

**H.361**  
**Outline of Potential Senate Education Committee Amendment**  
**(4/15/2015)**

I. Preferred Educational Governance Structure

A. In order to:

1. enhance ability to provide substantially equitable educational opportunities
2. increase financial efficiencies through greater flexibility etc.
3. improve transparency and accountability

B. The preferred educational governance structure is a single school district that:

1. is responsible for education of all resident PreK-12 students in one of 4 most common structures:
  - a. operates PK/K-12
  - b. operates PK/K-8; tuitions 9-12
  - c. operates PK/K-6; tuitions 7-12
  - b. tuitions PK/K-12
2. has a minimum ADM of 900
3. is its own Supervisory District

C. Recognize that it's not necessarily the best model for all regions of the State

II. Eligibility for Current RED Incentives (for REDs and other eligible districts)

Current law: operational by FY 2018 (July 1, 2017)

A. Extend to: operational by FY 2020 (July 1, 2019)

B. [*Shorten deadline/repeal other incentives for working together in other ways? 1/1/16?*]

III. Accelerated Activity = Increased Incentives

A. Receive incentives in B if:

1. an existing SU becomes an SD by merging into a union school district that meets one of the preferred structures in I.B. above AND
2. positive vote of electorate between effective date of this section and July 1, 2016

B. Incentives:

1. \$0.10 tax reduction for first 5 years of operation
2. [*\$400 multiplied by ADM in forst year as grant?*]
3. [*small school grant turned into Merger Support Grant as with REDs for 1st 5 years?*]

C. AOE collects data after merger

IV. Facilitating Transition to Voluntary Governance Change (separate items)

- A. Authorize limited service technical assistance position in AOE (NO STATE MONEY)
- B. Clarify current authority for districts to ask for SU boundary change if putting another district in a different SU facilitates merger of the petitioning districts

V. Small Schools Grants / Merger Support Grants

Current Law: SS Grants become MS Grant for 5 years if become a RED

- A. MS Grant for 5 years for any new district operating by FY 2020 that meets I.B. (not 1.d)
- B. SS Grants only if school is geographically isolated from school w/ capacity
  1. effective July 1, 2016 (FY 2017)
  2. transition off program as follows:
    - a. FY 2017 – 2/3
    - b. FY 2018 – 1/3
    - c. FY 2019 – none except if geographically isolated from school w/ capacity
  3. direct AOE / SBE to develop and publish guidelines for determining eligibility
  4. (Merger Support Grants – use FY 2016 \$\$ if district loses eligibility before it merges)

VI. 3.5% Hold Harmless Phantom Students

- A. Remove “tail” in FY 2017 and 3 year transition (if transitioning, then applies FY19)
- B. FY 2020+: 3.5% hold-harmless only if became RED or merged per I.B. by then

VII. SUs – Accountability and Transparency

- A. SU is LEA for federal accountability (AYP) determinations
- B. SU Budgets Voted on by Electorate
- C. Tax Penalty if SU/district(s) fail to comply with current law re: SU duties performed for districts – tax rates for each district increased by \_\_\_ %

VIII. Misc Other

- A. Transitioning employees to new employer – codification
- B. Change definition of Unified Union School district to conform to I.B. above
- C. AHS / AOE work together / study / proposal

IX. FY 2020

A. SBE looks at / evaluates data for each SU / district collected:

1. regarding EQS (16 V.S.A. § 165 and related SBE rules), including data regarding educational quality and opportunity, financial efficiency, etc.
2. from on-site reviews conducted by AOE of SUs and districts not meeting EQS
3. from accelerated mergers (III above) and REDs occurring before July 1, 2019
4. from other sources, including testimony and additional documentation required from SUs / districts

B. Based on analysis in A, the SBE is authorized, to the extent necessary, to:

1. perform any action currently authorized by 16 V.S.A. § 165(b) (provide additional technical assistance; adjust SU boundaries or duties of SU; assume administrative control; close school and require tuitioning)
2. perform an action newly authorized by an amendment to § 165(b) that will take effect on 7/1/2019 (merge districts if necessary to achieve EQS)
3. grant a district's request to join an existing unified union school district or SD

X. Intent

A. Tuitioning / Operating

B. School Closure / Small School

**[Yield]**

**[FY 2016 Tax Rates]**

**[Capital Construction]**