

**H.361**  
**House As Passed Version v. Senate Committees on Education AND Finance And Appropriations**  
**Side by Side Comparison**  
(5/6715)

Topic	As Passed by the House	Senate Education (unless explicitly marked as Finance)	Notes
<b>Findings</b>	<i>[not addressed]</i>	<b><u>Sec. 1:</u></b> Findings	
<b>Education Policy Goals</b>	<p><b><u>Sec. 1(a):</u></b> General Assembly intends legislation to move State toward integrated education systems responsible for equitable delivery of high quality education through revised governance structures – leading to:</p> <ul style="list-style-type: none"> <li>* students meet EQS</li> <li>* transparency/accountability</li> <li>* cost parents, voters, &amp; taxpayers value</li> </ul> <p><b>(b)</b> Legislation is designed to encourage and support local decisions and actions linked to EQS</p> <ul style="list-style-type: none"> <li>* identifies specific goals</li> </ul>	<p><b><u>Sec. 2:</u></b> Preferred Education Governance Structure; Alternative</p> <p><b>(a) <u>In order to:</u></b></p> <ul style="list-style-type: none"> <li>* provide substantial equity in quality and variety of educational opportunities</li> <li>* maximize operational efficiencies through greater flexibility to manage, share, transfer</li> <li>* promote transparency and accountability</li> </ul> <p><b><u>Preferred</u></b> educational governance structure is a single district:</p> <ul style="list-style-type: none"> <li>* responsible for education of all resident PreK-12 students</li> <li>* its own supervisory district (SD)</li> <li>* minimum average daily membership (ADM) of 900</li> <li>* assumes one of the 4 most common structures: <ul style="list-style-type: none"> <li>* operates PK/K–12</li> <li>* operates PK/K–8; tuitions 9–12</li> <li>* operates PK/K–6; tuitions 7–12</li> <li>* tuitions PK/K–12</li> </ul> </li> </ul>	

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		<p><b>(b)</b> The preferred educational governance model in (a) is not necessarily possible or the best means of achieving VT’s education goals in all regions of the State – so...</p> <ul style="list-style-type: none"> <li>* an SU composed of multiple member districts, each with its own board, can meet goals</li> <li>* <i>particularly</i> if: <ul style="list-style-type: none"> <li>* the member districts consider themselves collectively responsible for education of all resident PK–12 students in SU</li> <li>* the SU maximizes efficiencies, economies of scale, flexibility, etc.</li> <li>* the SU has the smallest number of member school districts practicable (if possible, through merger of districts w/ similar operating / tuitioning patterns)</li> </ul> </li> </ul>	
<p><b>Intent: School Closure / Small Schools</b></p>	<p><i>[not addressed]</i></p>	<p><b><u>Sec. 3(a) and (b):</u></b> Declares State’s intent re: school closure:</p> <ul style="list-style-type: none"> <li>* no intent to close schools</li> <li>* no intent to close small schools; want them to have the expanded educational opportunities and economies of scale available to schools in a larger governance model</li> </ul>	

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<b>Tuition Payment / Operation: Protections &amp; Intent</b>	<i>[See Sec. 17(h) below – tuition-paying and operating districts cannot be forced to change how they choose to educate resident students unless the district wants to change]</i>	<b>Sec. 3(c):</b> Substantively identical to House Passed Sec. 17(h) * small clarifying changes to subtitles, etc.	
<b>RED and Other Current Incentives</b>	<b>Secs. 20 – 21:</b> <i>Current law:</i> RED incentives are available if the new district is operational on 7/1/17 <i>Amendments:</i> * incentives are available if obtain <i>affirmative vote</i> of the electorate by 11/30/17 * corrects technical error w/ repeal date	<b>Secs. 4–5:</b> <i>Amendments:</i> * incentives are available if <i>operational</i> by 7/1/20  * corrects technical error w/ repeal date	
<b>Performance Measures</b>	<b>Sec. 1(c):</b> By 12/31/15, SBE adopts performance measure for each policy goal in section * work is done in connection with ongoing work to develop EQS indicators	<i>[not addressed]</i>	

