

1 Introduced by Committee on Education

2 Date:

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

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

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

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

11 * * * Education Policy Goals * * *

12 Sec. 1. EDUCATION POLICY GOALS

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

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

19 (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 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.

18 * * * Fiscal Year 2016 Education Property Tax Rates, Applicable Percentage,

19 and Base Education Amount * * *

20 Sec. 6. FISCAL YEAR 2016 EDUCATION PROPERTY TAX RATES

21 AND APPLICABLE PERCENTAGE

1 (a) For fiscal year 2016 only, the education property tax imposed under
2 32 V.S.A. § 5402(a) shall be reduced from the rates of \$1.59 and \$1.10 and
3 shall instead be at the following rates:

4 (1) the tax rate for nonresidential property shall be \$1.535 per
5 \$100.00; and

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

9 (b) For claims filed in 2015 only, “applicable percentage” in 32 V.S.A.
10 § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be
11 1.94 percent multiplied by the fiscal year 2015 district spending adjustment for
12 the municipality in which the homestead residence is located; but in no event
13 shall the applicable percentage be less than 1.94 percent.

14 Sec. 7. FISCAL YEAR 2016 BASE EDUCATION AMOUNT

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

17 * * * Ballot Language; Per Pupil Spending * * *

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

19 § 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE ~~IF BUDGET~~
20 ~~EXCEEDS BENCHMARK AND DISTRICT SPENDING IS ABOVE~~
21 ~~AVERAGE~~

1 ~~proposed budget, for state and local government purchases of goods and~~
2 ~~services for the fiscal year for which the budget is proposed, plus one~~
3 ~~percentage point; plus the district's education spending per equalized pupil in~~
4 ~~the fiscal year preceding the year for which the budget is proposed, as~~
5 ~~determined by the Secretary;~~

6 ~~(II) multiplied by the higher of the following amounts as~~
7 ~~determined by the Secretary: (aa) the district's equalized pupil count in the~~
8 ~~fiscal year preceding the year for which the budget is proposed; or (bb) the~~
9 ~~district's equalized pupil count in the fiscal year for which the budget is~~
10 ~~proposed.~~

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

12 ~~“The total proposed budget of \$_____ is the amount determined~~
13 ~~by the school board to be necessary to support the school district's educational~~
14 ~~program. State law requires the vote on this budget to be divided because (i)~~
15 ~~the school district's spending per pupil last year was more than the statewide~~
16 ~~average and (ii) this year's proposed budget is greater than last year's budget~~
17 ~~adjusted for inflation.~~

18 ~~“Article #1 (School Budget):~~

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

1 ~~Part B. If Part A is approved by the voters, shall the voters of the~~
2 ~~school district also authorize the school board to expend \$_____/t, which is~~
3 ~~the remainder of the amount the school board has determined to be necessary?''~~
4 [Repealed.]

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

14 (i) all revenues from all sources, and expenses, including as
15 separate items any assessment for a supervisory union of which it is a member
16 and any tuition to be paid to a career technical center; and including the report
17 required in subdivision 242(4)(D) of this title itemizing the component costs of
18 the supervisory union assessment;

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

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

5 (iv) the definition of “education spending,” the number of pupils
6 and number of equalized pupils in the school district, and the district’s
7 education spending per equalized pupil in the proposed budget and in each of
8 the prior three years.

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

11 “Article #1 (School Budget):

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

17 Shall the voters of the school district approve the school board to expend
18 \$_____, which is the amount the school board has determined to be
19 necessary for the ensuing fiscal year?”

20 Sec. 9. REPEAL

1 building, then the Secretary shall continue to pay the grant during the
2 repayment term of any bonded indebtedness incurred in connection with the
3 consolidation-related renovation or construction.

