

Education Legislative Report

May 16, 2014 – Final Report

The General Assembly adjourned on Saturday, May 10th, having passed legislation establishing universal access to prekindergarten, addressing the funding of the teachers' retirement health benefit, updating the open meeting law, creating the Vermont Strong Scholars program and making some adjustments to the education funding system. Education bills on governance reform, privatization of public schools, principal contract non-renewal, and enrollment of non-resident students, among others, did not make it past both legislative chambers and will not be enacted, although some made it close. Following is an overview of what resulted from a busy 2014 session - which bills passed, and which ones did not.

Brief Overview

The following education-related bills passed in 2014:

- [H.884](#)—Miscellaneous Tax Bill (sets rates, base education amount, for FY15)
- [H.270](#)— Prekindergarten Education (universal access, all school districts)
- [H.885](#)—Appropriations Bill (includes teachers' retirement health care, chart of accounts, AOE position)
- [H.497](#)—Open Meeting Law (electronic meetings, agendas, executive session)
- [H.217](#)—Tobacco Use on School Grounds (eliminates policy requirement)
- [S.40](#) – Vermont State Colleges funding (affordability study)
- [S.220](#)— Economic Development (includes Vermont Strong Scholars Program)
- [S.252](#) – Green Mountain Care (does not include transition plan for union employees)

The following bills, though discussed at length, were *not* passed in 2014:

- [H.883](#)— Pre-K-12 Education Districts
- [H.876](#)— Miscellaneous Education
- [S.304](#) - Non-Renewal of Principals' Contracts
- [S. 175](#)—Student Enrollment after Change in Residency
- [S.91](#)—Moratorium on Privatization

Education Financing and Property Taxes

On the final day of the session, the House and Senate passed H.884, which makes miscellaneous tax changes, sets the education tax rates for FY15, and makes several amendments to education finance statutes. The bill as passed emerged from a conference committee between the Senate and House, where differences over the rates, the use of one-time money, and changes to small school support grants and equalized pupil calculations were worked out. (The House had passed a miscellaneous tax bill, H.884, as well as an education tax bill, H.889; the Senate opted to merge the two.)

Tax Rates and Base Amount

For fiscal year 2015, the base homestead education property tax rate will be \$0.98 per \$100 of equalized property value, up from \$0.94 in fiscal year 2014. This rate is multiplied by the district spending adjustment to get the local homestead rate. The income rate—for households earning less than \$90,000, and partially for households earning up to roughly \$136,000—will remain at 1.8%; this rate is also multiplied by the district spending adjustment. The statewide nonresidential property rate will be \$1.515, up from \$1.44 in FY14. The base education amount—which local education spending per equalized pupil is divided by to calculate the district spending adjustment—will be \$9,285, up from \$9,151 last year, but well below the statutorily inflated amount of \$9,382.

The following chart shows the changes to each of these elements of the education funding formula over the past seven years:

| | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
|-----------------------|------------|------------|------------|------------|------------|------------|--------------------|
| Base Homestead | \$0.87 | \$0.86 | \$0.86 | \$0.87 | \$0.89 | \$0.94 | \$0.98 |
| Nonresidential | \$1.36 | \$1.35 | \$1.35 | \$1.36 | \$1.38 | \$1.44 | \$1.515 |
| Base Income Rate | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% | 1.8% |
| Base Education Amount | \$8,210 | \$8,544 | \$8,544 | \$8,544 | \$8,723 | \$9,151 | \$9,285 |

Early projections for the homestead, nonresidential, and income rates were \$1.01, \$1.51, and 1.84%. The House chose to use significant one-time money—dipping into the education fund reserve; transferring \$6 million from the Supplemental Property Tax

Relief Fund—to bring the homestead rate down to \$0.98, while they also chose to up the other rates to \$1.515 and 1.90%. Statewide education spending was lower than originally projected, which also helped bring the homestead rate down.

