

H.361
House As Passed Version v. Senate As Passed Version
Side by Side Comparison – Conference Committee Proposals

GOVERNANCE

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
<i>Findings / Goals / Intent / Size and Structure</i>				
Findings		<i>[See attached single page with list of Findings]</i>	SENATE	
Education Policy Goals	<p>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"> • students meeting EQS • cost parents, voters, & taxpayers value • transparency/accountability <p>Legislation is designed to encourage and support local decisions and actions linked to EQS</p> <ul style="list-style-type: none"> • identifies specific goals <p><i>[See attached single page with list of goals]</i></p>	<ul style="list-style-type: none"> • provide substantial equity in quality and variety of educational opportunities • maximize operational efficiencies through greater flexibility to manage, share, transfer • promote transparency and accountability 	HOUSE	<p><i>[but amended to reflect and/or integrate SENATE language]</i></p>

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
School Closure / Small Schools		Statement of: <ul style="list-style-type: none"> • No intent to close schools • No intent to close small schools, but rather to allow them to enjoy expanded opportunities and economies of scale available in larger, flexible governance models 	<i>[do not include]</i>	
Tuition Payment / Operation	Tuition-paying and operating districts – full protection for districts to continue to pay tuition or operate schools or both Nothing in act changes that or changes tuition amounts or recipients	Substantively identical to House-Passed version	SENATE	
Guidelines / Performance Measures for New Governance Models	By 12/31/15 , SBE adopts performance measure for each policy goal stated above <ul style="list-style-type: none"> • work is done in connection with ongoing work to develop EQS indicators By 12/31/15 , based on performance measures: <ul style="list-style-type: none"> • SBE develops and issues guidelines to assist <ul style="list-style-type: none"> ○ districts to develop governance proposals and ○ SBE to evaluate districts' proposals 		HOUSE	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
<p>Size and Structure</p>	<p><u>Integrated Education Systems</u></p> <p><u>In order to</u> promote flexibility, transparency, and accountability</p> <p><u>Preferred structure:</u> an Education District</p> <ul style="list-style-type: none"> • single district / its own SU • responsible for resident PK-12 students • minimum ADM of 1,100 – waiver available • one of four common structures: <ul style="list-style-type: none"> ○ operates PK/K–12 ○ operates PK/K–6; tuitions 7–12 ○ operates PK/K–8; tuitions 9–12 ○ tuitions PK–12 <p><i>[more on next page]</i></p>	<p><u>Preferred Governance Structure & Alternative</u></p> <p><u>In order to:</u></p> <ul style="list-style-type: none"> • provide substantial equity in quality and variety of educational opportunities • maximize operational efficiencies through greater flexibility to manage, share, transfer • promote transparency and accountability <p><u>Preferred structure:</u> a supervisory district</p> <ul style="list-style-type: none"> • single district / its own SU • responsible for resident PK-12 students • minimum ADM of 900 • one of four common structures: <ul style="list-style-type: none"> ○ operates PK/K–12 ○ operates PK/K–6; tuitions 7–12 ○ operates PK/K–8; tuitions 9–12 ○ tuitions PK–12 <p><i>[more on next page]</i></p>	<p>SENATE version (this page and next)</p> <p><u>Except:</u></p> <ol style="list-style-type: none"> 1. <u>Keep terms:</u> <ul style="list-style-type: none"> * Integrated Ed Systems * Ed Districts 2. <u>Min ADM:</u> <ul style="list-style-type: none"> * 1,000 districts * 1,100 SUs 3. <u>SBE Approval</u> of SU only if transparency / accountability incl SU budgets 	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
	<p><u>Supervisory Unions:</u></p> <ul style="list-style-type: none"> • an Education District may not be <ul style="list-style-type: none"> ○ the best way to achieve goals in all regions of State ○ possible because of <ul style="list-style-type: none"> ▪ Minimum ADM of 1,100 ▪ protections for tuition paying and operating districts • so ... districts may propose and SBE may authorize creation, expansion, or continuation of an SU <ul style="list-style-type: none"> ○ SBE may approve only if proposal provides for transparency and accountability <i>including for SU</i> budget • SU has minimum ADM of 1,100 – waiver available 	<p><u>Supervisory Unions:</u></p> <ul style="list-style-type: none"> • the preferred governance model is not necessarily: <ul style="list-style-type: none"> ○ the best means of achieving VT’s education goals in all regions of the State ○ possible • so ... an SU composed of multiple member districts, each with its own board, can meet goals <ul style="list-style-type: none"> ○ <i>particularly</i> if: <ul style="list-style-type: none"> ▪ the member districts consider themselves collectively responsible for all resident PK–12 students in SU ▪ SU maximizes efficiencies, economies of scale, flexibility ▪ SU has the smallest number of districts practicable (if possible, through merger of similar districts) 		