4 Sec. 11. MERGER SUPPORT GRANT; INTEGRATED EDUCATION

5 SYSTEMS; **JOINT CONTRACT SCHOOLS**

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

17 **(b)** Notwithstanding other provisions of law to the contrary, if two or more
18 districts enter into a contract pursuant to 16 V.S.A. chapter 11, subchapter 1 to
19 operate a school jointly, and if at least one of the districts was “eligible school
20 district” that received a small school support grant under section in the fiscal
21 year two years prior to the effective date of the contract, then the contracting

1 school districts, as a single unit, shall receive merger support grants pursuant to
2 the provisions of 2010 Acts and Resolves No. 153, Sec. 4(d) as amended by
3 this act; provided, however, that this section shall apply only to contracting
4 districts that receive a favorable vote of all affected districts to enter into a
5 finalized contract on or before **November 30, 2017.**

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

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

8 § 4015. SMALL SCHOOL SUPPORT

9 (a) In this section:

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

11 (A) operates at least one school; and

12 ~~(A) has a two-year average combined enrollment of fewer than 100~~
13 ~~students in all the schools operated by the district; or~~

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

15 (C) has participated in a merger study and submitted a merger report
16 to the State Board pursuant to chapter 11 of this title or otherwise; and

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

19 (i) the district’s high student-to-staff ratios;

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

4 (iii) the district’s success in providing high quality educational
5 opportunities that meet the educational quality standards adopted by the State
6 Board pursuant to section 165 of this title.

7 * * *

8 (6) “School district” means a town, city, incorporated, interstate, or
9 union school district or a joint contract school established under subchapter 1
10 of chapter 11 of this title.

11 * * *

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

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

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

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

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

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

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

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

20 (f) For purposes of the calculation under this section, a district's equalized
21 pupils shall in no case be less than 96 and one-half percent of the district's

1 actual number of equalized pupils in the district in the previous year, prior to
2 making any adjustment under this subsection.

3 Sec. 14. DECLINING ENROLLMENT; TRANSITION

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

7 (b) If a district's equalized pupils in fiscal year 2016 reflect adjustment
8 pursuant to 16 V.S.A. § 4010(f), then, notwithstanding the provisions of
9 § 4010(f) as amended by this act:

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

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

14 * * * Publicly-Funded Tuition; Vermont Schools; Grandfathering Clause in
15 Effective Date Section * * *

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

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

19 (1) the electorate authorizes the school board to close an existing high
20 school and to provide for the high school education of its students by paying
21 tuition to a public high school, an approved independent high school, or an

1 independent school meeting school quality standards, to be selected by the
2 parents or guardians of the student, within ~~or outside~~ the State; or

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

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

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

7 (a) A school district shall not pay the tuition of a student except to a public
8 school, an approved independent school, an independent school meeting school
9 quality standards, a tutorial program approved by the State Board, an approved
10 education program, ~~or an independent school in another state or country~~
11 ~~approved under the laws of that state or country, nor shall~~ located in Vermont,
12 or a school operated by an interstate school district. The payment of tuition on
13 behalf of a person shall not be denied on account of age. Unless otherwise
14 provided, a person who is aggrieved by a decision of a school board relating to
15 eligibility for tuition payments, the amount of tuition payable, or the school he
16 or she may attend, may appeal to the State Board and its decision shall be final.

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

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

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

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

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

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

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

14 * * * Integrated Education Systems; Transition * * *

15 Sec. 17. INTEGRATED EDUCATION SYSTEMS; GOVERNANCE

16 TRANSITIONS TO ACHIEVE EDUCATION POLICY GOALS

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

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

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

6 (B) fostering stable leadership by developing and supporting both
7 school and district leaders;

8 (C) hiring, training, supporting, and retaining excellent
9 administrators, teachers, and staff;

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

14 (E) promoting budgetary stability, leading to less volatility for
15 taxpayers;

16 (F) accounting for and reporting financial information in accordance
17 with Generally Accepted Accounting Principles and in a manner that promotes
18 transparency and public accountability and supports a statewide integrated data
19 collection system;

20 (G) increasing parental and community engagement at the school
21 level; and

1 (I) promoting a shared commitment to a strong, flexible, and coherent
2 system.

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

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

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

13 (2) Except as provided in subsection (d) of this section, a district is
14 required to form a study committee with one or more other districts within or
15 outside its supervisory union and prepare a study report (Report) pursuant to
16 16 V.S.A. chapter 11 proposing how best to create a new district, or a
17 prekindergarten–grade 12 education system with more than one district
18 pursuant to subdivision (c)(2) of this section or otherwise, that provides for the
19 education of resident prekindergarten through grade 12 students by realigning
20 neighboring districts with similar patterns of school operation and tuition
21 payment. Through creation of the Report, the districts shall demonstrate how

1 their proposal is designed to create an integrated education system that is
2 capable of achieving the goals and requirements set forth in subsection (a) of
3 this section and that is effective on or before July 1, 2019. The Report, which
4 if approved by the State Board of Education and subsequently by the
5 electorate, shall be the new district's articles of agreement, shall also, to the
6 extent required by the proposal:

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

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

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

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

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

1 (1) Evaluation. When evaluating Reports presented to it pursuant to
2 16 V.S.A. chapter 11 and subsections (b) and (d) of this section, the State
3 Board shall also:

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

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

13 The State Board is authorized to deny approval to a proposal that would
14 geographically isolate a district that would not be an appropriate member of
15 another supervisory district or union school district in the region.

