | <p><i>[no proposals of amendment]</i></p> |

| TOPIC | As Introduced | Proposed Amendments |
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| Governance Changes | <p><u>Sec. 17:</u></p> <p>(a) <i>by 7/1/2019</i> – integrated education systems for equitable delivery of high quality ed to all resident PK-12 student at stable affordable cost</p> <p>(1) <i>[see Proposed Amendments Sec 1(b)]</i></p> <p>(2) Minimum Size 1,100; Waiver <i>[see Proposed Amendments sub (c)(1)]</i></p> <p>(b) Self-Evaluation and Proposal by Districts</p> <p>(1) <i>Self-Evaluation</i> each district evaluates own structure and programs; meets with others neighboring districts in or outside SU to determine how best to create and implement an integrated ed system in the region</p> <p>(2) <i>Study Committee and Report</i> (per 16 V.S.A. ch 11 process):</p> <ul style="list-style-type: none"> * each dist. forms study committee (except per (d)) * prepares Report proposing a new district or a preK-12 system with more than one district * Report shows how proposal will meet Act’s goals / requirements * Report requires that will be operational by 7/1/19 * approved Report becomes articles of agreement * gives examples of issues that articles address | <p><u>Sec. 17</u> (<i>Rep Christie / HEC #2</i>)</p> <p>(a) adds improved transparency and accountability</p> <p>(b) Evaluation and Proposal by Districts</p> <p>(1) <i>Evaluation</i> – basically the same but –</p> <ul style="list-style-type: none"> * focuses on working <i>with</i> other districts, including those with similar patterns of school operation and tuition payment * clarifies that do not have to be contiguous <p>(2) <i>Study Committee and Report</i> (per 16 VSA ch 11 process):</p> <p>basically the same but –</p> <ul style="list-style-type: none"> * rewrites to be clearer and more consistent * adds reference to reimbursement for study costs and other transitional incentives under Act 156 to which already eligible if meet Act 156 deadlines * moves approved Report becomes articles of agreement to (3) below * removes examples of issues that articles address |

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| | <p>(3) <i>Submission</i>: requires districts to submit report to SBE and subsequently to electorate for vote per 16 V.S.A. ch 11</p> <p><i>[See sub (a)(2) As Introduced above –Proposed Amendment is same]</i></p> | <p>(3) same but –</p> <ul style="list-style-type: none"> * adds approved Report becomes governing document for SU * final electorate vote by 11/30/17 <p>(c) Size and Structure of Integrated Education Systems</p> <p>(1) <i>Minimum Size</i> = 1,100 for an integrated education system; Waiver</p> <p>(2) <i>Education Districts</i>:</p> <ul style="list-style-type: none"> * to promote flexibility, transparency, and accountability * <i>preferred structure</i> for integrated ed system is an Ed District (which is a supervisory district responsible for PK-12) that falls into one of four common structures: <ol style="list-style-type: none"> 1. operates PK/K–12 2. operates PK/K–6; tuitions 7–12 3. operates PK/K–8; tuitions 9–12 4. tuitions PK–12 |

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| | <p><i>[See sub (c)(2) As Introduced below – differences are in italics in Proposed Amendment to right]</i></p> <p><i>[See sub (c)(2) As Introduced below – differences are in italics in Proposed Amendment to right]</i></p> <p>(c) Evaluation by State Board (1)(A) consider if designed to create integrated ed system meeting goals (1)(B) mindful of geographic isolation/AOE helps/<i>MAY</i> deny approval (2) SBE may authorize SU if there are provisions ensuring transparency & accountability re: SU budget</p> | <p>(3) Supervisory Unions: (A) recognizes Education District may not be best way to achieve goals in all regions of State AND because may be necessary per: * Sub (c)(1) – Minimum ADM * Sub (g) – protections for tuition paying and operating districts * districts may propose and SBE may authorize creation, expansion, or continuation of SU</p> <p>(B) State may approve only if provides transparency and accountability * including for SU budget</p> <p>(d) Evaluation by State Board (1) same (2) same but breaks into subdivisions for clarity</p> <p><i>[See subs (c)(3)(A) and (B) above]</i></p> |

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| | <p>(d) Exceptions to requirement for Study Committee (but all other requirements apply)</p> <ul style="list-style-type: none"> (1) existing SD (2) existing SD becoming an SU <p>(e) Creation of Integrated Education Systems</p> <ul style="list-style-type: none"> (1) Secretary creates proposal to realign for “Remaining Districts” into integrated education systems “if necessary” (2) Secretary presents proposal to SBE by 7/1/2018 (3) Board approves / amends and approves proposal by 9/1/2018 (A)-(C) includes examples of model articles of agreement etc. <p>(f) Section Doesn’t Apply to Interstate School Districts</p> <p>(g) Protection for Tuition-paying & Operating Districts; Intent</p> <p>(h) Leg Council draft legislation</p> | <p>(e) same</p> <ul style="list-style-type: none"> (1) same – but language is simplified and clarified (2) same – but language is simplified and clarified <p>(f) Creation of Integrated Education Systems</p> <ul style="list-style-type: none"> (1) same but – <ul style="list-style-type: none"> * emphasizes that this is a <i>proposal</i> * adds that realigns “to the extent possible” * adds that may not be possible or practicable to meet one or more provisions of sub (a) or (c), so proposal designed in way to best serve interests of resident students, local communities, and the State * [(2) from As Introduced added to (1) above] (2) same as (3) from As Introduced <p><i>[omits examples]</i></p> <p>(g) <i>[same]</i></p> <p>(h) <i>[same]</i></p> <p><i>[omits]</i></p> |

