

H.361
Outline of Potential Senate Education Committee Strike-All Amendment
(4/16/2015; draft 1.2)

***** Preferred Educational Governance Structure *****

Sec. 1. Preferred Educational Governance Structure (pages 1–2)

(a) In order to:

- provide substantial equity in quality and variety of educational opportunities
- maximize operational efficiencies through greater flexibility to manage, share, transfer
- promote transparency and accountability

the preferred educational governance structure is a single school district that:

- is responsible for education of all resident PreK-12 students
- is its own supervisory district (SD)
- has a minimum average daily membership (ADM) of 900
- assumes one of 4 most common structures:
 - (1) operates PK/K–12
 - (2) operates PK/K–8; tuitions 9–12
 - (3) operates PK/K–6; tuitions 7–12
 - (4) tuitions PK/K–12

(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...

- an SU composed of multiple member districts, each with its own board, meets goals
- *particularly* if:
 - (1) the member districts consider themselves collectively responsible for education of all resident PK–12 students in the SU
 - (2) the SU has the smallest number of member school districts
 - if possible, through merger of districts w/ similar operating / tuitioning patters

***** Voluntary Merger Incentives; REDS; Other Incentives *****

Secs. 2–3. RED Incentives; Eligibility (page 3)

- Current law: operational by FY 2018 (July 1, 2017)
- Sec. 2.: operational by FY 2021 (July 1, 2020) / Sec. 3 fixes typo

Sec. 4. Other Existing Incentives for Other Joint Activity (pages 4–5)

- Moves deadline for other incentives from July 1, 2017 to December 31, 2015

***** Accelerated Activity; Enhanced Incentives *****

Sec. 5.. Accelerated Activity = Enhanced Incentives (pages 5–9)

- (a) Receive incentives in (b) if:
- (1) an existing SU becomes an SD by merging into a unified union school district
 - (2) positive electorate vote between June 30, 2015 and July 1, 2016
 - (3) responsible for education or PK–12
 - (4) is its own SD
 - (5) minimum ADM of 900
 - (6) operates one of most common governance structures listed in Sec. 1(a)(1)-(3)
 - (7) operational on or before July 1 2017
 - (8) provides data at Secretary’s request and otherwise assists
- (b) Incentives:
- (1) \$0.10 tax reduction for first 5 years of operation
 - (2) Accelerated Action Incentive Grant: \$400 multiplied by ADM in first year **[?]**
 - (3) Merger Support Grant (FY16 Small School Grant) in first 5 years of operation
[not mentioned here – but will also continue w/ 3.5% HH per Secs. 11–12 and 14]
- (c) REDs – if also eligible for RED incentives, cannot receive certain RED incentives
- (d) Secretary collects / analyzes data; reports to leg committees annually through 2021

***** Facilitating Voluntary Governance Transitions *****

Sec. 6. Limited Service Technical Assistance Position in AOE – NO State \$\$\$ (page 9)

Sec. 7. SU Boundary Changes (pages 10–11)

- 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

***** Small Schools Grants / Merger Support Grants *****

Sec. 8. Merger Support Grants (pages 12–13)

- Current Law: SS Grants become MS Grant for 5 years if become a RED
- MS Grant for 5 years for new districts meeting same standards as accelerated mergers in Sec. 5, *BUT* is operational after June 30, 2017 and on or before July 1, 2020

Secs. 9–10. Small School Grants (*pages 13–15*)

- Only if school is geographically isolated from school w/ capacity
- SBE to adopt, publish, and update guidelines for determining eligibility
- Effective July 1, 2016 (FY 2017)
- Transition ineligible districts (that aren't receiving it as merger support grant):
 - FY 2017 – 2/3 of FY2016 amount
 - FY 2018 – 1/3 of FY2016 amount
 - FY 2019 – none except if geographically isolated from school w/ capacity

***** Declining Enrollment; Equalized Pupils; 3.5% Hold-Harmless *****

Secs. 11–12. 3.5% Hold Harmless; Remove Tail (*pages 16–17*)

- Removes “tail” in FY 2017 so 3.5% applies to actual, not inflated, count
- Effective July 1, 2016 (FY 2017)
- 3 year transition (if transitioning, then applies fully in FY 2019)

Sec. 13. 3.5% Hold Harmless; Repeals (*page 17*)

- Except as in Sec. 14, Repeals 3.5% provision on July 1, 2020 (FY 2021)

Sec. 14. 3.5% Hold Harmless; Grandfathered District (*page 17*)

