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Sen. Baruth proposal for Misc. Ed. Bill

Approved independent schools—Financial Capacity

Sec. 1. 16 V.S.A. § 166(b) is amended to read:

\* \* \*

(5) The State Board may revoke, ~~or~~ suspend, or impose conditions upon the approval of an approved independent school, after opportunity for hearing, for substantial failure to comply with the minimum course of study, for failure to demonstrate that the school has the resources required to meet its stated objectives, for failure to comply with the Board’s rules for approved independent schools, or for failure to report under subdivision (4) of this subsection (b). Upon revocation or suspension, students required to attend school who are enrolled in that school shall become truant unless they enroll in a public school, an approved or recognized independent school, or a home study program.

\* \* \*

(8)(A) If an approved independent school experiences any of the following financial reporting events during the period of its approved status, the school shall notify the Secretary of Education within five days of its knowledge of the event:

(i) the school’s failure to file its federal or State tax returns when due (after taking into account permissible extension periods);

1                   (ii) the school’s failure to meet its payroll obligations as they are  
2                   due or to pay federal or State payroll tax obligations as they are due;

3                   (iii) the school’s failure to make required retirement contributions;

4                   (iv) the school’s use of designated funds for non-designated  
5                   purposes;

6                   (v) the school’s failure to comply with the financial terms of its  
7                   debt obligations, including the school’s failure to make interest or principal  
8                   payments as they are due or to maintain any required financial ratios;

9                   (vi) the withdrawal or conditioning of the school’s accreditation  
10                  on financial grounds by a private, State, or regional agency recognized by the  
11                  State Board for accrediting purposes; or

12                  (vii) the school’s insolvency, as defined in 9 V.S.A. § 2286(a).

13                  (B)(i) If the State Board reasonably believes that an approved  
14                  independent school lacks financial capacity to meet its stated objectives during  
15                  the period of its approved status, then the State Board shall notify the school in  
16                  writing of the reasons for this belief and permit the school a reasonable  
17                  opportunity to respond.

18                  (ii) If the State Board, after having provided the school a  
19                  reasonable opportunity to respond, does not find that the school has  
20                  satisfactorily responded or demonstrated its financial capacity, the State Board

1 may establish a review team, that, with the consent of the school, includes a  
2 member of the Council of Independent Schools, to:

3 (I) conduct a school visit to assess the school’s financial  
4 capacity;

5 (II) obtain from the school such financial documentation as the  
6 review team requires to perform its assessment; and

7 (III) submit a report of its findings and recommendations to the  
8 State Board.

9 (iii) If the State Board concludes that an approved independent  
10 school lacks financial capacity to meet its stated objectives during the period of  
11 its approved status, the State Board may take any action that is authorized by  
12 this section.

13 (C) In considering whether an independent school lacks financial  
14 capacity to meet its stated objectives during the period of its approved status  
15 and what actions the State Board should take if it makes this finding, the State  
16 Board may consult with, and draw on the analytical resources of, the Vermont  
17 Department of Financial Regulation.

18 (D) Information provided by an independent school under this  
19 subsection that is not already in the public domain is exempt from public  
20 inspection and copying under the Public Records Act and shall be kept  
21 confidential.