The Senate opposed both the use of one-time money to reduce the rate and the proposal to raise the income rate. In the end, the conferees settled on the rates listed above. In order to do so, they used \$3 million from the supplemental fund as well as funds from the stabilization reserve, and set the base education amount \$97 lower than it would have been if increased by inflation. While this decision allowed the homestead rate to remain at \$0.98 (instead of, say \$1.00), it effectively increases districts' spending adjustments, and therefore tax rates.

The bill makes two other rate-related changes: it raises the floor for the income rate beginning in FY16, from 1.8% (the current rate) to 1.94%; and it extends the “income sensitivity slope.” Currently, those with household incomes under \$90,000 can pay their education property taxes based on income instead of on property value. Those *over* \$90,000 can pay the income percentage instead of the property rate on the first \$200,000 of property value, and pay the property rate for any value over that. H.884 extends that amount to \$250,000, a change that will affect those with household incomes between \$90,000 and roughly \$136,000 and with housesites valued in excess of \$200,000. (Taxpayers in this income range pay more in education taxes as a percentage of income than any other group, above or below.) Although the change sounds technical, it can provide a significant benefit for this subset of taxpayers.

Excess Spending, Equalized Pupils, Small Schools

The Senate and House agreed on a significant change to how the excess spending threshold is calculated beginning in FY16. Under current law, the threshold is set at 123% of the previous year's statewide education spending per equalized pupil. (This percentage will drop to 121% in FY17, and *was* 125% until changes were made last year.) Any amount a district spends per pupil over that threshold is double-taxed— that is, it is counted twice in determining the homestead and income tax rates.

Under H.884, the percentage will no longer be based on the previous year's spending, but instead will be based on FY14 spending increased annually by inflation, as determined by the New England Economic Project price index. This will almost certainly result in a lower threshold; as districts continue to struggle with personnel costs and declining enrollments, the excess spending penalty will hit more and more districts, increasing tax rates in those towns.

The bill does away with the fast-growth provision for calculating equalized pupils, but it leaves untouched the hold-harmless provision and small schools grants. Right now,

larger districts with rapidly growing enrollments can count more of those new students in their equalized pupil calculations sooner than they otherwise would be able to using a two-year average. H.884 strikes that provision, which benefits a handful of districts each year. The hold-harmless provision limits the number of equalized pupils a district can lose in one year (for calculating tax rates) to 3.5% of enrollment. (For example, if a district went from 100 equalized pupils in one year to 80 the next (and remained at 80), it would take seven years for their count to drop to that level.) The House originally proposed increasing the percentage to 5%, but this was eliminated in conference, as was the proposal to phase out, over six years, small school support grants, which serve to lower education tax rates in just over 100 districts.

Other Changes

Section 58 of the miscellaneous tax bill revises the definition of a homestead. Under current law, a homestead is a principal dwelling and parcel of land owned and occupied by an individual on April 1. A homestead now must be owned on April 1 and occupied for at least 183 days out of the calendar year.

Section 62 phases out the property tax break given to homestead and nonresidential property tax payers in Vernon for having an operating electric generating plant. They currently pay 75% of the base rate, multiplied by the district spending adjustment; in FY17, that will go up to 83%, then 91%, then 100% in FY19.

Sections 63, 65, and 67 call for reports to be submitted next January. Section 63 directs the Vermont Housing Council to give recommendations on how to develop programs to assist renters in lieu of the current renter rebate program, and recommendations to make the current program more effective. Section 65 directs the Department of Taxes and others to analyze the process by which towns are compensated for a reduction in listed property value and the current costs to towns of defending property tax valuations that benefit the Education Fund. Section 67 directs the Agency of Education to report on the current system of setting, paying, and receiving school tuition in Vermont.

Section 68 requires the Joint Fiscal Office to prepare a fiscal note for any legislation that requires a supervisory union or school district to perform any action with an associated cost, but does not provide funding for that obligation.

