

**H.361 – Senate Education’s Potential Amendment
(draft 3.3; 4/21/15)**

Findings:

- VT K – 12 population: 103,000 in FY97 versus 78,300 in FY15
- School-related personnel numbers have not decreased proportionally to student decline
- VT’s public schools now fulfill an array of human services functions
 - VT students with severe emotional needs: 1.5 % in FY97 versus 2.3 % FY15
 - Percentage of students from families in crisis due to loss of employment, opiate addiction, and other factors, has also increased
- VT 6 – 17 year old children living in families receiving nutrition benefits:
 - 13,000 in FY97 versus 19,200 in FY14
- 13 different types of school district governance structures in VT
 - VT lacks cohesive governance and delivery systems
 - Many school districts:
 - Are not well-suited to achieve economies of scale
 - Lack the flexibility to manage, share, and transfer resources and provide a variety of high quality educational opportunities
- 16 V.S.A. § 4010(f) (enacted in 1999): Purpose was to protect school districts, especially small districts, from large, sudden tax increases due to declining student populations
 - Some communities have artificially low tax rates because:
 - Steady, continued decline in some districts
 - Compounding effect of the legislation as written inflates the equalized pupil count in some districts by as much as 77 %
- Optimal school size for learning:
 - National literature suggests elementary schools of 300 – 500 students
 - VT’s smallest elementary school has 15 students (K–6)
 - National literature suggests high schools of 600 – 900 students
 - VT’s smallest high school has 55 students (9–12)
 - Of the 300 public schools in Vermont:
 - 205 have 300 or fewer students
 - 64 have 100 or fewer students; of these, 16 schools have 50 or fewer students
- Optimal school district size for financial efficiencies:
 - National literature suggests school districts of 2,000 – 4,000 students
 - The smallest Vermont school district has 6 students
 - 79 Vermont school districts have 100 or fewer students
 - 4 Vermont school districts have more than 2,000 students
- Recognize the importance of a small school socially & educationally to its community
 - *“It is not the State’s intent to close its small schools, but rather to ensure that those schools have the opportunity to enjoy the expanded educational opportunities and economies of scale that are available to schools within larger, more flexible governance models.”*
- Multiple public schools within a single district support:
 - Flexibility in the management and sharing of resources
 - Innovation (*e.g.*, each school develops specialized focus, increasing opportunities for students to choose the school best suited to their needs and interests)

Goals of Draft 3.3:

- Provide substantial equity in the quality and variety of educational opportunities
- Maximize operational efficiencies through greater flexibility to manage, share, and transfer resources
- Promote transparency and accountability

What Draft 3.3 DOES:

- States that goals are best served by a supervisory district (“SD”) w/900+ students that is responsible for the education of resident PK–12 students in one of the four most common structures:
 - Operates PK/K–12
 - Operates PK/K–8; tuitions 9–12
 - Operates PK/K–6; tuitions 7–12
 - Tuitions PK/K–12
- Acknowledges that the preferred model above does not work or is not the best means to achieve goals in all regions; alternatives may be necessary to meet the goals – including SUs with member districts
- Extends eligibility for incentives to form a RED (or one of its variations) from 2017 to 2020
- Provides enhanced incentives for an SU forming into an SD per the preferred model, if:
 - Voters in each district approve (non-commingled vote) before 7/1/16
 - New district begins operation on or before 7/1/17
- Small school grants:
 - Become merger support grants (5 years) if districts merge into preferred model by FY21
 - Otherwise, school must be geographically isolated from a school with excess capacity
 - Begins FY17 (but 3 year transition period if losing grant)
- Declining enrollment (“phantom pupils”) – removes “tail” so that 3.5% protection applies to prior year’s actual number, not the inflated number; begins FY17 (but 3 year transition “no tail”)
 - Repeals 3.5% protection in FY21 EXCEPT if district merged before then
- Moves eligibility for other current (non-RED) incentives from 7/1/17 to 12/31/15
- Imposes 5% tax penalty on districts that fail to comply with current law re: SU duties
 - But first districts are given notice, a hearing, and a chance to remediate
- Clarifies State Board of Education’s *current* authority if school doesn’t move toward meeting Education Quality Standards (*i.e.*, continue tech assistance; redraw SU boundaries; assume administrative control; close school) and *adds* authority to merge districts; effective FY21
- Districts have option to self-evaluate, meet w/ other districts, & present to Secretary & State Board by 7/1/17 a declaration of intent to keep or change current governance structure or manner of operation
- Directs Secretary of Ed and then State Board to present a proposed plan to the Legislature by 12.31/18 to merge districts/change SU boundaries to the extent necessary to meet goals
 - Proposed plan would become law (as-is or amended) ONLY IF Legislature enacts it

Draft 3.3 DOES NOT:

- Encourage or require closure of schools – including small schools
- Restrict, repeal, or authorize, encourage, or contemplate the restriction or repeal of the current authority of school districts to choose to provide for the education of students in one or more grades by paying tuition or operating the grade(s)
- Change the amount or manner in which a district pays tuition for students
- Require districts to merge, discuss merger, or present proposals to merge or maintain current model
- Eliminate or merge SUs