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<b>Guidelines</b>	<b>Sec. 1(d):</b> By 12/31/15, based on performance measures in Sec. 1(c), SBE develops and issues guidelines to assist: * districts to develop governance proposals and * SBE to evaluate the proposals	<i>[not addressed]</i>	
<b>Yield Model</b>	<b>Secs. 2 – 5:</b> Transitions to “yield” model	<b><i>FINANCE – Secs. 26–32:</i></b> House version w/ 2 small additions	
<b>FY16 Tax Rates etc.</b>	<b>Secs. 6 – 7:</b> Sets FY16 tax rates: <ul style="list-style-type: none"> <li>• Nonresidential: \$1.525</li> <li>• Homestead: \$0.98</li> <li>• Applicable Percentage: 1.94%</li> <li>• Base Ed Amount: \$9,459</li> </ul>	<b><i>FINANCE #3 – Secs. 33–34:</i></b> Sets FY16 tax rates: <ul style="list-style-type: none"> <li>• Nonresidential: \$1.535</li> <li>• Homestead: \$1.00</li> <li>• Applicable Percentage: 1.82%</li> <li>• Base Ed Amount: \$9,459</li> </ul>	
<b>Ballot Language; Per Pupil Spending</b>	<b>Secs. 8–9:</b> Amends 16 V.S.A. §§ 563 and 4001:  * budget warning includes data re: per equalized pupil spending * also repeals inactive divided vote language	<i>[not addressed]</i>	

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<b>Accelerated Activity AND Enhanced Incentives</b>	<p><i>[not addressed]</i></p>	<p><b><u>Sec. 6:</u></b></p> <p><b>(a) If:</b></p> <ul style="list-style-type: none"> <li>* an existing SU becomes an SD by merging into a unified union school district (also w/ a neighboring supervisory district)</li> <li>* positive electorate vote after 6/30/15 and before 7/1/16</li> <li>* responsible for education of resident PK–12 students</li> <li>* is its own SD</li> <li>* minimum ADM of 900</li> <li>* one of common governance structures per Sec. 2(a)(1)-(3)</li> <li>* operational on or before 7/1/17</li> <li>* provides data at Secretary’s request and otherwise assists</li> </ul> <p><b><u>FINANCE #1:</u></b> Adds explicit reference to qualitative criteria</p> <p><b>(b) Then incentives:</b></p> <ul style="list-style-type: none"> <li>* <u>Either:</u> <ul style="list-style-type: none"> <li>* \$0.10 / 0.10 / 0.08 / 0.06 / 0.04 homestead tax rate reduction for first 5 years <u>OR</u></li> <li>* Accelerated Action Incentive Grant: \$400 x ADM; yr 1</li> </ul> </li> <li>* Merger Support Grant (FY16 Small School Grant) 5 yrs</li> <li>* Transition Facilitation Grant: in yr 1; receives <u>lesser</u> of: <ul style="list-style-type: none"> <li>* \$150,000</li> <li>* 5% Base Ed Amt x ADM</li> </ul> </li> </ul>	

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		<p><i>[not mentioned here – but also 3.5% HH per Sec. 14 in FY21+]</i></p> <p>(c) REDs – if ALSO eligible for RED incentives, cannot receive duplicative RED incentives</p> <p>(d) Secretary collects / analyzes data; reports to legislative committees annually through 2021</p>	
<p><b>SU Boundary Changes</b></p>	<p><i>[not addressed]</i></p>	<p><b>Sec. 7:</b> Clarifies current authority for districts to ask for SU boundary change if putting another district in a different SU facilitates merger of the petitioning districts</p>	
<p><b>Merger Support Grant (Small School Grant (current RED incentive))</b></p>	<p><b>Sec. 10:</b></p> <p><i>Current law:</i> REDS that formerly received small school grants receive Merger Support Grant for <u>5 years</u></p> <p><i>Amendments:</i></p> <ul style="list-style-type: none"> <li>* MS Grant continues <u>indefinitely</u></li> <li>* but grants cease if <u>close small school</u></li> <li>* EXCEPT – if close school in connection with consolidation of buildings that involves construction or renovation, then grant continues for life of construction / renovation bond</li> </ul>	<p><i>[does not address current Merger Support Grants for REDs]</i></p>	