Universal Prekindergarten

Exactly one year after the House passed H.270, the universal prekindergarten bill, with a 95-43 vote, the bill made it to the Senate floor with favorable reports from three Senate committees. The Appropriations Committee—where the bill awaited action for most of that year—recommended that the bill not take effect until statewide spending per equalized pupil increases by less than the rate of inflation in a given year. That proposal was narrowly rejected (17-13); the rest of the bill went on to pass the Senate with a 19-9 vote, and the governor is expected to sign it into law.

Currently, most school districts choose to offer prekindergarten education in some form—either by running a public program or by paying tuition to a private provider, or both. In any case, the district counts each child in their average daily membership with a 0.46 weight. Districts can choose which providers, if any, to pay tuition to, and rates are negotiated.

Under H.270, parents in all school districts statewide will be entitled to enroll their three- or four-year-old children in a pre-k program for 10 hours per week, 35 weeks per year with public funding. Private providers meeting certain quality standards will be prequalified; rates will be set statewide, with the possibility for regional adjustments. Unless a district opts to limit somewhat the geographic boundaries within which it will pay tuition, parents can choose any prequalified private provider or public program. Districts will continue to count each pre-k child that resides in the district in their ADM with the 0.46 weight.

Prekindergarten enrollment statewide has been growing annually, and is expected to continue growing even without this change. H.270 will accelerate that process, and allows parents to access publicly-funded pre-k education for their children regardless of where they live. The bill takes effect on passage and applies to enrollments on July 1, 2015 and after.

Open Meeting Law

[H. 497](#) updates Vermont's open meeting law in several ways: it clarifies the definition of a meeting and dictates procedures for how electronic meetings may be conducted; makes some changes to agenda posting and executive session requirements; and creates new penalty and enforcement provisions for failure to follow the law.

Definition of a meeting

The law clarifies that certain written correspondence or email communications – those between members of a public body for the purpose of scheduling a meeting, organizing an agenda, or distributing materials to discuss at a meeting – do not constitute a

meeting. However, any written or recorded communications are public records subject to inspection and copying by the public under the Public Records Act.

Electronic meetings

The bill also clarifies that one or more members of a public body may fully participate in a meeting electronically, as long as the other requirements of the open meeting law are met. In addition to those requirements, if a member is participating in a meeting electronically, then he or she has to identify himself or herself when the meeting is convened, be able to hear and be heard throughout the meeting, and all votes must be taken by roll call.

The law also clarifies that it is possible for a quorum of the board (or the entire board) to participate in a meeting electronically. When that occurs, the following additional requirements must be met. At least 24 hours prior to the meeting (or as soon as practicable prior to an emergency meeting), the public body has to publicly announce that the meeting will be held electronically and post a notice of the meeting in or near the municipal clerk's office and in at least two other designated public places in the municipality. The public announcement and posted notice of the meeting must designate at least one physical location where a member of the public can attend and participate in the meeting. At least one member of the public body, or at least one staff or designee of the public body, must be physically present at each designated meeting location.

Notice, Agendas & Minutes

The bill also makes some adjustments to the notice and posting requirements for agendas and minutes. The law now requires a public body to provide notice of special meetings to any person who requests to be notified of those meetings, rather than just members of the media. It also requires the public body to designate two public places where it will post notice of meetings and agendas, and to post the notice/agendas in those same locations every time.

Agendas of meetings now have to be posted to the district's website (if one exists) and in the municipal office and the two designated public places at least 48 hours prior to a regular meeting, and at least 24 hours prior to a special meeting. Any addition to or deletion from the agenda must be made as the first act of business at the meeting. Any other adjustment to the agenda may be made at any time during the meeting.

Meeting minutes must also be posted (no later than five days after the meeting) to a website that the public body maintains or has designated as the official website of the body; however, this requirement applies *only if such a website exists*.

Executive Session

The bill makes some changes to the executive session requirements, most notably a new exception that allows discussion of “school security or emergency response measures, the disclosure of which could jeopardize public safety” in closed session. The law also clarifies that while discussion of hiring or appointing a public officer or employee can be conducted in executive session, the public body has to make a final decision to hire or appoint a public officer or employee in an open meeting and must explain the reasons for its final decision during the open meeting.

