



Issue #5 – March 8, 2013

2013 Session Approaches Crossover, Halfway-Point

The last few weeks have seen a flood of new bills introduced in the House and the Senate, as well as further discussion on issues such as pre-K, school lunch, independent school funding, and childcare unionization. The bill crossover deadline—the point at which, generally speaking, bills must have made it out of their first committee in order to be dealt with this year—is March 15; with the legislature not meeting this week, committees have just four days left to take action on new bills this year.

School Budget Votes Are In

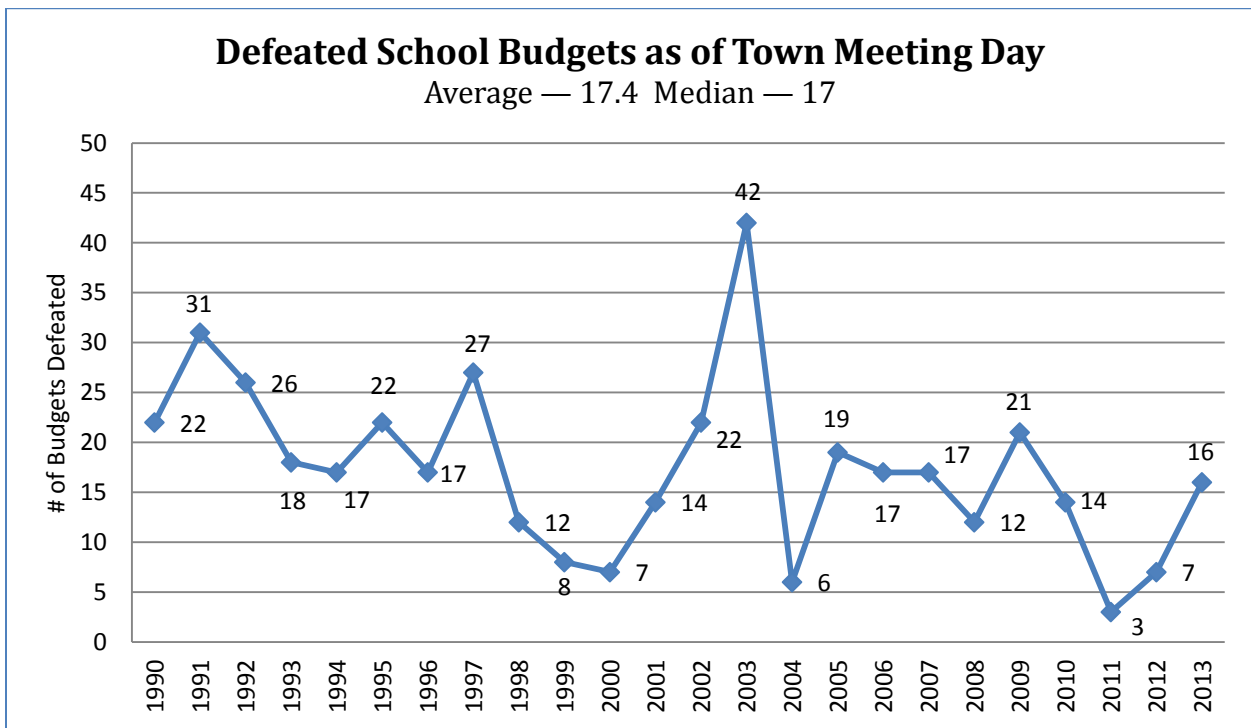
Proposed school district budgets went before voters in most communities this past week. The average budget increase proposed by districts was 4.58 percent; the average proposed increase in “education spending”—which does not include categorical grants (for things like special education or transportation) or federal revenues—was 5.34 percent. The difference between these numbers is driven in part by the loss of federal money that has been available over the past several years, shifting costs onto school districts. The effect this has on property taxes—which change based on per pupil education spending—is exacerbated by declining enrollments. These proposed increases follow three years in which education spending rose just 1.1 percent on average.