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	<p><b><u>Sec. 11:</u></b></p> <p>(a) Provides <u>Merger Support Grants</u> per Sec. 10 <u>to mergers under Sec. 17</u> if: 11/20/17 vote and 7/1/19 operation</p> <p>(b) Provides same to districts <u>contracting</u> to operate school</p>	<p><b><u>Sec. 8:</u></b></p> <p>Provides Merger Support Grants to districts that meet same criteria as Accelerated Activity mergers in Sec. 6, but that become operational at a later date (7/1/17 – 7/1/20)</p> <p><i>[does not address joint contract schools]</i></p>	
<p><b>Small School Grants</b></p>	<p><b><u>Sec. 12</u> (applies FY20 and after):</b></p> <p>Limits grants to districts:</p> <ul style="list-style-type: none"> <li>* average grade size is &lt;20</li> <li>* participated in merger study</li> <li>* high student-to-staff ratio</li> <li>* geographically isolated / no capacity in nearby school</li> <li>* high quality ed opportunities</li> </ul> <p>repeals financial stability grant (an additional grant for rapidly declining population) and repeals obsolete language</p> <p><b><u>Sec. 12a:</u></b> SBE adopts / publishes guidelines by 7/1/18</p>	<p><b><u>Secs. 9</u> (applies FY17 and after):</b></p> <p>Limits grants to districts:</p> <ul style="list-style-type: none"> <li>* <i>school's</i> average grade size is &lt;20</li> <li>* geographically isolated / no capacity in nearby school</li> </ul> <p>same</p> <p>* SBE adopts / publishes <b>guidelines</b></p>	

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		<p><b><u>Sec. 10:</u></b> Transition off assistance over 3 year period</p> <p><b><u>APPROPRIATIONS: Secs. 9-10</u></b> Removed. Leaves small school grants as is under current law.</p>	
<p><b>3.5% Hold Harmless Provision (“phantom students”)</b></p>	<p><b><u>Sec. 13:</u></b> Protection for declining enrollment amended:</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</p> <p>* <i>effective FY17</i> and after</p> <p><b><u>Sec. 14:</u></b> Transition:</p> <p>* transitions districts that currently have an inflated number of equalized pupils to new system over 3 years (so if transition, amended calculation in Sec. 13 applies FY19)</p> <p><i>[does not repeal]</i></p> <p><i>[no grandfathering because does not repeal]</i></p>	<p><b><u>Sec. 11:</u></b> Identical to House Passed Sec. 13</p> <p><b><u>Sec. 12:</u></b> Identical to House Passed Sec. 14</p> <p><b><u>FINANCE #2:</u></b> for districts “actively engaged in merger discussions,” delays Secs. 11 and 12 by one year</p> <p><b><u>Sec. 13:</u></b> Repeals 3.5% protection on 7/1/20 (FY21) <u>except</u> as grandfathered in Sec. 14</p> <p><b><u>Sec. 14:</u></b></p> <p>* FY21 and after</p>	



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		* 3.5% only applies if <i>on or before July 1, 2020</i> : * eligible for RED incentives OR * eligible for accelerated action incentives per Sec. 6 OR * merged into preferred governance model (Sec.2(a))	
<b>Existing Incentives</b>	<i>[not addressed]</i>	<b><u>Sec. 15:</u></b> Existing incentives for other kinds of joint activity:  * moves eligibility deadline for incentives (both reimbursement and grants) for activity other than merger of districts from 7/1/17 to 12/31/15	
<b>SU as the LEA</b>	<i>[not addressed]</i>	<b><u>Sec. 16:</u></b>  * SU is LEA for federal accountability (AYP) determinations so consistent with other situations where SU is LEA <b><u>FINANCE #4:</u></b> Extends effective date from 2015 to 2016	
<b>Enforcement Tools for Failure to Comply with</b>	<i>[not addressed]</i>	<b><u>Sec. 17:</u></b> Creates an enforcement mechanism:  * after notice, hearing, opportunity to remediate * if SU/district(s) fail to comply w/current law re: SU duties,	

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<b>Current / New Laws</b>		then tax rates for each district increased by 5 % * if lack of compliance due to one district, then increase applies only to that district * effective 7/1/16; but no increases until FY18	
<b>Employee Transition</b>	<i>[See House Passed Sec. 25 below]</i>	<b>Sec. 18:</b> Employee transition to newly created employer:  * Codifies transitional language used in connection with REDs, movement of special educators to SU employment, and other acts and bills  * <i>Identical to House Passed Sec. 25 – except also clarifies joint contract schools included; and excludes new joint contract school to begin operating in 2015-16 academic year</i>	
<b>Unified Union School District; Definition</b>	<i>[not addressed]</i>	<b>Sec. 19:</b> Definition of unified union school districts:  <i>Current definition</i> requires that district <u>operates</u> K –12 <i>Amends</i> definition so can also include a district that pays <u>tuition</u> for some or all grades	