- FY 2021 and after: 3.5% hold-harmless applies only if *on or before July 1, 2020*:
 - eligible for RED incentives
 - eligible for accelerated action incentives per Sec. 5
 - merged into preferred governance model

***** SUs; LEAs *****

Sec. 15. SU is LEA for federal accountability (AYP) determinations (*page 18*)

***** SU Budgets; Vote by Electorate *****

Secs. 16–20. SU Budgets Voted on by Electorate (*pages 18–22*)

- If not budget approved by July 1, then each district liable for 87% of proportionate share of most recent budget
 - protects proposed Special Ed spending
- Effective July 1, 2015 and applies to budgets for FY 2017 and after

***** Duties of Supervisory Unions; Failure to Comply; Tax Penalties *****

Sec. 21. Failure to Comply with SU Duties to Provide Services to Districts (*page 23*)

- If SU/district(s) fail to comply with current law re: SU duties performed for districts
- Then tax rates for each district increased by 5 % until compliance
- Effective July 1, 2016; tax rates not subject to increase until FY 2018

***** Transitioning Employees to New Employer *****

Sec. 22. Transitioning Employees – codifying pre-existing session law (*pages 24–28*)

***** Union School District; Definition *****

Sec. 23. Union School District; Definition (*pages 28–29*)

- Current definition requires that district operates kindergarten – grade 12
- Amends definition so can also include tuition payment for some or all grades

***** AHS / AOE *****

Sec. 24. AHS / AOE Coordination – study and proposal (*pages 30–31*)

***** Quality Assurance & Accountability *****

Sec. 25. Authorities of State Board of Ed in re: EQS (pages 31–32)

- For failure to meet or progress toward meeting Ed Quality Standards
 - Clarifies actions currently authorized to take in 16 V.S.A. § 165(b):
 - AOE / quality review teams provide additional technical assistance
 - SBE adjusts SU boundaries or duties of SU
 - AOE assumes administrative control
 - SBE closes school(s) and require tuitioning
 - Adds authority to merge districts if necessary to achieve EQS
- Effective on 7/1/2020

Sec. 26. Quality Assurance Reviews and Reports (pages 32–33)

Secretary reviews, evaluates, and keeps SBE apprised of:

- (1) discussions, studies, and activities of school districts re: voluntarily creating unified union school district in preferred structure (Sec. 1(a))
- (2) data and other information collected from accelerated activity per Sec. 5, from REDS, and from other mergers into preferred governance structure
- (3) data collected in connection with EQS, and related on-site quality reviews, including data and information regarding several specified areas of interest

***** Fiscal Year 2021; Transition to Sustainable Governance Structures *****

Sec. 27. Fiscal Year 2021; Transition to Sustainable Governance Structures (pages 33–35)

(a) Proposal. In order to:

- provide substantial equity in quality and variety of educational opportunities
- maximize operational efficiencies through greater flexibility to manage, share, transfer
- promote transparency and accountability

Secretary reviews the governance structures of school districts and SUs statewide AND

Between January 1 and July 1, 2020 develops and presents to SBE a proposal that:

- to the extent necessary
- would move districts into the more sustainable, preferred model in Sec 1(a)
- BUT IF it's not possible or practicable to move to 1(a) model (*e.g.*, per Sec. 28's protection for tuition paying and operating towns; ADM; etc.), THEN proposal may include alternative governance models as necessary (gives some examples) *designed to promote* the three bulleted items immediately under (a) above

(b) State Board's Order. By December 31, 2020, SBE approves proposal OR amended proposal and publishes order realigning districts and SUs as necessary to move toward governance that promotes the three bulleted items immediately under (a) above

(c) Operational Date. July 1, 2022

(d) Applicability. Section does NOT apply to:

- interstate school districts
- career technical education school districts (3)
- districts that voluntarily merged per RED process or under this act

*** * * Intent; Protections * * ***

Sec. 28. Tuition-Paying Districts; Operating Districts; Protection; Intent (pages 35–36)

- Standard language giving total protection to districts that tuition their students and districts that operate schools and districts that do some of both – to continue to do so if they choose to do so

Sec. 29. School Closure; Small Schools; Intent (pages 36–37)

(a) No intent to close schools and nothing in act requires should be construed to require it

(b) No intent to close small schools but rather to make sure they have opportunity for expanded educational opportunities and economies of scale available in a larger, more flexible governance model

Does not address:

- **Yield**
- **FY 2016 Tax Rates**
- **Capital Construction**