16 (2) Supervisory unions. The State Board may authorize the creation or
17 continuation of a supervisory union with two or more member districts, each
18 with a distinct school board if the Board concludes that it is the best means of
19 accomplishing an integrated education system capable of achieving the goals
20 and requirements set forth in subsection (a) of this section in a particular
21 region; provided, however, that the State Board may approve the supervisory

1 union structure only if the structure ensures transparency and accountability in
2 relation to the supervisory union budget, which may include a process by
3 which the electorate votes directly whether to approve the proposed
4 supervisory union budget. Pursuant to 16 V.S.A. § 261(d), the State Board
5 may waive requirements of 16 V.S.A. chapters 5 and 7 if necessary to facilitate
6 the vote.

7 (d) Exceptions to requirement for study committee.

8 (1) If the board of a supervisory district believes that the district can
9 function as an integrated education system capable of achieving the goals and
10 requirements set forth in subsection (a) of this section without altering its
11 current governance structure, then the board may submit a proposal
12 demonstrating this belief to the State Board and subsequently to the electorate
13 pursuant to 16 V.S.A. chapter 11 without forming a study committee pursuant
14 to that chapter and subdivision (b)(2) of this section.

15 (2) If the board of a supervisory union believes that the member districts
16 can function as an integrated education system capable of achieving the goals
17 and requirements set forth in subsection (a) of this section by realigning into a
18 supervisory district, then the supervisory union board may submit a proposal in
19 the form of a Report demonstrating this belief to the State Board and
20 subsequently to the electorate pursuant to 16 V.S.A. chapter 11 without

1 forming a study committee pursuant to that chapter and subdivision (b)(2) of
2 this section.

3 (e) Creation of integrated education systems.

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

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

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

16 (4) For the new districts that will be created by the State Board’s order,
17 the order shall:

18 (A) include one or more models of initial articles of agreement
19 addressing issues required by 16 V.S.A. § 706b that will govern the actions of
20 the new districts until such time as each district adopts its own amended
21 articles, including the method of apportioning the representation on the new

1 district's board, whether votes on the budget and other issues will be by
2 Australian ballot, and the conditions under which the new district would be
3 authorized to close a school building;

4 (B) establish transition procedures and guidance necessary for the
5 creation of each new district, including provisions for:

6 (i) the election of an initial education board prior to the first day of
7 the new district's existence in order to transition to the new structure by
8 negotiating and entering into contracts, preparing an initial proposed budget,
9 hiring a superintendent, adopting policies, and otherwise planning for the
10 district's implementation;

11 (ii) assumption of debt;

12 (iii) ownership and management of property; and

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

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

18 (f) Interstate school districts. This section shall not apply to interstate
19 school districts.

1 (g) Protection for nonoperating districts and operating districts; statement
2 of intent.

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

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

19 (3) Statement of intent. Nothing in this section shall be construed to
20 restrict or repeal, or to authorize or require the restriction or repeal of, the

1 ability of a school district that, as of the effective date of this act, provides for
2 the education of all resident students in one or more grades:

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

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

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

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

16 (2) guide the State Board's evaluation of Reports pursuant to subsection
17 (c) of this section.

18 (i) Statutory amendments. On or before **December 1, 2015**, the Office of
19 Legislative Council shall provide to the House and Senate Committees on
20 Education, the House Committee on Ways and Means, and the Senate
21 Committee on Finance proposed statutory amendments necessary to

1 accomplish the purpose of this section and reflect the governance changes it
2 requires.