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<b>AHS / AOE Coordination; Proposal</b>	<i>[not addressed]</i>	<p><b><u>Sec. 20:</u></b></p> <ul style="list-style-type: none"> <li>* AHS / AOE Coordination – study and proposal</li> </ul> <p><b><u>APPROPRIATIONS: Add Sec. 20a</u></b> Adds a report from AOE on metrics for evaluating Pre-K and special education programs.</p>	
<b>Quality Assurance</b>	<i>[not addressed]</i>	<p><b><u>Secs. 21:</u></b> Amends 16 V.S.A. § 165</p> <p>For failure to meet or progress toward meeting Ed Quality Stds:</p> <ul style="list-style-type: none"> <li>* clarifies actions <u>currently</u> authorized to take:               <ul style="list-style-type: none"> <li>* AOE / quality review teams provide additional technical assistance</li> <li>* SBE adjusts SU boundaries or duties of SU</li> <li>* AOE assumes administrative control</li> <li>* SBE closes school(s) and require tuitioning</li> </ul> </li> <li>* <u>adds</u> authority to merge districts if necessary for EQS</li> <li>* effective on 7/1/2020</li> </ul>	

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<b>Quality Assurance; Reviews; Reports</b>	<i>[not addressed]</i>	<p><b><u>Sec. 22:</u></b></p> <p>Secretary reviews, evaluates, and keeps SBE apprised of:</p> <ul style="list-style-type: none"> <li>* discussions, studies, activities of districts re merger</li> <li>* data from merging districts incl. accelerated and REDs</li> <li>* data from EQS and on-site reviews</li> </ul>	
<b>Tuition</b>	<u>Secs. 15 – 16:</u> [deleted]	<i>[not addressed]</i>	
<b>Optional Self Evaluation, Meetings, and Declaration</b>	<i>[addressed in a different way in Sec. 17 below]</i>	<p><b><u>Sec. 23:</u></b></p> <p>A district that is not organized per the preferred governance structure in Sec. 2(a) and will not be in that structure by 7/1/20</p> <p>May choose to pursue any or all (or none) of the following three actions:</p> <ul style="list-style-type: none"> <li>* <u>Self-evaluation</u> – the district’s school board may choose to evaluate the quality and variety of educational opportunities it offers and its operational efficiencies</li> <li>* <u>Meetings</u> – the district’s school board may choose to meet</li> </ul>	

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		<p>with other school boards, including those representing districts with similar operational and tuition-paying patterns, to discuss ways to promote the following throughout the region:</p> <ul style="list-style-type: none"> <li>* quality, variety, and equity of educational opportunities</li> <li>* operational efficiencies, including flexibility</li> <li>* transparency and accountability</li> </ul> <p>* <u>Declaration</u> – by 7/17 – the district’s school board may choose to file a three-part declaration with the Secretary and State Board either on its own or in connection with other districts that:</p> <ul style="list-style-type: none"> <li>* <u>declares</u> intent to retain current governance structure OR to form a different structure with other district(s) OR otherwise to act jointly (<i>e.g.</i>, by contract)</li> <li>* <u>demonstrates</u> through enrollment projections, ratios, comprehensive data provided in EQS process, and otherwise how its declared intention above supports:               <ul style="list-style-type: none"> <li>* high quality, varied, equitable ed opportunities</li> <li>* maximization of operational efficiencies (through flexible arrangements)</li> <li>* transparency and accountability</li> </ul> </li> <li>* <u>identifies</u> actions to continue to improve the items listed above (3 bullets under “demonstrates”)</li> </ul>	