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
Governance Changes – Timeline				
Statement re: Future Governance	By 7/1/2019 – integrated education systems for equitable delivery of high quality education to all resident PK-12 student at stable affordable cost		HOUSE	
Evaluation & Proposal by Districts	<ul style="list-style-type: none"> • Evaluation & Meetings <ul style="list-style-type: none"> ○ each district’s school board 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 • Study Committee & Report <ul style="list-style-type: none"> ○ per process in 16 V.S.A. ch. 11 ○ each dist. forms study committee (exceptions: SD, etc.) ○ 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 	<i>[could occur through RED or regular union school district formation process both of which involve review and approval by SBE and by electorate – but not specified]</i>	HOUSE (this page and next)	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
	<ul style="list-style-type: none"> ○ reimbursement for study costs and other Act 156 transitional incentives if meet existing criteria ○ <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 ○ operational by 7/1/19 	<p><i>[BUT SEE Enhanced Incentives for Early Action –</i></p> <ul style="list-style-type: none"> • <i>final electorate vote by 6/30/16</i> • <i>operational by 7/1/17]</i> <p style="text-align: center;">* * *</p> <p>By 7/1/17: A district not organized per the preferred structure and will not be by 7/1/20 may choose to pursue any or all:</p> <ul style="list-style-type: none"> • Self-evaluation <ul style="list-style-type: none"> ○ the district’s school board may choose to evaluate the quality and variety of educational opportunities it offers and its operational efficiencies <p><i>[more on next page]</i></p>	<p style="text-align: center;">SENATE (this page and next)</p> <p style="text-align: center;"><u>Except:</u></p> <ol style="list-style-type: none"> 1. If not in preferred structure by 7/1/19 (not 2020) 2. Change “may” to “shall” throughout 	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
		<ul style="list-style-type: none"> • Meetings <ul style="list-style-type: none"> ○ school board may meet with other school boards, inc those with similar operation / tuition-paying patterns, to discuss promoting in region: <ul style="list-style-type: none"> ▪ quality, variety, and equity of educational opportunities ▪ operational efficiencies ▪ transparency and accountability • Declaration (7/1/17) – the district’s school board may file a three-part declaration with the Secretary and SBE either on its own or in connection with other districts that: <ul style="list-style-type: none"> ○ <u>declares</u> intent to retain current governance structure OR to form a different structure with other district(s) OR otherwise act jointly (<i>e.g.</i>, contract) ○ <u>demonstrates</u> through enrollment projections, ratios, comprehensive data provided in EQS process, and otherwise how its declared intention above supports 3 goals ○ <u>identifies</u> actions to continue to improve the items listed above (3 bullets under “demonstrates”) 		