Proposed budget changes varied considerably: 39 school districts proposed budget increases greater than 10 percent, while 37 others proposed decreases. (For proposed changes in education spending, these numbers were 49 and 38, respectively.) Twenty budgets—because their proposed change in ed. spending exceeded the rate of inflation (2.2 percent) plus one percent and their FY13 ed. spending per pupil exceeded the FY13 statewide average—were subjected to the two-vote provision. Of those 20, 15 towns passed both parts of the two-vote article; one town rejected both parts; and four towns voted in favor of the first part, but rejected the second. *Below are the year-to-date results:*

Total Budgets to be Approved in the Annual Cycle	270
Budgets to be voted on later (March-May)	22
Budgets voted on through Town Meeting Day	248
Budgets passed (including 15 two-votes, with both passing)	228
Budgets defeated (including one two-vote, with both being defeated)	16
Budgets split in two-vote (with the first vote passing and the second defeated)	4

There does not appear to be a significant relationship between changes in education spending and budget defeats. Among those that went down were Bennington School District’s and Blue Mountain School District’s, with proposed increases greater than 19 percent; and, in the other extreme, Lunenburg’s, with a proposed 0.2 percent increase, and Orange’s, with a proposed 1.5 percent *decrease*. The decisions seem rooted in local discussions and local considerations, based on circumstances in each community as opposed to statewide trends.

The number of defeats this year is very similar to the historic experience over the past two decades. The last two years, during the recession, were an exception, with just three defeats in 2011 and seven in 2012. Since 1990, the average number defeated (as of Town Meeting Day) is right around 17, with a low of three and a high of 42.



Legislators Discuss Education Cost-Drivers

Members from three House committees—Education, Appropriations, and Ways and Means—met the week before Town Meeting to learn more about school budgets and education cost-drivers, and to discuss how to manage increasing costs while improving education quality for children.

Legislators heard from superintendents and directors of finance from Lamoille South S. U. and Rutland Northeast S. U., among others. The Representatives heard detailed accounts of school districts’ proposed budgets, focusing on what was driving the increases. Many are attempting to manage salary and health insurance premium increases, higher tuitioning

rates, and changes in “student specific needs,” primarily special education. The effects on tax rates will vary widely, even within a single supervisory union: in Elmore, the average homestead tax rate will be up about \$0.28, or 27 percent, while in Stowe it will be up \$0.05, or 3.6 percent, and those paying based on income will actually see their tax rates *reduced* by 1.8 percent.

Later, legislators from the three House committees in charge of education and education funding suggested their own ideas for holding down costs; among the possibilities mentioned were implementing a statewide teachers’ contract, consolidating supervisory unions, phasing out the small schools support grant, and reducing the statewide teacher to student ratio.

Independent School Funding up for Debate

Testimony is underway on [S. 91](#), a bill that would require independent schools largely attended by publicly-funded students to meet a number of public school standards in order to receive funding. The Senate Committee on Education has heard already from our three executive directors, from school board members and chairs, and from many heads of school from across the state.

The bill would apply only to independent schools “primarily intended for or attended by general education students”; and that receive public funding for the tuition payments of greater than one-third of their students on average. Independent schools that fall into this category would need to comply with a number of rules—required at all public schools—in order to receive that public funding. The requirements include having a blind admissions policy (on a space-available basis) for publicly-funded students; approval in at least four disability categories, and arranging for other services if needed; using the same student assessments as public schools use; providing free and reduced-price lunch for eligible students; and employing only licensed teachers and administrators.

In its current form—which Senator Dick McCormack, its chief sponsor, has emphasized is a “first draft”—the bill initially would affect 14 independent schools statewide. The degree to which it would do so would vary widely from school to school, however. Some of the larger ones, like Burr and Burton Academy, would only be affected by the teacher and administrator licensing requirement, since they already meet the other standards. Many smaller schools would need to make more widespread changes in order to continue receiving state funding. We expect the committee to continue discussing the bill next week.

Flexible Pathways Legislation Introduced in Senate

Flexible pathways legislation, summarized in [our last report](#), has been introduced formally as a committee-sponsored bill in the Senate. [S. 130](#), “an act relating to encouraging flexible pathways to secondary school completion,” was voted on by the Senate Education committee and passed 5-0-0; it was then referred to the Senate Committee on Appropriations.