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<p><b>Governance Changes</b></p>	<p><b><u>Sec. 17:</u></b></p> <p><b>(a)</b> By 7/1/2019 – integrated education systems for equitable delivery of high quality education to all resident PK-12 student at stable affordable cost</p> <p><b>(b)</b> Evaluation and Proposal by Districts</p> <p><b>(1) Evaluation</b>            * each district meets with others districts, including those with similar patterns of school operation and tuition payment, to determine how best to create and implement an integrated education system in region            * do not have to be contiguous or in same SU</p> <p><b>(2) Study Committee &amp; Report</b>            * pursuant to process in 16 V.S.A. ch. 11            * each dist. forms study committee (except per (e))            * prepares Report proposing a new district or a preK-12 system (SU) with more than one district            * Report shows how proposal will meet Act’s goals            * Report requires that will be operational by 7/1/19            * reimbursement for study costs and other Act 156 transitional incentives if meet existing criteria</p>	<p><i>[no similar statement]</i></p> <p><i>[Senate Ed: not required; can occur voluntarily; see also Sec. 23 above]</i></p>	

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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            * final electorate vote by 11/30/17            * approved Report becomes articles of agreement or governing document for SU</p> <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>:            * to promote flexibility, transparency, and accountability            * <i>preferred structure</i> for integrated education system is an Education District (which is a supervisory district responsible for PK-12) that falls into one of four common structures:            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</p> <p>(3) <i>Supervisory Unions</i>:</p> <p>(A) <i>recognizes Education District may not be best way to</i></p>	<p>[Senate Ed’s Sec. 2(a) statement of <i>preferred structure</i> is similar in some ways to structure in House Passed Sec. 17(c)(1) and (2)]</p> <p>[Senate Ed’s Sec. 2(b) reference to an alternative structure is similar in some ways to structure in House Passed Sec. 17(c)(3)]</p>	

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	<p><i>achieve goals in all regions of State AND because may be necessary per:</i></p> <ul style="list-style-type: none"> <li>* Sub (c)(1) – Minimum ADM</li> <li>* Sub (h) – protections for tuition paying and operating districts</li> <li>* districts may propose and SBE may authorize creation, expansion, or continuation of SU</li> </ul> <p><b>(B)</b> State may approve only if proposal provides for transparency and accountability</p> <ul style="list-style-type: none"> <li>* <i>including for SU budget</i></li> </ul> <p><b>(d)</b> Evaluation by State Board</p> <ul style="list-style-type: none"> <li><b>(1)</b> consider if designed to create integrated ed system meeting goals</li> <li><b>(2)</b> mindful of geographic isolation/AOE helps/<i>MAY</i> deny approval</li> </ul> <p><b>(e)</b> Exceptions to requirement for Study Committee (but all other requirements apply)</p> <ul style="list-style-type: none"> <li><b>(1)</b> existing SD</li> </ul>		



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	<p>(2) existing SU becoming an SD</p> <p>(f) Creation of Integrated Education Systems</p> <p>(1) Secretary creates <i>proposal</i> to realign for “Remaining Districts” into integrated education systems “to the extent possible”</p> <p>* if it is not possible or practicable to meets one or more provisions of sub (a) or (c), then proposal designed in way to best serve interests of resident students, local communities, and the State</p> <p>* Secretary presents proposal to SBE by 7/1/18</p>	<p><b><u>Sec. 24:</u></b></p> <p>(a) Goals; Secretary’s proposal. In order to:</p> <ul style="list-style-type: none"> <li>* provide substantial equity in quality / variety of ed opps</li> <li>* maximize operational efficiencies through greater flexibility to manage, share, transfer</li> <li>* promote transparency and accountability</li> </ul> <p>Secretary reviews:</p> <ul style="list-style-type: none"> <li>* governance structures of school districts / SUs statewide as they will be on 7/1/20</li> <li>* any declarations submitted pursuant to Sec. 24</li> <li>* conversations with districts, including those submitting a declaration per Sec. 24</li> </ul> <p>By 4/1/18 Secretary develops, publishes on website, and presents to SBE a <i>proposal</i> that:</p> <ul style="list-style-type: none"> <li>* to the extent necessary to promote the 3 items under (a)</li> </ul>	