The bill also clarifies that boards may only enter into executive session to discuss certain topics after making a *specific finding* that discussing those topics in open session will place the public body or person involved at a substantial disadvantage. These topics include: contracts; labor relations agreements with employees; grievances or arbitration; pending or probable civil litigation or a prosecution; and confidential attorney-client communications made for the purpose of providing professional legal services to the body. These last two items constitute a significant improvement over the House-passed version of the bill, which appeared to require the presence of an attorney and which would only allow for discussion of pending or imminent litigation in executive session.

Penalty and Enforcement

Finally, the bill makes significant changes to the penalty and enforcement provisions of the law. First, it extends liability for failure to follow the law to individuals who knowingly and intentionally violate the law on behalf or at the behest of a public body.

Second, it requires any aggrieved person to notify a public body that they believe a violation of the law has taken place; to do so the person must allege a specific violation and make a request for specific actions to be taken to remedy the violation. The public body would then have seven business days to respond publicly to the alleged violation; if they acknowledge a violation then they must cure it – by ratifying the prior action or declaring it as void - within 14 calendar days. In addition to curing the specific violation, the public body has to adopt specific measures that “actually prevent future violations.”

Failure to correct a violation could result in penalties, including reasonable attorney’s fees and other litigation costs; however, those penalties could be waived if a court finds that the public body had a reasonable basis in fact and law for its position, and the public body either acted in good faith or cured the violation.

Appropriations Bill—Education Funding and Miscellaneous Changes

As usual, the “big bill”—the appropriations bill for the coming fiscal year—passed late on the final day of the session. As it became clear that the miscellaneous education bill, H.876, would not pass, a number of education provisions were included here, in H.885, along with the education appropriations and a funding plan for retired teachers’ healthcare benefits.

| | FY09 | FY10 | FY11 | FY12 | FY13 | FY14 | FY15 |
|---------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|
| GF to EF transfer | \$291.8m | \$240.8m | \$234.7m | \$276.2m | \$282.3m | \$288.9m | \$295.8m |
| Federal Funds | \$118.9m | \$122.2m | \$128.7m | \$134.4m | \$132.7m | \$133.9m | \$134.8m |
| Special Ed. | \$142.5m | \$142.5m | \$142.5m | \$148.8m | \$154.9m | \$163.5m | \$173.3m |
| Total Ed. Fund Uses | \$1.32b | \$1.31b | \$1.31b | \$1.35b | \$1.39b | \$1.47b | \$1.50b |

Uniform Chart of Accounts

Section E.500.1 of the big bill requires the Agency of Education to establish GASB compliant Uniform Chart of Accounts and Financial Reporting requirements by June 30, 2015. It will be “comprehensive with respect to compliance with federal funds reporting requirements” and will “provide the financial information necessary for State and local education decision makers in regard to specific program costs and evaluation of student outcomes.” The AOE will hire a contractor to create a comprehensive accounting manual, with related business rules; specifications for school financial software; and a detailed plan that ensures local reporting entities can fully comply by July 1, 2017. Up to \$400,000 from the Supplemental Property Tax Relief Fund can be used for this purpose.

Supplemental Property Tax Relief Fund

Besides funding the creation of the uniform chart of accounts, that supplemental fund is being used to establish a limited service education analyst position with the AOE “to create tools and indicators for use by education decision makers at the State and local level.” The analyst will help these decision makers “assess the return on education

dollars based on analysis of opportunities provided, cost-effectiveness, and outcomes for a given level of expenditure.”

All in all, H.885 appropriates \$3.5 million from the supplemental fund, with any remaining funds—after the above described uses—being carried forward “to improve the operation of the educational system leading to property tax relief.” A number of potential uses are listed:

- Continuation of the education analyst position.
- Implementation of integrated systems to maintain financial data and longitudinal student data that support district-to-district comparisons.
- Support for one-time investments to improve reliable comparative data and accounting systems.
- Investments and expenditures incurred in carrying out system changes.
- Incentives or rewards to control education spending while maintaining or improving outcomes for students.