The bill, among other things, would make Vermont secondary students eligible for up to two publicly funded dual enrollment courses—for which the student receives both secondary and postsecondary credit—before graduating. The costs would be covered by the State using the Next Generation Initiative Fund for the next two years. After that, school districts would split the cost 50/50 with the State for courses provided at postsecondary schools (set at the CCV tuition rate—\$669 for Spring '13) and would cover the cost entirely for courses provided at the secondary school (approximately 20 percent of that rate).

It also would provide public funding for 12th grade Vermont students to enroll in early college programs developed by the Vermont State Colleges, the University of Vermont, or accredited private postsecondary schools in the state. Right now, 87 percent (\$7,589) of the base education amount—\$8,723 for FY13—is paid from the Education Fund to Vermont Technical College in place of tuition for secondary students enrolled in their early college program, the Vermont Academy of Science and Technology (VAST). This bill would emulate that funding system for students attending similar programs at other institutions.

The proposed “Flexible Pathways Initiative” created under the bill also would require all kindergarten through 12th grade students to develop personalized learning plans (PLPs) in conjunction with their school districts, families, and other engaged adults. The plans would include “academic, career, social, transitional, and family engagement elements”; if a student wanted to take advantage of dual enrollment or early college opportunities, that eventually would be incorporated into the plan as well. The Secretary of Education would work with teachers, principals, and other interested parties in developing and supporting the implementation of the PLP process for schools that do not have them in place already.

Senate Ed. Votes Out Bills

Besides introducing S. 130 and taking testimony on S. 91, the Senate Committee on Education unanimously passed bills on the nonschool use of public school property ([S. 13](#)) and free school lunch ([S. 26](#)).

S. 13 proposes to limit a school district’s liability for loss or injury during nonschool recreational activities on public school property involving community members. In encouraging school districts to make their property more readily available for these uses outside the school day, the bill’s proponents hope to “support active living, reduce obesity, increase community safety, maximize community resources, and promote community support for public schools,” according to section 2. The bill would not *require* school districts to do this, but would reduce their liability if they decide to do so. After passing Senate Ed., it was referred to Senate Judiciary for further review.

S. 26 (also H. 60) proposes to allow all children currently eligible for reduced-price school lunch to receive free school lunch instead. (The plan was also included in the governor’s FY14 budget and highlighted in his inaugural address in January.) While H. 60 passed out of the House Education committee along party lines, the Senate version met with full

support from all five committee members. Both bills have since been sent to the Appropriations committees. Our associations are optimistic that this legislation—which would help thousands of low-income children at a relatively modest price—will be enacted into law this year.

Ed. Funding Bill Passes House

The House, after much debate, finally passed the House Ways and Means committee bill ([H. 265](#)) that sets the FY14 education property tax rates and base education amount. A number of amendments were proposed, with one eventually making it into the bill, but the rates and amounts remained unaffected. If the bill passes the Senate, the nonresidential property tax rate would be set at \$1.44 per \$100 of assessed value, up from \$1.36 last year. The base homestead property tax rate would be set at \$0.94, up from \$0.89; the base tax rate on household income (for those eligible for tax adjustments) would be 1.8 percent, as in past years. As provided in statute, the base education amount would rise to \$9,151. Based on an earlier 5.5 percent projected statewide education spending increase (it is now projected at 5.34 percent), this would raise the *average* homestead property tax rate 6.8 percent from last year, while the *average* household income rate would rise 0.7 percent.

An amendment that would have repealed Acts 60 and 68—which created the current education funding system—was rejected in favor of another amendment, which would have House Ways and Means “continue their efforts to address concerns regarding education property taxes, including the financing, oversight, and educational outcomes of our current system” and report their findings to the General Assembly next spring. The committee, when drafting the annual education tax bill and since then, has been discussing possible ways to improve this system.

Childcare Unionization Bill

After extensive testimony over the last two weeks and a highly-attended public hearing at the state house, the Senate Committee on Economic Development, Housing, and General Affairs decided to postpone a vote on [S. 52](#), “an act relating to child care providers,” until, at the earliest, March 12. The bill, which would allow private childcare providers to unionize, has undergone a number of amendments and changes since its introduction. Although it would no longer apply to childcare *centers*, it still would apply to private providers under contract with school districts. Our associations are concerned about the potential impact this bill would have on the delivery of high-quality prekindergarten education.