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
<p>SBE Review of Voluntary Mergers:</p> <p>meeting goals</p> <p>socioeconomic isolation</p>	<p><u>Evaluation by State Board:</u></p> <ul style="list-style-type: none"> • consider if designed to create integrated ed system meeting goals • mindful of geographic isolation /AOE helps districts / SBE <i>MAY</i> deny approval (isolation also considered when Secretary develops proposal and SBE adopts new plan below) 	<ul style="list-style-type: none"> • Secretary of Ed required to develop guidelines to minimize possibility that mergers will result in socioeconomic isolation of districts 	<p>HOUSE with SENATE language integrated</p>	
<p>Secretary's Proposal</p>	<p>Secretary reviews status as of 11/30/17</p> <p>By 7/1/18 – Secretary creates <i>proposal</i> to realign “Remaining Districts” into integrated education systems “to the extent possible”</p> <p><i>[more on next page]</i></p>	<p>Secretary reviews:</p> <ul style="list-style-type: none"> • governance structures of school districts / SUs statewide as they will be on 7/1/20 • any declarations submitted by districts (above) • conversations with districts <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"> • to the extent necessary to promote the 3 goals • would move districts into the more sustainable, preferred governance model <p><i>[more on next page]</i></p>	<p>SENATE (this page and next)</p> <p><u>Except:</u></p> <p>1. looks at State as it will be 7/1/19 (not 7/1/20)</p>	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
	<p><u>BUT IF</u> it's not possible or practicable to meet one or more provision</p> <ul style="list-style-type: none"> • <u>THEN</u> proposal is designed in way to best serve interests of resident students, local communities, and the State • Secretary presents proposal to SBE 	<p><u>BUT IF</u> it's not possible /practicable to move to pref model (<i>e.g.</i>, protect tuition paying; min ADM; etc.)</p> <ul style="list-style-type: none"> • <u>THEN</u> the Secretary's proposal may include alternative governance models as necessary (including an SU with member districts) designed to promote the goals as long as the proposed alternative model is designed to <ul style="list-style-type: none"> ○ ensure adherence to Sec. 3(c)'s protection for tuition paying and operating towns ○ promote equity of opportunities, financial efficiencies, accountability, and transparency in a sustainable governance structure 	<p>SENATE</p>	
<p>SBE's Order OR Proposal</p>	<p>By 9/1/18 – Board approves OR amends & approves proposal</p>	<p>By 12/31/18 – the SBE:</p> <ul style="list-style-type: none"> • reviews / analyzes Secretary's proposal • testimony / additional information • approves OR amends & approves proposal in an amended form per same criteria as Sec • publishes the proposed plan realigning districts and SUs where necessary • submits proposed plan to General Assembly 	<p>SENATE <u>Except:</u></p> <ol style="list-style-type: none"> 1. Is the final plan / does not go to GA 2. due 9/1/18 (not 12/31/18) 	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
New Governance Model	<p>By 9/1/18 – Board action (above)</p> <p>Operational by 7/1/19</p>	<p>2019–2020 General Assembly – If introduces and enacts a bill realigning districts where necessary to promote 3 goals</p> <p>Operational by date to be established in legislation</p>	HOUSE	
Exempt from Plan	<ul style="list-style-type: none"> • interstate school districts • earlier voluntary mergers 	<ul style="list-style-type: none"> • interstate school districts • earlier voluntary mergers • three CTE districts 	HOUSE	
Current Incentives				
RED Incentives	<p><u>Current Law</u>: RED incentives if <i>operational</i> on 7/1/17</p> <ul style="list-style-type: none"> • tax rate reduction (8-6-4-2) – 5% <u>OR</u> \$400/pupil • capital debt service payment • no need to repay State if sell building • if lose small school support grant, 5 years as Merger Support Grant • multiyear budgets • \$150,000 Transition Facilitation Grant <u>OR</u> 5% base education amount x ADM in first year 			

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
	<i>Amendment:</i> available if <u>voters approve</u> by 11/30/17	<i>Amendment:</i> available if <u>operational</u> by 7/1/20	<i>[don't include either – keep current date]</i>	
Merger Support Grant (Small School Grant (current RED incentive)	<p><i>Current law:</i> REDS that formerly received small school grants receive Merger Support Grant for 5 years</p> <p><i>Amendment:</i></p> <ul style="list-style-type: none"> • MS Grant continues indefinitely • grants cease if close small school • EXCEPT – life of bond if closed because consolidating buildings 		HOUSE	
Incentives for Other Joint Activity		<p><u>Sec. 15</u> Existing incentives for other kinds of joint activity – eligibility deadline shortened from 7/1/17 to 12/31/15</p> <p><i>[See attached table of incentives]</i></p>	SENATE	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
NEW Incentives for Voluntary Action under Act				
<p>Accelerated Activity AND Enhanced Incentives</p>		<p><u>Accelerated Activity = Enhanced Incentives</u></p> <p><u>If:</u></p> <ul style="list-style-type: none"> • an existing SU becomes an SD by merging into a unified union school district (also w/ SD) • positive electorate vote by 7/1/16 • meets preferred structure • show how merger meets qualitative criteria • operational by 7/1/17 • provides data at Secretary’s request <p><u>Then incentives:</u></p> <ul style="list-style-type: none"> • <u>Either:</u> <ul style="list-style-type: none"> ○ \$0.10 / 0.10 / 0.08 / 0.06 / 0.04 homestead reduction for 5 years <u>OR</u> ○ Accelerated Action Incentive Grant: \$400 x ADM in year 1 (FY18) • Merger Support Grant (Small School) 5 yrs • Transition Facilitation Grant: in yr 1; receives <u>lesser of:</u> <ul style="list-style-type: none"> ○ \$150,000 <u>OR</u> ○ 5% Base Ed Amount x ADM <p><i>[also grandfathered - 3.5% Hold Harmless when repealed in FY21]</i></p>	<p>SENATE</p> <p><u>Except:</u></p> <ol style="list-style-type: none"> 1. <u>Tax rate / \$400:</u> <ul style="list-style-type: none"> * no \$400 option * reduction = \$0.10 / 0.08 / 0.06 / 0.04 / 0.02 2. <u>Merger Support Grants:</u> <ul style="list-style-type: none"> * in perpetuity except if close school (as House amends for REDs) <p><i>[not included because not repealed]</i></p>	