Retired Teachers’ Health Benefits

The budget bill includes language from H.673, establishing a Retired Teachers’ Health and Medical Benefits Fund and creating a funding source for it. The plan calls for increased General Fund contributions, increased payments from new and unvested teachers, the use of a portion of federal grants, and a direct annual charge to school districts for each new teacher.

Under the plan, new and unvested teachers will pay an additional one percent of their compensation to the Vermont Teachers’ Retirement Fund. Vested teachers will continue to pay five percent.

Employer retirement costs and administrative operating expenses for federally funded teachers will be paid by school districts from those federal funds. This will, in effect, reduce the amount of available federal funds statewide by more than \$3 million annually.

For each teacher who becomes a member of the State Teachers’ Retirement System on or after July 1, 2015, school districts employing those teachers will pay an annual assessment for their health and medical benefits. The assessment will be determined annually by an actuary; the amount for FY13 would have been \$1,072. This is an *annual* cost to school districts for all teachers that come into the system after July 1 of next year. Although the statewide cost in the first year is estimated at \$375,000, when this applies eventually to *all* teachers, the statewide cost will be well in excess of \$10 million annually. This new assessment will be exempted from excess spending calculations.

Special Education Pilot Program

The bill creates a three-year pilot program to encourage reduced special education expenditures through the use of best practices to provide special education services in the general classroom setting. A process and criteria will be developed by the Secretary of Education based on the Schoolwide Integrated Framework for Transformation (SWIFT). The districts that constitute the four supervisory unions currently engaged in implementing this model may expend special ed. block grants in ways other than those required by the State Board of Education. To be eligible for the pilot program, all districts within a supervisory union must submit a joint application describing how special ed. spending under the model will decrease; how students on individual education programs will be served in a general classroom setting; the manner in which student performance will be measured; and how this model will result in fewer students requiring special education services.

Other Changes

A few sections from H.876, the miscellaneous education bill, were included in the appropriations bill as well. Sections E.500.4 and E.500.5 allow the State to participate in interstate reciprocity agreements for the purpose of authorizing online postsecondary programs. Section E.500.6 amends the definition of state-placed student to include students in Vermont from another state or country who are awaiting adoption. Section E.600.1 applies to UVM tuition requirements. Currently, in-state tuition for undergraduate and all graduate programs except the medical school can be no more than 40% of out-of-state tuition. This section will leave that requirement in place for undergraduate student tuition, but repeal it for all graduate programs.

Green Mountain Care and Health Care Reform

[S.252](#), an act relating to financing green mountain health care, spent a number of days in conference committee, given significant differences between the House and Senate versions of the bill. Our interest was in the section that dealt with transitioning public (Senate version) or union (House version) employees from their current health insurance plans to Green Mountain Care, the state's single payer plan. The Senate passed language that would have charged a group of labor and management representatives to develop a plan for mitigating the impact of the transition on employees' health care coverage and total compensation.

The House version included language that arose from a compromise between representatives of labor and our associations. That language stated that the transition plan for union employees shall ensure that total employee compensation does not

decrease significantly, nor financial costs to employers increase significantly, as a result of the transition of employees to Green Mountain Care. In the end, neither version was included in the final version of the bill. We support the need for a transition plan for school district employees and will work with representatives from the state to convene a group for the purposes of continuing that conversation.

In other health care news, the miscellaneous tax bill made some changes to the current Catamount Assessment for employers. First, it changes the name to “Employer Assessment.” Next, it increases the assessment from \$119.12 to \$133.50 for the last two quarters of calendar year 2014 for each full-time employee (in excess of four) you do not offer coverage to, or who declines coverage and enrolls in Medicaid instead. Please note that the obligation for the employer to pay the assessment for those who enroll in Medicaid is new. The amount of the assessment will increase each year beginning in 2015, with this increase benchmarked to the percentage increase in the premium cost for the second lowest silver plan on Vermont Health Connect.

