

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H.361 Name of Bill: An act relating to making amendments to education funding, education spending, and education governance

Agency/ Dept: Education Author of Bill Review: Jill Remick

Date of Bill Review: 5/29/15 Related Bills and Key Players House and Senate Education

Status of Bill: (check one): Upon Introduction As passed by 1st body As passed by both

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in #8 below

Analysis of Bill

1. Summary of bill and issue it addresses. *Describe what the bill is intended to accomplish and why.*

H.361 is considered one of the most significant education reform efforts in years. This legislation provides incentives and tools for districts to merge with others to improve student outcomes, operational efficiency, governance reform with the goal of consolidation into larger, more efficient districts by 2020; as well as spending pressures intended to keep school spending down.

2. Is there a need for this bill? *Please explain why or why not.*

Yes. Over the last 20 years, many of our systems have seen pronounced declines in student enrollment, due to regional demographic trends that are much larger than any of our individual districts. In some regions, these gradual population declines are likely to continue for years. At the same time, as the baby boomers move out of the workforce, Vermont is left with a smaller cohort of working taxpayers to support school systems designed for a much larger population. H.361 provides our systems with a set of tools they can use to plan for a strong future for our schools and children.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

Agency work: The Education Quality Reviews currently under development here at the Agency will be the foundation of evaluating student opportunity and equity.

This bill adds new urgency to that work with respect to timing. Accelerating the work schedule increases cost and demands on staffing. We are trying to figure out how to free up capacity to move this work more quickly.

The bill also implies that the EQRs may be used for consequential purposes. This raises the bar for data quality, transparency and interpretability. And, it implies that field reviews will need to be more thorough. That also raises costs.

The Agency is tasked with significant responsibility to usher the multi-year process of each various governance structure transitioning into a larger structure. One new unfunded position was allocated to the Agency for this work.

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The new penalties associated with failure to implement Act 153 (moving special education and transportation to the SU level) are substantial. This means we need a more robust waiver review process, to ensure that when and if sanctions are applied, they are done with cause.

We currently do not have the staffing to support this process well. To compensate, we are trying to leverage partnerships with external partners, including the VSBA, VT-NEA and the VSA. We may also help draft a grant proposal to bring a philanthropic grant to VSBA or VSA to support this work. Realistically, we need at least one more person to manage governance conversations with the field, and ideally, more help with research and analysis.

We have already experienced an uptick in requests for information, meetings, technical assistance and resources. We will work to update materials created for existing governance initiatives to support and reflect the direction of H. 361 as best we can. In several years, we will have to review regions that have not made progress and propose solutions.

State Board of Education work: The State Board is the governing body responsible for determining the criteria and making decisions as to the move (or not) of each entity to a larger district. Agency staff and the Board will be responsible for a great deal of the oversight and management of this transitional process. At the end of the transition, the Secretary makes a final recommendation for any remaining governance changes to the State Board.

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it?

Tax Department: Annual recommendation to the legislature on Dec 1 on the base homestead tax rate will now be restated as the property dollar equivalent yield. Same process, new look.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it? (for example, public, municipalities, organizations, business, regulated entities, etc)

Our experience and research done on similar efforts show successful mergers will present savings opportunities for the partners involved. These savings can be used to lower taxes or to invest in other educational needs depending on what the new board decides.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

This legislation had strong views expressed for and against during the deliberations in the Legislature. We observed school board members and members of the general public taking both sides but with a distinct favorable bent in our view.

6.2 Who else is likely to oppose the proposal and why?

See response to 6.1

7. Rationale for recommendation: *Justify recommendation stated above.*

Provided in response to item 2.

8. Specific modifications that would be needed to recommend support of this bill

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None.

9. **Gubernatorial appointments to board or commission?** None.

Secretary/Commissioner has reviewed this document:  *Date:* 5/29/15