Topic	As Passed by the House	As Passed by the Senate	House 5/12 noon	
		<ul style="list-style-type: none"> • REDs – if ALSO eligible for other RED incentives, but cannot receive duplicative • Secretary collects / analyzes data; reports to legislative committees annually through 2021 		
Merger Support Grants	Merger Support Grants (if lose Small School Grant) <ul style="list-style-type: none"> • indefinitely / closure / bond (same as House amendments to RED) for: <ul style="list-style-type: none"> ○ merger per act ○ joint contract school • if <i>operational</i> by 7/1/19 	Merger Support Grants (if lose Small School Grant) <ul style="list-style-type: none"> • for 5 years for • to mergers that meet Accelerated Activity criteria but don't make those deadlines • <i>[doesn't address joint contract schools]</i> • <i>operational</i> by 7/1/20 	HOUSE	
Tax Incentives	Voluntary PK-12 district merger per act by 7/1/2019 receives RED tax incentives (0.08, 0.06, 0.04, 0.02)		HOUSE	
Repayment of State Construction Aid	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 <ul style="list-style-type: none"> • repealed on 11/30/17 AOE studies issue – 12/1/15		HOUSE	

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Other Miscellaneous				
Quality Assurance		Secretary reviews, evaluates, and keeps SBE apprised: <ul style="list-style-type: none"> • discussions, studies, activities of districts re merger • data from merging districts incl. accelerated and REDs • data from EQS and on-site reviews 	SENATE	
Recent Mergers; Exception	protects articles of amendment re: manner in which a district may join in future		<i>[do not include]</i>	
Funding for Incentives	Authorizes use of \$620,000 from FY2015 Ed Fund appropriation prior to January 2016 reversion to fund existing incentives		HOUSE	

TAX / FINANCE / POLICY / ENFORCEMENT (except if in reports or incentives)

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
Yield; Dollar Equivalent	Transitions to “yield” model	Substantively identical to House Two small additions	SENATE	
FY16 Tax Rates etc.	Sets FY16 tax rates: Nonresidential: \$1.525 Homestead: \$0.98 Applicable Percentage: 1.94% Base Ed Amount: \$9,459	Sets FY16 tax rates: Nonresidential: \$1.535 Homestead: \$0.99 Applicable Percentage: 1.80% Base Ed Amount: \$9,459	HOUSE	
Household Income; Assets		<u>Calculation of Household Income:</u> Increases the counting of investment income in the calculation of household income for the purposes of property tax adjustments For claimants under age 65, triple count investment income > \$10,000	<i>[do not include]</i>	

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
Ballot; Per EP Spending	Include per EP spending on ballot and repeals obsolete language		HOUSE	
Tax Penalty; Enforcement of Current Laws		After notice, hearing, and opportunity to remediate, 5% tax increase for each district if violating current law that SU performs certain duties for member districts	SENATE	
Small School Grants	<p><i>FY20 and after:</i></p> <ul style="list-style-type: none"> • Limits grants to districts: • average grade size is <20 • participated in merger study • high student-to-staff ratio • geographically isolated / no capacity in nearby school • high quality ed opportunities <p>SBE adopts / publishes guidelines by 7/1/18</p>	<i>[Deleted on Floor – so does not amend current law regarding small school grants]</i>	HOUSE	