Vermont Strong Scholars and Internship Initiative

[S. 220](#), an economic development bill, includes a provision that will create the Vermont Strong Scholars and Internship Initiative. The purpose of the initiative is to encourage Vermont college students to consider jobs that are in economic sectors that are considered to be critical to the future of Vermont’s economy, graduate from a postsecondary institution in Vermont, and live and work in Vermont upon graduation.

Under the Vermont Strong Scholars program, a graduate of a public or private Vermont postsecondary institution is eligible for forgiveness of a portion of his or her Vermont Student Assistance Corporation (VSAC) college loans if he or she: was a Vermont resident at the time of graduation; enrolled in a postsecondary institution on or after July 1, 2015 and completed an associate’s degree within three years, or a bachelor’s degree within six years; becomes employed in Vermont within 12 months of graduation in an economic sector identified by the Secretary of Commerce and Commissioner of Labor; remains employed in Vermont throughout the period of loan forgiveness in an economic sector identified by the Secretary and Commissioner; and remains a Vermont resident throughout the period of loan forgiveness.

The amount of the loan forgiveness depends on the type of degree: for an associate’s degree it is equal to the comprehensive in-state tuition rate for 15 credits at the Vermont State Colleges during the individual’s final semester of enrollment, prorated over the three years following graduation. For a bachelor’s degree it is equal to the comprehensive in-state tuition rate for 30 credits, prorated over five years.

The bill also directs the Secretary of Commerce and the Commissioner of Labor to establish an internship initiative designed to build connections between postsecondary institutions and Vermont employers and to foster postsecondary internships that are rigorous, productive, well-managed, and mentored.

Tobacco Use on School Grounds

[H. 217](#), an act relating to smoking in lodging establishments, hospitals, and child care facilities and on State lands makes a couple of modifications to 16 V.S.A. 140, which prohibits the use of tobacco products on school grounds. The law now extends that prohibition to “tobacco substitutes”, which are defined in 7 V.S.A. 1001 as “products including electronic cigarettes or other electronic or battery-powered devices that contain and are designed to deliver nicotine or other substances into the body through inhaling vapor and that have not been approved by the United States Food and Drug Administration for tobacco cessation or other medical purposes.”

H.217 also repeals the requirement in 16 V.S.A. 140 that school districts adopt policies prohibiting the possession and use of tobacco products by students at all times because the possession and use of tobacco products and tobacco substitutes by individuals under the age of 18 is already prohibited by state law.

Funding for Vermont State Colleges

[S.40](#) directs the higher education subcommittee of the PreK-16 Council to study and develop policies to make the Vermont State Colleges (VSC) and the University of Vermont (UVM) more affordable for Vermont residents by both lowering costs and restoring the 1980 ratio of State funding to tuition costs as well as by restoring funding to the VSAC incentive grant program. On or before January 15, 2015, the subcommittee will report to the General Assembly on its findings and any recommendations for legislative action.

Bills That Did Not Pass in 2014

PreK-12 Education Districts

Ten days before the end of the session, the House gave final approval to [H.883](#), an act relating to prekindergarten-grade 12 education districts. Given the timing, the Senate Education Committee decided not to take up the bill and instead passed some governance-related provisions in its amended version of H.876, the miscellaneous education bill (see below). The message from that committee and many Senators was

that they could not act upon a mandatory consolidation bill with so little time to vet and modify it.

However, given that neither the House nor Senate approach to governance reform passed this session, we expect the discussion to continue into the next legislative session. House Education Committee members expressed an interest in using H.883 as a basis for future legislative activity; we expect that in one form or another, H.883 will be back on the table next session.

Miscellaneous Education Bill

On Friday, May 9 the Senate passed [H.876](#), the miscellaneous education bill that passed the House on March 26. Much of the House language was unchanged with some sections being tweaked or deleted; however, the Senate version included significant sections on education governance, which were seen as a vehicle to advance the governance discussion, once it became apparent that the Senate did not have the time or inclination to act on H. 883.