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| Incentives for Joint Activity Encouraged by Bill | <p><u>Sec. 18:</u> integrated education system that receives approval of all “necessary” districts by 11/20/17 and is operational by 7/1/2019 per Sec. 17 receives RED tax incentives (refers to law that provides incentives)</p> <p><i>See also:</i></p> <p><u>Sec. 11</u> – Merger Support Grants</p> <p><u>Sec. 17(b)(2)</u> – acknowledges that menu of Act 156 reimbursements and incentives are also available (for study committee costs, contracts, mergers, etc.) if meet Act 156 requirements and deadlines</p> | <p><u>Sec. 18 (HWM #3):</u> clarifies language in As Passed version and describes the RED tax incentives explicitly</p> <p>indicates that cannot receive per Sec. 18 if also receiving as RED</p> |
| Repayment of State Construction Aid | <p><u>Sec. 19:</u> repeals requirement to repay a % of state construction aid upon sale of building</p> | <p><u>Sec. 19 (Rep Emmons / HCI):</u> repeals requirement only for new union schools / joint contract schools created after 7/1/15</p> <p>NEW <u>Sec 19a</u> – AOE Study of issue</p> <p>New <u>Sec. 19b</u> – repeals Sec. 19 on 11/c0/17</p> |

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| RED and Other Current Incentives | <p><u>Secs. 20 – 21:</u></p> <p>extends RED incentives from the new district being operational on 7/1/17 to receiving affirmative vote by 11/30/17</p> <p>corrects tech error w/ repeal date</p> | <p><i>[no proposals of amendment]</i></p> |
| Recently Merged Districts | <p><u>Sec. 22:</u></p> <p>protects articles of amendment re: manner in which a district may join in future</p> | <p><i>[no proposals of amendment]</i></p> |
| Data Reporting | <p><u>Sec. 23:</u></p> <p>full implementation of statewide financial and student data systems by 7/1/2017</p> | <p><i>[no proposals of amendment]</i></p> |
| No Strikes / No Contract Imposition | <p><u>Sec. 24:</u></p> <p>Ed Sec study/proposals – due 1/15/16</p> | <p><u>Sec. 24 (Rep Christie / HEC #3):</u></p> <p>deletes section</p> |

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| Employee Transition | <p><u>Sec. 25:</u> codifies transitional language used in connection with REDs, movement of special educators to SU employment, and other acts and bills</p> | <p><i>[no proposals of amendment]</i></p> |
| Moratorium | <p><u>Sec. 26:</u> fiscal note / can't vote if bill increases ed property taxes</p> | <p><i>[no proposals of amendment]</i></p> |
| Spending Caps | <p><u>Secs. 27 – 28:</u> 2% cap on school district's increase in education spending</p> <p><i>[more on next page]</i></p> | <p><u>Sec. 1(d) (Rep Buxton / HEC):</u> creates index for cap so increase for low-spending districts is at a higher % that for high-spending districts cap based on total spending or on spending per equalized pupil – may use higher growth rate includes provisions to calculate tuition increases for nonoperating and partially nonoperating districts</p> <p><i>[more on next page]</i></p> |

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| | <p>if larger budget approved, it is deemed to have had a failing vote</p> <p>prohibits district from borrowing for operating costs</p> <p>repealed 12/31/2018</p> <p>applies to budgets for FYs 2017, 2018, and 2019 (per Effective Date Sec. 36(s))</p> | <p>same</p> <p>not prohibited</p> <p>appeals process for extraordinary expenses w/ some examples provided</p> <p>same</p> <p>same</p> |
| <p>Special Ed Funding; Study</p> | <p><u>Sec. 29:</u></p> <p>examine and proposed alternative methods to pay for Special Ed –including possibility that some paid by ADM</p> <p>Sec of Ed – 1/15/16</p> | <p><i>[no proposals of amendment]</i></p> |
| <p>Supers and Principals</p> | <p><u>Sec. 30:</u></p> <p>study of roles</p> <p>Secretary of Ed with others – due 1/15/16</p> | <p><i>[no proposals of amendment]</i></p> |

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| Property Tax Adjustment Lag; Study | <u>Sec. 31:</u> Commissioner of Taxes – 1/15/16 | <i>[no proposals of amendment]</i> |
| Adequacy Funding Model; Study | <u>Sec. 32:</u> JFO hires consultant – 1/15/16 \$300,000 appropriation from General Fund | <u>Sec. 32 (Appropriations C’ee #1):</u> (e) up to \$300,000 from FY2015 Education Fund appropriation prior to reversion (in January 2016) |
| Joint Leg Ed Oversight Committee | <u>Secs. 33 – 34:</u> creates new statutory Joint Legislative Education Oversight Committee | <i>[no proposals of amendment]</i> |
| Health Care Costs; Working Group | <u>Sec. 35:</u> consider alternatives available to school districts for employee health insurance | <u>Sec. 35 (Rep Christie / HEC #4):</u> amends so conducted by Director of Health Care Reform in consultation with others |
| Funding for Existing Incentives | | <u>Sec. 35a (Appropriations C’ee #2):</u> \$620,000 from FY2015 Education Fund appropriation prior to reversion (in January 2016) |