3 Sec. 18. TAX INCENTIVES; INTEGRATED EDUCATION SYSTEMS

4 A integrated education system capable of achieving the goals and outcomes
5 set forth in Sec. 17(a) of this act shall receive an equalization of its homestead
6 property tax rates during fiscal years 2020 through 2023 pursuant to 2010 Acts
7 and Resolves No. 153, Sec. 4(a), as amended by 2012 Acts and Resolves No.
8 156, Sec. 13; provided, however, that this section shall apply only to an
9 integrated education system that obtains a favorable vote of all “necessary”
10 districts on or before November 30, 2017 and is effective on or before July 1,
11 2019.

12 * * * Sale of School Buildings * * *

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

14 (b) ~~Refund upon sale. Upon the sale by a district of any item, building, or~~
15 ~~unit that may be relocated, for which State construction aid was awarded under~~
16 ~~this title, the district shall refund to the State a percentage of the sale price~~
17 ~~equal to the percentage of construction aid received. In no event shall the sum~~
18 ~~refunded be in excess of the amount of the original State aid received for the~~
19 ~~purchase of the item, building, or unit. All refunds shall be deposited with the~~
20 ~~State Treasurer and used for school construction aid awards. [Repealed.]~~

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

4 * * * Voluntary Mergers; Incentives; REDS * * *

5 Sec. 20. 2010 Acts and Resolves No. 153, Sec. 2(a), as amended by 2012

6 Acts and Resolves No. 156, Sec. 1, is further amended to read:

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

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

19 Sec. 4. VOLUNTARY SCHOOL DISTRICT MERGER; INCENTIVES

20 * * *

21 (h) ~~This section is repealed on July 1, 2017.~~ The incentives provided in

1 this section shall be available only if the merger receives final approval of the
2 electorate prior to November 30, 2017 or as otherwise provided by the General
3 Assembly.

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

5 Sec. 22. ARTICLES OF AGREEMENT; MERGED DISTRICT

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

15 * * * Data; Quality Assurance; Accountability * * *

16 Sec. 23. DATA; QUALITY ASSURANCE; ACCOUNTABILITY

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

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

3 (2) student outcomes; and

4 (3) financial costs.

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

6 Sec. 24. CONTRACT IMPOSITION; STRIKES; BINDING INTEREST

7 ARBITRATION

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

15 * * * Transition of Employees * * *

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

17 Subchapter 3. TRANSITION OF EMPLOYEES

18 § 1801. DEFINITIONS

19 As used in this subchapter:

20 (1) “New District” means a district created by the realignment or merger
21 of two or more current districts into a new supervisory district, union school

1 district, or any other form of merged or realigned district authorized by law,
2 regardless of whether one or more of the districts creating the New District (a
3 Realigning District) is a town school district, a city school district, an
4 incorporated school district, a union school district, a unified union school
5 district, or a supervisory district.

6 (2) “New SU” means a supervisory union created from the merger or
7 realignment of two or more current supervisory unions or of all or some of the
8 districts in one or more current supervisory unions (a Realigning SU). “New
9 SU” also means a supervisory union created by State Board adjustment of the
10 borders of one or more current supervisory unions or parts of supervisory
11 unions pursuant to section 261 of this title or otherwise, regardless of whether
12 the New SU is known by the name of one of the current supervisory unions or
13 the adjustment is otherwise structured or considered to be one in which one
14 current supervisory union (the Absorbing SU) is absorbing one or more other
15 supervisory unions or parts of supervisory unions into the Absorbing SU.

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

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

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

10 § 1802. TRANSITION OF EMPLOYEES TO NEWLY CREATED

11 EMPLOYER

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

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

16 (2) recognize the representatives of the Employees of the Realigning
17 Districts or Realigning SUs as the recognized representatives of the employees
18 of the New District or New SU.

19 (b) Negotiations shall commence within 90 days after formation of the
20 Transitional Board and shall be conducted pursuant to the provisions of chapter

1 57 of this title for teachers and administrators and pursuant to 21 V.S.A.
2 chapter 22 for other employees.

3 (c) An Employee of a Realigning District or Realigning SU who was not a
4 probationary employee shall not be considered a probationary employee of the
5 New District or New SU.