Because the bill passed the Senate so late in the session, there was very little time for the House to review it and take action. On May 10th, the House Education Committee offered a proposal of amendment; however, in order to advance the bill on the final day of the session, the House needed to obtain a supermajority vote to suspend the rules. The Republican caucus refused to suspend the rules, so the bill did not make it to the floor for a vote.

The provisions in the final miscellaneous education bill that died as a result include:

Governance

The Senate version of H.876 included provisions that would have significantly increased the amount of transition funds available to districts that complete a voluntary merger under Act 153/156 – from the current amount of \$150,000 to \$500,000. The bill also extended the Act 153/156 incentives beyond 2017 through June 30, 2019. However, mergers completed between July 1, 2017 and that time would have been eligible for half of the amount available to districts that complete their mergers by July 1, 2017.

The bill also expedited the process of RED formation in places where the electorate of two or more districts voted to approve a plan of merger but one or more did not. In those situations, if all the necessary district school boards agreed, then the districts that did not vote in favor of the plan would be the only districts that had to vote again and if they approved the plan then the merger would have occurred.

The bill also required the State Board of Education to establish supervisory union service regions on or before July 1, 2015. These service regions would have been responsible for jointly providing professional development, transportation, and goods and operational services exclusive of school food services. School districts would not have had to participate in the service regions if the Secretary determined that doing so would be more costly or less effective.

In addition, the bill required – on or before April 1, 2015 – each supervisory union, including supervisory districts, to explore the possibility of merger with at least one other neighboring supervisory union. SU's would then have had to submit to the Secretary of Education either a plan of merger or an explanation of why merger would inhibit the effective and efficient use of financial and human resources or diminish educational quality and opportunities.

The remaining governance sections purported to clarify the duties of supervisory union boards, supervisory unions, superintendents and district boards. Most of the provisions are a restatement of current law, but clarify that the supervisory union is the entity that has “sole responsibility” for providing services such as professional development, special education services, transportation, and financial and student data management services.

The bill also directed the Agency of Education to provide technical support to districts exploring or engaged in the RED formation process and to develop a technical assistance handbook to support RED formation. It created two analyst positions at the AOE to perform this work.

Privatization, Principal Contracts, Student Residency

The Senate version of H.876 also included bills that had been passed by the Senate earlier in the session but either were not taken up in or were defeated in the House. These bills include:

- S.91, an act relating to privatization of public schools, which places a two-year moratorium on privatizing a public school and calls for a study of the constitutional and legal consequences of doing so.
- S.304, an act relating to public school principals and nonrenewal of contracts, which clarifies that the superintendent is responsible for supervising and evaluating principals and which also changes the standard and timeline for nonrenewal of a principal's contract.
- S.175, an act relating to permitting a student to remain enrolled in a Vermont public school after moving to a new school district.

Dual Enrollment

The bill also expanded the dual enrollment program to privately-funded students at approved non-sectarian or sectarian independent schools; however it clarified that a district of residence will not be responsible for paying for dual enrollment courses if the student is privately (as opposed to publicly) tuitioned. In those cases, the independent school would have been responsible for paying the school district's portion of the students' dual enrollment tuition.

Task Forces

The bill created two task forces and one working group that is under the umbrella of the PreK-16 Council. The PreK-16 Council was tasked with creating a working group from its own membership in order to review and evaluate issues of equity in and access to Vermont's expanded learning programs. The first task force would have been focused on Vermont Innovation in Education, and had the responsibility for examining barriers to the effective use of technology in Vermont's schools and to support access to technology through the dissemination of best practices "and the potential creation of a grant program."

The second task force was a Physical Education and Nutrition Task Force, which would have been charged with examining and recommending ways for Vermont schools to improve wellness, physical education, activity and nutrition. Both of these task forces would have been required to submit a report to the Governor and the Committees on Education on or before October 1, 2014.