Pre-K Bill

Legislation to expand access to publicly funded prekindergarten education will be taken up when the General Assembly reconvenes on March 12. The two education committees have identical versions of the pre-K plan, [S. 84](#) and [H. 270](#). Described at greater length in our [last report](#), it would allow parents to enroll their children in any prequalified private or public prekindergarten program for up to 10 hours per week, 35 weeks per year and have the

costs—which would be set at a statewide rate—covered by their district of residence. The bill also would help alleviate potential increases in property taxes caused by higher participation rates: pre-K students would be weighted at 0.5, instead of 0.46, for equalized pupil count calculations; and districts would use the number of pre-K children they *anticipate* serving—either through tuitioning or by providing a program—in FY15 for their long-term membership, which typically uses a three-year average.

Committee members have agreed to allow the bill to develop in the House instead of taking action on it in two places at once. When members return on Tuesday, they will have four days to vote the bill out; fortunately, the House committee has spent a significant amount of time thus far reviewing and taking testimony on the legislation. Although there is strong support for universal access to pre-K, broad concerns about the education fund could slow the bill’s progress. We should be able provide updates in our next report.

More New Bills

With crossover just four legislative days away, we do not expect to see many of these bills taken up for consideration this year. As it is the first year of the biennium, however, those that don’t make it into the committees’ tight schedules still will be viable in 2014.

Open Meetings

[S. 110](#), “an act relating to amending the open meeting law,” was introduced by Senator Joseph Benning; it would amend the requirements for publicly announcing meetings of members of a public body.

Boards of Trustees

[S. 125](#), “an act relating to prohibiting legislators from serving as members of the Board of Trustees of the Vermont State Colleges and the University of Vermont and of the Board of Directors of the Vermont Student Assistance Corporation,” was introduced by Senators Time Ashe and Dick Sears; it proposes to do what the title suggests.

S. U. Consolidation

[S. 133](#), “an act relating to consolidation of supervisory unions,” was introduced by Senators Kevin Mullin and Norm McAllister. It is identical to a bill introduced but not enacted into law last year, and proposes to consolidate the state’s supervisory unions into 16.

Union Negotiations

[H. 318](#), “an act relating to the requirement of mandatory binding arbitration and to the elimination of strikes and imposed contracts in connection with the collective bargaining for teachers’ and school administrators’ contracts,” was introduced by Representative Kurt Wright and others; it would prohibit teachers from striking and school boards from imposing contracts.

Secretary of Education

[H. 345](#), “an act relating to the selection of the Secretary of Education,” was introduced by Representative Brian Campion and others; it would change the process by which the Secretary of Education is selected. The governor, instead of choosing from at least three candidates put forth by the State Board of Education, would choose whomever he wants.

Career Technical Centers

[H. 346](#), “an act relating to funding career technical education,” was introduced by Representative Peter Peltz and others; it would revise the funding mechanism of regional career technical education centers.

Special Ed. Due Process

[H. 349](#), “an act relating to the timing of due process actions relating to the provision of special education,” was introduced by Representative Kevin “Coach” Christie and many others; it would decrease the time, from two years to 90 days, within which an individual could commence a due process hearing to enforce special education rights.

Property Tax Adjustments

[H. 351](#), “an act relating to the housesite value for property tax adjustments,” was introduced by Representative Mike Yantachka and others. The bill would increase the limit on housesite values for property tax adjustments from half a million to \$999,999.

General Fund Transfer

[H. 352](#), “an act relating to increasing the amount of the General Fund transfer,” was introduced by Representative John Moran and others; it would add \$27 million to the annual transfer from the General Fund to the Education Fund over the next three years. The figure is meant to “restore” the transfer, which, based on a change two years ago in the way it is calculated, was decreased by this amount.

Tax Expenditures

[H. 353](#), “an act relating to eliminating tax expenditures,” was introduced by Representative Cynthia Browning; it would eliminate tax expenditures for the state education property tax and state income tax over the course of next three years, redirecting the money saved to lower property and income tax rates.