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
<p>3.5% Hold Harmless Provision (“phantom students”)</p>	<p>3.5% protection for declining enrollment amended to remove “tail”</p> <p>Effective FY17</p> <p>Three year transition (FY19)</p>	<p>Identical to House</p> <p>Transition identical to House <u>except</u></p> <ul style="list-style-type: none"> • delayed by one year for districts actively discussing merger <p>Repeals 3.5% protection FY21 <u>except</u> as grandfathered below</p> <p>Grandfathers merged districts</p>	<p>SENATE</p> <p>SENATE</p> <p><i>[do not include]</i></p> <p><i>[do not include]</i></p>	
<p>Mandates; General Fund Transfer</p>	<p>(statutory; no sunset)</p> <p>JFO identifies amounts of any new unfunded education mandates</p> <p>Amounts are added to GF transfer in next FY</p>		<p>HOUSE</p>	

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
<p>Spending Caps & Trigger</p>	<p><u>Cap:</u> Variable 2% cap on school district’s increase in education spending</p> <ul style="list-style-type: none"> • cap is indexed so increase for low-spending districts is at a higher % than high-spending • cap based on total spending or on spending per equalized pupil –use higher growth rate • if larger budget approved, it is deemed to have failed vote • appeals process w/ examples <p><u>Trigger:</u> Applies to budgets for FYs 2018 and 2019 <u>Except:</u></p> <ul style="list-style-type: none"> • cap doesn’t apply in FY18 unless total statewide ed spending in FY17 is more than 2.95% higher than in FY16 • if cap doesn’t apply in FY18, then applies in FY19 only if FY18 spending is more than 2.95% above FY17 		<p style="text-align: center;">HOUSE (FY17 and FY18)</p> <p style="text-align: center;"><i>[no trigger]</i></p>	

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
<p>Quality Assurance – Failure to Move toward EQS</p>		<p>For failure to meet or progress toward meeting Ed Quality Stds:</p> <p><u>Clarifies</u> actions <u>currently</u> authorized to take:</p> <ul style="list-style-type: none"> • 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 <p><u>Adds</u> authority to merge districts if necessary for EQS</p> <p>Effective 7/1/20</p>	<p>SENATE <u>BUT CHANGE</u> effective date to 7/1/19</p>	

REPORTS

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
Special Ed Funding; Study	Secretary of Ed proposes alternative methods to pay for Special Ed – including possibility that some paid by ADM - 1/15/16		HOUSE	
PreK / SpEd Metrics		Adds a report from AOE on metrics for evaluating Pre-K and special education programs.	<i>[add concept to House Special Ed Study above]</i>	
Supers and Principals	Secretary of Ed and others study roles and responsibilities of superintendents / principals - 1/15/16		HOUSE	
Property Tax Adjustment Lag; Study	Comm’r of Taxes determine steps necessary to base property tax adjustments on current year - 1/15/16		HOUSE	

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
Adequacy Funding Model; Study	JFO hires consultant to study movement to adequacy funding model - 1/15/16 Authorizes use of \$300,000 from FY15 Ed Fund appropriation prior to January 2016 reversion		HOUSE	
Health Care Costs; Study	Dir Health Care Reform considers and proposes alternatives for employee health insurance including VEHI, VHC, etc		HOUSE	
AHS / AOE Coordination		AHS / AOE Coordination – study and proposal	SENATE	
Assets; Household Income Calculation		Requires a report from Tax on how to account for assets in the calculation of household income	<i>[do not include]</i>	

MISCELLANEOUS

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
SU Boundary Changes		Clarifies current authority of a group of districts to ask State Board for SU boundary changes	SENATE	
SU as the LEA		SU is LEA for federal accountability (AYP) – effective 7/1/2016	SENATE	
Data Reporting	full implementation of statewide data systems by 7/1/2017		HOUSE	
Employee Transition	Codifies transitional language used in connection with other acts and bills in prior years	Same as House Sec. 25 but: clarifies that joint contract schools are covered; exempts impending contract	SENATE	
Unified Union School District Definition		Definition of unified union school districts is expanded to include PK-12 district that tuitions some or all grades	SENATE	

Topic	As Passed by the House	As Passed by the Senate	House Proposal 5/11	
Position-Tech Assistant		Limited Service Position in AOE <ul style="list-style-type: none"> • No State funding 	SENATE	
Joint Leg Ed Oversight Committee	Creates a new statutory Joint Legislative Education Oversight Committee		HOUSE	
Designation of High School	<i>Currently:</i> a district that does not operate a high school can designate one independent or public school as school for all resident students <i>Amendment:</i> designate 1-3 schools		HOUSE	