

1 H.380

2 Introduced by Representatives Scheuermann of Stowe, Donahue of Northfield,
3 Komline of Dorset, LaClair of Barre Town, and Shaw of
4 Pittsford

5 Referred to Committee on

6 Date:

7 Subject: Education; governance; education funding; taxation

8 Statement of purpose of bill as introduced: This bill proposes to make changes
9 to the structure of education governance and finance through the creation of
10 15 Consolidated Administrative Districts.

11 An act relating to changing the structure of education governance and
12 funding through the creation of 15 Consolidated Administrative Districts

13 It is hereby enacted by the General Assembly of the State of Vermont:

14 * * * Short Title * * *

15 Sec. 1. SHORT TITLE

16 This act shall be referred to as the 21st Century Education Transformation

17 Act.

1 * * * Consolidated Administrative Districts * * *

2 Sec. 2. CONSOLIDATED ADMINISTRATIVE DISTRICTS

3 (a) Creation. Effective on July 1, 2017, all existing supervisory unions
4 shall be dissolved and restructured into 15 larger Consolidated Administrative
5 Districts (CADs). The boundaries of the new CADs shall be identical to the
6 current 15 career technical education service regions; provided, however, that:

7 (1) the boundaries of the CAD that contains the current North Country
8 Career Education Center Service Region shall be expanded to include the
9 districts within the Canaan Comprehensive High School Service Region; and

10 (2) the boundaries of the CAD that contains the current Southeastern
11 Vermont Career Education Center Service Region shall be expanded to include
12 the districts within the Windham Northeast Supervisory Union.

13 (b) Transition.

14 (1) On or before July 1, 2016, the electorate of the school districts
15 within the CAD boundaries shall elect members to an interim CAD board;
16 provided, however, that:

17 (A) membership on the board shall be apportioned so that it is
18 consistent with the proportional representation requirements of the Equal
19 Protection Clause of the U.S. Constitution; and

20 (B) each member district shall have at least one representative.

1 (2) The interim CAD board shall be responsible for transitioning the
2 supervisory unions and member districts to the CAD's funding and governance
3 model and shall have authority, in consultation with the member districts, to
4 enter into contracts, prepare an initial proposed budget for the CAD and the
5 member districts, hire a superintendent, adopt policies, and otherwise plan for
6 full implementation of the CAD on July 1, 2017.

7 (c) School districts.

8 (1) Each school district within a CAD shall retain its current governance
9 structure, including its elected school board, unless it chooses to alter its
10 governance structure pursuant to law.

11 (2) Each school district within a CAD shall continue to be responsible
12 for the education of its resident students pursuant to 16 V.S.A. chapter 21.

13 (3) A school district board shall remain the local elected body focused
14 on the academic policy and educational quality of the schools within its
15 geographic boundaries.

16 (4) Except to the extent that they conflict with this act, a school district
17 within a CAD shall perform all duties required of a school district under
18 current law. In particular, the local board of a school district shall:

19 (A) develop the school district's proposed budget for submission to
20 the CAD board;

1 (B) except for those providing special education services, select all
2 administrators, teachers, and staff employed in the district to be hired through
3 contracts negotiated and entered into at the CAD level;

4 (C) select and approve the curriculum used by schools in the
5 district; and

6 (D) manage and maintain all schools and other buildings owned by
7 the district.

8 (d) CADs and CAD boards.

9 (1) The electorate of the school districts within the CAD boundaries
10 shall elect members to the CAD board; provided, however, that:

11 (A) membership on the board shall be apportioned so that it is
12 consistent with the proportional representation requirements of the Equal
13 Protection Clause of the U.S. Constitution; and

14 (B) each member district shall have at least one representative.

15 (2) Based upon the proposed budgets developed and submitted by the
16 district boards pursuant to subdivision (c)(4)(A) of this section and upon the
17 CAD board's determination of the budget needed for the CAD to perform its
18 duties, the CAD board shall develop a proposed budget, which shall include
19 the total proposed education spending for the CAD and all member districts
20 (the Global Budget). The CAD board shall present the proposed Global

1 Budget to the electorate of the CAD for a commingled vote at an annual or
2 special meeting duly warned for the purpose.

3 (3) When a Global Budget is approved, the CAD shall issue the base
4 education property tax assessment, and any regional education property tax
5 assessment, to the taxpayers within the CAD and the taxpayers shall make all
6 education property tax payments directly to the CAD.