Teacher Education

[H. 358](#), “an act relating to teacher education programs,” was introduced by Representative Campion and eight others; it would appropriate \$5,000 to the Agency of Education from the General Fund to study teacher education programs available at UVM and the VSCs.

Finance

[H. 378](#), “an act relating to changing the structure of education governance and funding,” was introduced by Representative Heidi Scheuermann and nine others; it proposes to have the Secretary of Education develop a plan by which the Agency of Education would restructure “education and governance” by the 2015-16 academic year.

Distance Learning

[H. 379](#), “an act relating to distance learning opportunities for students enrolled in the University of Vermont and the Vermont State Colleges,” was introduced by Harvey Smith; it would require UVM and the VSCs to allow their students to take courses at the other institutions through distance learning technology. Students would not receive credit and would not pay any tuition.

Charter Schools

[H. 380](#), “an act relating to expanding school choice and authorizing the creation of charter schools,” was introduced by Representative Harvey Smith. The bill would remove the district cap on secondary school choice; allow certain schools with religious affiliations to receive public tuition; and authorize the creation of public charter schools.

School Choice

[H. 381](#), “an act relating to creating elementary and middle school public school choice,” was introduced by Representative Harvey Smith; it would expand public school choice, currently just for secondary students, to kindergarten through 8th grade students.

Student Loans

[H. 408](#), “an act relating to creating a Vermont student loan consolidation and forgiveness program,” was introduced by Representative Sarah Buxton and others; it would allow the state to purchase student loan debt from eligible Vermont students, as well as to create a student loan forgiveness program.

Epinephrine Auto-Injectors

[H. 409](#), “an act relating to stock supply and emergency administration of epinephrine auto-injectors in schools,” was introduced by Representative Mike McCarthy and many others; it would *authorize* schools to maintain a stock supply of epinephrine auto-injectors, and to have designated school personnel administer it in case of emergency.

Unemployment Benefits

[H. 426](#), “an act relating to unemployment compensation for certain school employees,” was introduced by Representative Johannah Donovan and eight others; it would allow school employees in nonacademic and nonsupervisory roles to receive unemployment benefits during the summer.

Local Control

[H. 434](#), “an act relating to local control of the public education system and to the relative powers of school districts and supervisory unions,” was introduced by Representative Susan Davis and others; it proposes to put in statute that it is state policy to preserve and encourage local control of public schools, and that all matters regarding consolidation should result from voluntary action on the part of local communities.

Minimum Course of Study

[H. 435](#), “an act relating to teaching the history of organized labor and the collective bargaining process,” was introduced by Representative Davis and others; it proposes to include these topics in the required minimum course of study for public school students.

Data Systems

[H. 453](#), “an act relating to developing data systems to promote equitable educational opportunities,” was introduced by Representatives Ann Manwaring and John Moran. The bill would require the Secretary of Education to ensure the development of data that better enables opportunities to learn to be distributed equitably statewide, as recommended by the Educational Opportunities Working Group created by Act 156 of 2012.

Public, then Independent

[H. 461](#), “an act relating to closing a public school and reopening it as an independent school,” was introduced by Representative Johannah Donovan, the chair of the House Education committee. It would prohibit a school district from closing a public school for the purpose of reopening it as an independent school serving essentially the same student population as before.

Teacher Advisory Groups

[H. 469](#), “an act relating to increasing the prevalence and value of teacher advisory groups,” was introduced by Eileen “Lynn” Dickinson and many others; it would direct the VPA and any other interested parties to develop best practices guidelines on teacher advisory systems for schools without them to replicate.

Threats to Schools

[H. 472](#), “an act relating to immediate examinations for threats to schools,” was introduced by Representative Michael Hebert and others; it would make threatening a school or its students a felony, and would allow law enforcement officers and mental health professionals to transport anyone who does so to a hospital while a warrant for their immediate examination is still pending.

Public Funding

[H. 488](#), “an act relating to prohibiting public funding of independent schools,” was introduced by Representative Helen Head and others; it would prohibit all public funding to all independent schools.