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	<p>(2) Board approves OR amends and approves proposal by 9/1/18</p>	<p>* would move districts into the more sustainable, preferred model in Sec 2(a)</p> <p>* <u>BUT IF</u> it's not possible or practicable to move to 2(a) model (e.g., to protect tuition paying districts per 3(c); ADM) <u>THEN</u> ... [see next page]</p> <p>... the Secretary's proposal may include alternative governance models as necessary (including an SU with member districts) designed to promote the three bulleted items under (a) above as long as the proposed alternative model is designed to:</p> <ul style="list-style-type: none"> <li>* ensure adherence to Sec. 3(c)'s protection for tuition paying and operating towns</li> <li>* promote equity of opportunities, financial efficiencies, accountability, and transparency in a sustainable governance structure</li> </ul> <p><b>(b) State Board's Proposed Plan:</b> By 12/31/18, the SBE:</p> <ul style="list-style-type: none"> <li>* reviews and analyzes Secretary's proposal</li> <li>* takes testimony / asks for additional information from dists</li> <li>* shall approve either the proposal as submitted OR in an amended form that adheres to subsection (a) above</li> <li>* publishes the proposed plan realigning districts and SUs where necessary</li> <li>* submits the proposed plan to the General Assembly</li> </ul>	

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	<p>(g) Applicability. Doesn't apply to interstate school districts</p> <p>(h) Protection for Tuition-Paying &amp; Operating Districts; Intent</p>	<p><i>[more below]</i></p> <p>(c) <u>General Assembly</u>: It is the <b>intent</b> of the 2015 GA that:            * after review of the SBE's proposed plan AND receipt of testimony from the public and interested parties            * the 2019–2020 General Assembly shall enact the proposed plan either as submitted by the SBE or in an amended form that:                * adheres to subsection (a) above AND                * establishes a date by which any new district or realigned SU shall be operational</p> <p>(d) Applicability. Section does NOT apply to:            * interstate school districts            * career technical education school districts (3)            * unified union school districts that voluntarily merged per RED process or under this act between 6/30/13 and 7/2/20</p> <p><i>[see Sec. 2(c) – substantively identical]</i></p>	

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<b>Position-Tech Assistant</b>	<i>[not addressed]</i>	<b>Sec. 25:</b> Limited Service Position in AOE to assist districts * ONLY if paid SOLELY through non-State funds	
<b>Incentives for Joint Activity Encouraged by Bill</b>	<b>Sec. 18:</b> An 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 <b>tax incentives</b>  <i>[Sec. 11: Merger Support Grants Sec. 17(b)(2): acknowledges that menu of Act 156 reimbursements and incentives are also available if meet Act 156 requirements and deadlines]</i>	<i>[See, e.g., Sec. 6: Accelerated Action – multiple incentives Sec. 8. Merger Support Grants for less accelerated mergers Sec. 14. 3.5% continues after repeal in FY21]</i>	
<b>Repayment of State Construction Aid</b>	<b>Sec. 19:</b> Repeals requirement to repay a % of state construction aid upon sale of building for new union schools / joint contract schools created after 7/1/15  <b>Sec 19a:</b> AOE Study of issue	<i>[not addressed]</i>	

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	<u>Sec. 19b</u> : repeals Sec. 19 on 11/30/17		
<b>RED Incentives</b>	<u>Secs. 20 – 21</u> : [see descriptions in Sen Ed Secs. 4–5 above]	[see Secs. 4–5 above]	
<b>Recent Mergers</b>	<u>Sec. 22</u> : protects articles of amendment re: manner in which a district may join in future for recently merged districts	[not addressed]	
<b>Data Reporting</b>	<u>Sec. 23</u> : full implementation of statewide financial and student data systems by 7/1/2017	[not addressed]	
<del>Strikes etc.</del>	<u>Sec. 24</u> : [Deleted.]	[not addressed]	
<b>Employee Transition</b>	<u>Sec. 25</u> :		

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	<p>* Codifies transitional language used in connection with other acts and bills in prior years</p>	<p><i>[See Senate Ed Sec. 18 above – identical – w/ one clarification and one exemption]</i></p>	
<p><b>Mandates; General Fund</b></p>	<p><b>Sec. 26:</b> JFO determines dollar amount of new unfunded education mandates and amount is added to General Fund transfer in next fiscal year</p>	<p><i>[not addressed]</i></p>	
<p><b>Spending Caps &amp; Trigger</b></p>	<p><b>Sec. 27:</b> Sets a variable 2% cap on school district’s increase in education spending</p> <ul style="list-style-type: none"> <li>* cap is indexed so increase for low-spending districts is at a higher % that for high-spending districts</li> <li>* cap based on total spending or on spending per equalized pupil – may use higher growth rate</li> <li>* includes provisions to calculate tuition increases for nonoperating and partially nonoperating districts</li> <li>* if larger budget is approved, it is deemed to have received a failing vote</li> <li>* appeals process for extraordinary expenses w/ some examples provided</li> </ul> <p><b>Sec. 28 (Trigger):</b> Applies to budgets for FYs 2018 and 2019;</p>	<p><i>[not addressed]</i></p>	

