EDUCATION PROPOSALS
Section by Section Summary (version 1.2)

Sec. 1. Supervisory Districts (pages 1–4)

Requires that all SUs become SDs in FY 2018. A school district may vote to opt out of this requirement. Groups of school districts may present alternative governance proposals to the State Board of Education. The State Board reorganizes districts that pay tuition for all resident prekindergarten through grade 12 students into one or more wholly non-operating supervisory districts.

Secs. 2–3. Tuition Payments (pages 4–6)

Includes H. 38, which prohibits payment of publicly funded tuition dollars to schools outside the State or country, wexcept where specifically authorized by law for all resident students of a district in one or more grades. Adds to H.38 the clarification that the Dresden and Rivendell Interstate School Districts are considered in-state school districts.

Secs. 4–6. Small School Support (pages 6– 10)

Eliminates small school support when eligibility is based on a district's 2-year average combined enrollment of 100 or fewer students. Eliminates small school support when eligibility is based on a district's average grade size of 20 or fewer students except where the district is geographically isolated. The provisions are phased out over two years. The five-year Merger Support Grant provided to small districts that become REDs is extended so that the RED continues to receive the Grant indefinitely.

Sec. 7–8. Declining Enrollment; 3.5% Hold-Harmless Provision (pages 10–11)

Eliminates the "tail" from the calculation. Under current law, the 3.5 % is applied to the prior year's inflated equalized pupils. This applies it to the district's actual equalized pupils. The provisions transition current beneficiaries by reducing the inflated number over a three year period.

Secs. 9–10. Superintendents and Principals (pages 12–14)

Superintendents retain authority to nominate, hire, and fire supervisory union-level employees and principals. Authorizes principals to nominate, hire, and fire district-level and school-level employees

Secs. 11–15. Yield; Property Tax Adjustment Lag (pages 14–20)

Sec. 11. Definition of "dollar equivalent"

Defines "dollar equivalent" as the amount raised per pupil in a given year, assuming a homestead base tax rate of $1.00, an applicable percentage of 2.0, and statutory reserves of five percent.

Sec. 12. Homestead base tax rate

Sets the homestead base tax rate in statute at $1.00.

Sec. 13. Statewide education tax yield

Deletes current law related to the Commissioner of Taxes annual recommendations on the homestead and nonresidential base rates, and adds new language requiring the Commissioner to announce the dollar equivalent for the upcoming fiscal year.

Sec. 14. District spending adjustment

Changes the definition of district spending adjustment to replace the base education amount with the dollar equivalent. A district's tax rate will now vary based on the relationship of the district's spending to the announced dollar equivalent.

Sec. 15. Computation of income sensitivity adjustment

Alters the computation of the income sensitivity adjustments so that it is based on the house value, tax rate, and household income for the calendar year the claim is made, rather than the prior year's variables.

Secs. 16–17. Ballot Language (pages 20–24)

Requires Warning for a school district's proposed budget to state (1) what the total budget means in per pupil spending and (2) the percentage increase or decrease of per pupil spending in relation to previous year. It also repeals language that is no longer in effect regarding presenting budgets by means of a divided vote.

Sec. 18. Moratorium (pages 25–26)

Includes H. 44, which imposes a moratorium through June 30, 2016 on any new legislation that would increase property taxes.

Sec. 19. Special Education Funding (pages 26–27)

     [placeholder language!] Requires the Secretary of Education to develop a proposal for an alternative method of funding special education services, which might be based in part on payments per average daily membership.