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

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

11 (2) the parties shall adhere to the provisions of an agreement among the
12 Employees of the Realigning Districts or the Realigning SUs, as represented
13 by their respective recognized representatives, regarding how provisions under
14 the existing contracts regarding issues of seniority, reduction in force, layoff,
15 and recall will be reconciled during the period prior to ratification of a new
16 agreement; and

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

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

5 § 1803. VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

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

12 (b) The existing membership and benefits of an Employee of a Realigning
13 District or a Realigning SU shall not be impaired or reduced either by
14 negotiations with the New District or New SU under 21 V.S.A. chapter 22 or
15 otherwise.

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

20 * * * Education Mandates; Moratorium * * *

1 Sec. 26. EDUCATION PROPERTY TAX RATE INCREASES;

2 MORATORIUM

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

11 (b) If the fiscal note prepared under this section confirms that the proposed
12 legislation shall have the effect of increasing the education property tax rate,
13 then the proposed legislation as then drafted shall be withdrawn from
14 consideration and shall not be voted upon by any committee, the House, or the
15 Senate, as applicable.

16 (c) This section shall not apply to legislation annually establishing the base
17 education amount pursuant to 16 V.S.A. chapter 133 or the tax rate pursuant to
18 32 V.S.A. § 5402.

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

20 *** Education Spending Cap ***

21 Sec. 27. EDUCATION SPENDING CAP

1 (a) If any school district approves a budget that contains equalized per
2 pupil education spending, as defined in subdivision 4001(6) of this title, that is
3 2.0 percent in excess of the equalized per pupil education spending amount
4 adopted in the previous year’s budget, then the budget shall be deemed to have
5 failed to pass.

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

8 Sec. 28. SUNSET

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

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18 **STUDIES**

19 **A. Special Education Funding**

20 **B. Roles of Superintendents and Principals**

21 **C. Property Tax Adjustment Lag**

1 **D. Nonresidential Property Categories**

2 **E. Tuitioning Practices**

3 **F. Standardized Tests**

4 **G. Adequacy**

5 **H. Joint Legislative Oversight Committee**

6 * * * **Special Education; Funding; Average Daily Membership** * * *

7 Sec. **A.** SPECIAL EDUCATION; FUNDING; AVERAGE DAILY
8 MEMBERSHIP; STUDY AND PROPOSAL

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

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

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

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

1 ***** Property Tax Adjustment Lag *****

2 Sec. **C. YEAR USED TO CALCULATE PROPERTY TAX**

3 **ADJUSTMENTS** [**NOTE:** *Sec. C was NEW in 5.1*]

4 On or before January 15, 2016, the Commissioner of Taxes shall report to
5 the General Assembly on the steps that would be required to transition to
6 calculation of the property tax adjustments under 32 V.S.A. chapter 154 on a
7 current year basis. As used in this section, “a current year basis” means using
8 the current year’s homestead adjusted tax rates, the current year’s assessed
9 property values, and the taxable income from the prior calendar year to
10 calculate a property tax adjustment filed in the current claim year. In preparing
11 the report, the Commissioner shall consult with the Vermont Association of
12 Listers and Assessors, the Vermont League of Cities and Towns, and any other
13 interested stakeholders identified by the Commissioner.

14 *[to be moved to EFFECTIVE DATE section]*

15 () Sec. **C** (property tax adjustment lag) shall take effect on July 1, 2015.

1 (2) identifying how the costs identified in subdivision (1) of this
2 subsection have changed since the enactment of 2003 Acts and Resolves No.
3 68;

4 (3) identifying the institutions to which publicly funded tuition dollars
5 are sent and for each approved independent school, identifying which services
6 required of public schools are not provided and which of these unprovided
7 services have the effect of disadvantaging students from lower socioeconomic
8 families;

9 (4) determining whether elementary students, and middle-school
10 students as appropriate, experience reduced educational opportunities as a
11 result of paying publicly funded tuition on behalf of secondary school students;

12 (5) evaluating whether any of Vermont’s tuition-paying practices lead to
13 higher or lower total education spending in the State as a whole; and

14 (6) identifying the ways in which current tuitioning practices lead to
15 better outcomes for students.

16 (c) After review and analysis of research and other literature regarding the
17 education spending patterns and student outcomes for countries participating in
18 the Organization of Economic Development and Cooperation (OECD), the
19 consultant shall evaluate how Vermont’s education spending practices achieve
20 equity of opportunities and outcomes for Vermont’s students in comparison to
21 the other OECD countries.