Topic	As Passed by the House	Senate Education (unless explicitly marked as Finance)	Notes
	<p><u>Except:</u>  * cap doesn't apply in FY2018 unless total statewide education spending in FY2017 is more than 2.95% higher than in FY2016  * if cap doesn't apply in FY2018, then applies in FY2019 only if FY2018 spending is more than 2.95% above FY2017</p>		
<p><b>Special Ed Funding; Study</b></p>	<p><b>Sec. 29:</b> Secretary of Ed examines and proposes alternative methods to pay for Special Ed –including possibility that some paid by ADM</p> <p>Due: 1/15/16</p>	<p><i>[not addressed]</i></p>	
<p><b>Supers and Principals</b></p>	<p><b>Sec. 30:</b> Secretary of Ed and others study roles and responsibilities of superintendents and principals</p> <p>Due: 1/15/16</p>	<p><i>[not addressed]</i></p>	
<p><b>Property Tax</b></p>	<p><b>Sec. 31:</b> Commissioner of Taxes reports steps necessary to</p>	<p><i>[not addressed]</i></p>	

Topic	As Passed by the House	Senate Education (unless explicitly marked as Finance)	Notes
<b>Adjustment Lag; Study</b>	transition to calculation of property tax adjustments on a current year basis  Due: 1/15/16		
<b>Adequacy Funding Model; Study</b>	<b>Sec. 32:</b> JFO hires consultant to study movement to adequacy funding model  Makes up to \$300,000 is available from the FY2015 Education Fund appropriation prior to January 2016 reversion  Due: 1/15/16	<i>[not addressed]</i>	
<b>Joint Leg Ed Oversight Committee</b>	<b>Secs. 33 – 34:</b> Creates a new statutory Joint Legislative Education Oversight Committee	<i>[not addressed]</i>	



Topic	As Passed by the House	Senate Education (unless explicitly marked as Finance)	Notes
<b>Health Care Costs; Study</b>	<p><b>Sec. 35:</b> Director of Health Care Reform, in consultation with others, considers and proposes alternatives available to school districts for employee health insurance including VEHI, VHC, and others</p> <p>Due: 11/1/15</p>	<i>[not addressed]</i>	
<b>Funding for Existing Incentives</b>	<p><b>Sec. 35a:</b> Authorizes Agency of Education to use \$620,000 from FY2015 Education Fund appropriation prior to reversion (in January 2016) to fund existing incentives</p>	<i>[not addressed]</i>	
<b>Designation of High School</b>	<p><b>Sec. 35b:</b> Permits school district that does not operate a high school to designate three or fewer independent and/or public schools as the schools at which resident student s may enroll (currently may designate only one school)</p>	<i>[not addressed]</i>	
<b>Out of State Schools</b>		<p><b><i>FINANCE – Secs. 35–36:</i></b> Prohibits districts from voting to pay out-of-state independent schools tuition that exceeds the statewide average announced tuition for union schools</p>	

Topic	As Passed by the House	Senate Education (unless explicitly marked as Finance)	Notes
		<b><i>APPROPRIATIONS - Sec. 35-36:</i></b> Removed	
<b>Socioeconomic Isolation</b>		<b><i>FINANCE – Secs. 37:</i></b> Requires Secretary of Ed to develop guidelines to minimize possibility that mergers will result in socioeconomic isolation of districts	
<b>Leadership Evaluation &amp; Training</b>		<b><i>FINANCE – Secs. 38:</i></b> Requires Secretary of Ed to work with others to identify SUs / districts with high administrator turnover and other leadership issues  Authorizes use of up to \$50,000 from FY2015 Ed Fund appropriation prior to January 2016 reversion  <b><i>APPROPRIATIONS - Sec. 38:</i></b> Removed.	
<b>Eff. Dates</b>	<b><u>Sec. 36</u></b>	<b><u>Sec. 26</u></b> (Education) <b><u>Sec. 39</u></b> (Finance)	