7 (4) Except to the extent that they conflict with this act, a CAD shall
8 perform all duties and provide all services required of a supervisory union
9 under current law. In particular, the CAD board shall:

10 (A) be responsible for the provision of all aspects of special
11 education, including the hiring of special educators, the assignment of their
12 services to schools within the CAD, and the development of individualized
13 education programs (IEPs); provided, however, that each student's IEP team
14 would consist of those individuals required by State Board of Education
15 Rule 2363.4 and include representatives from the local school district and
16 the CAD;

17 (B) negotiate CAD-wide collectively bargained contracts pursuant to
18 the requirements of 16 V.S.A. chapter 57 for all administrators, teachers, and
19 staff employed within the CAD;

20 (C) subject to the right of local school districts to select the specific
21 individuals to be hired pursuant to subdivision (c)(4)(B) of this section, enter

1 into CAD-level contracts with all administrators, teachers, and staff employed
2 within the CAD.;

3 (D) purchase and distribute all supplies to all schools within
4 the CAD;

5 (E) provide financial and student data management for all schools
6 within the CAD;

7 (F) provide or provide for transportation services, in any local district
8 in which it is offered;

9 (G) manage the provision of Advanced Placement courses to ensure
10 maximum availability to students throughout the CAD; and

11 (H) perform any other duties on behalf of one or more of the member
12 districts that the districts and CAD board deem appropriate.

13 (e) Nonoperating districts, operating districts, and tuition vouchers.

14 (1) Nonoperating districts. A district that, as of the effective date of this
15 act, provides for the education of all resident students in one or more grades by
16 paying tuition on the students' behalf shall continue to have authority to
17 provide education by paying tuition on behalf of all students in the grade or
18 grades pursuant to the provisions of 16 V.S.A. §§ 821 and 822 and shall not be
19 required to limit the options currently available to those students.

20 (2) Operating districts.

1 (A) Notwithstanding any provision of 16 V.S.A. chapter 21 to the
2 contrary, a district that, as of the effective date of this act, provides for the
3 education of all resident students in one or more grades by operating a school
4 offering the grade or grades shall pay tuition pursuant to 16 V.S.A.
5 §§ 823–826, 828, and 836 on behalf of a resident student to a school not
6 operated by the district upon notice given by the student’s parent or guardian
7 before November 30 for the next academic year.

8 (B) Tuition shall be paid under this subdivision (2) solely to a public
9 school, an approved independent school, or an independent school meeting
10 school quality standards that is located within the geographic borders of
11 the CAD.

12 (f) School closures. Neither the CAD board nor any State-level entity or
13 official shall have the authority to close any public school without the consent
14 of the voters of the district in which the school is located.

15 * * * Education Property Tax * * *

16 Sec. 3. REGIONAL EDUCATION PROPERTY TAX SYSTEM

17 On or before December 15, 2015, the Secretary of Education, in
18 consultation with the Commissioner of Taxes, shall prepare a detailed plan to
19 eliminate the statewide education property tax system and replace it with a
20 CAD tax system based on the following principles:

1 (1) Annually, the Agency of Education would determine a base
2 education property tax rate to balance the Education Fund.

3 (2) The amount of the base education property tax that is raised in each
4 CAD would be determined by multiplying the base education property tax rate
5 by the CAD's unified grand list.

6 (3) In the 2017–2018 school year, each CAD's spending amount would
7 include education spending plus spending covered by categorical aid for
8 special education, transportation, small schools, and essential early education.
9 In the 2018–2019 school year and after, spending covered by categorical aid
10 would become part of the base education property tax rate.

11 (4) Each CAD would be guaranteed equalized spending up to the
12 statewide average per pupil spending amount.

13 (5) A CAD's guaranteed spending would equal the average per pupil
14 CAD spending amount multiplied by the CAD's average daily membership.

15 (6) The total amount of a CAD's property tax rate would equal its base
16 education property tax rate plus any additional regional property tax rate.

17 (7) The amount of equalizing aid that a CAD would receive from the
18 State would depend on the amount raised by the base education property
19 tax rate.

20 (A) If the amount that a CAD's base education property tax rate
21 raises does not cover its guaranteed equalized spending, then it would receive

1 the difference in equalizing aid from the State, which would be derived from
2 non-property tax revenues from the Education Fund.

3 (B) If the amount that a CAD's base education property tax rate
4 raises is more than is needed to cover its guaranteed equalized spending, then
5 its base education property tax rate would be reduced by the difference divided
6 by its grand list.

7 (C) If a CAD spends above the guaranteed equalized spending
8 amount, then the CAD would impose a regional property tax rate and raise the
9 additional funds on its own grand list.

10 (8) The grand list in each CAD would be unified.

11 (9) The current income sensitivity and homeowner rebate programs
12 would be eliminated and, if necessary, replaced with a new State program
13 to assist Vermonters in need.

14 * * * Office of Legislative Council * * *

15 Sec. 4. LEGISLATIVE COUNCIL

16 On or before December 1, 2015, the Office of Legislative Council shall
17 provide to the House and Senate Committees on Education, the House
18 Committee on Ways and Means, and the Senate Committee on Finance
19 proposed statutory amendments necessary to accomplish the purpose
20 of this act.

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* * * Effective Date * * *

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Sec. 5. EFFECTIVE DATE

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This act shall take effect on July 1, 2015, and each CAD shall be

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implemented and fully operational on or before July 1, 2017.