1 (d) The consultant shall develop a proposal for potential changes in
2 Vermont’s education spending patterns, financing framework, or governance
3 structures, or any combination of the three, in order to lead toward continuous
4 improvements in student outcomes.

5 (e) On or before January 15, 2016, the consultant shall present its findings,
6 analysis, and any proposals to the House and Senate Committees on
7 Appropriations and on Education, the House Committee on Ways and Means,
8 and the Senate Committee on Finance.

9 (f) Of the special funds appropriated to [REDACTED] in 2014 Acts
10 and Resolves No. [REDACTED], Sec. [REDACTED], the sum of \$250,000.00 shall be transferred
11 to the Joint Fiscal Office to fund the work of the consultant required in this
12 section.

13 *[to be moved to EFFECTIVE DATE section]*

14 () Section E shall take effect on passage.

15 *** **Standardized Assessments** ***

16 Sec. **F.** **STANDARDIZED ASSESSMENTS; DATA** *[NOTE: Sec. F was*
17 *NEW in 5.1]*

18 On or before December 1, 2015, the Secretary of Education shall present to
19 the House and Senate Committees on Education a list of all standardized
20 assessments administered to elementary and secondary students in the State
21 and relative to each standardized assessment shall identify:

- 1 (1) the grade or grades in which it is administered;
- 2 (2) the time of year in which it is administered;
- 3 (3) the number of hours and days during which it is administered;
- 4 (4) the number of hours and days devoted specifically to preparing
5 students for its administration;
- 6 (5) by whom it is required;
- 7 (6) its stated purpose;
- 8 (7) to whom the results are reported and for what purpose, if different
9 from that in subdivision (6) of this section;
- 10 (8) the extent to which it fulfills its purposes; and
- 11 (9) the consequences to the State or the school, or both if appropriate, if
12 it were not administered.

13 *[to be moved to EFFECTIVE DATE section]*

14 () Sec. **F** shall take effect on passage.

15 ***** Adequacy Funding*****

16 Sec. **G. ADEQUACY FUNDING; STUDY** [**NOTE:** *Sec. G was NEW in*
17 *5.1]*

18 (a) Adequacy funding study. On or before July 15, 2015, the Joint Fiscal
19 Office, in consultation with the President Pro Tempore of the Senate, the
20 Speaker of the House, and the Chairs of the House and Senate Committees on
21 Education, shall develop a request for proposals to conduct a study of the

1 implementation of an adequacy-based education funding system in the State,
2 including a recommendation on the determination of adequacy. The Joint
3 Fiscal Office shall select and enter into a contract with a consultant from
4 among those submitting proposals.

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

14 (2) The consultants shall incorporate the following into the study:

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

18 (B) a review of the existing data collected by the Departments of
19 Education and of Taxes related to the Vermont education finance system under
20 Act 60 and Act 68; and

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

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

5 (c) Report. On or before January 15, 2015, the consultant shall submit a
6 report to the General Assembly on the study required by this section.

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

10 (e) Funding. The Joint Fiscal Office is authorized to expend up to a total of
11 \$300,000.00 [JFO estimated amount for study] for the study described in
12 subsection (a) of this section and related expenses and is appropriated funds
13 from [Where ?] for this purpose.

14 [to be moved to EFFECTIVE DATE section]

15 () Sec. G shall take effect on passage.

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

2 **[NOTE: Secs. H1–H3 were NEW in 5.1]**

3 Sec. **H1**. 2 V.S.A. chapter 29 is added to read:

4 CHAPTER 29. JOINT LEGISLATIVE EDUCATION

5 OVERSIGHT COMMITTEE

6 § 991. JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE

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

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

19 (c) Powers and duties. In addition to the general duties of the Committee
20 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. **H2.** 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 Sec. **H3.** APPROPRIATION

8 The sum of [\$.00] is appropriated to the General Assembly from the
9 General Fund in fiscal year 2016 for per diem compensation and
10 reimbursement of expenses for members of the Joint Legislative Education
11 Oversight Committee pursuant to Sec. **H1**, 2 V.S.A. § 991(g).

12 *[to be moved to EFFECTIVE DATE section]*

13 () Secs. **H1, H2, and H3** shall take effect on passage.

14
15 ***** Effective Dates *****

16 Sec. _____. 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 voted on in fiscal
19 years 2017, 2018, and 2019.

20