



VERMONT LEGISLATIVE
Joint Fiscal Office

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Fiscal Note

March 22, 2024

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H.874 – An act relating to miscellaneous changes in education laws

As recommended to be amended by the House Committee on Appropriations¹

Bill Summary

This bill would make miscellaneous changes to Vermont’s education laws. These proposed changes include several provisions with a fiscal impact, such as expanding the eligibility and adjusting the funding sources of the Adult Diploma Program, renaming the Program “the Adult Education and Secondary Credential Program,” repealing the High School Completion Program, and appropriating \$1 million from the Education Fund in fiscal year 2025 for community schools. There are also other sections of the bill that are not estimated to have a fiscal impact.

Fiscal Impact

The Joint Fiscal Office (JFO) estimates this bill would result in an overall cost to the Education Fund of approximately \$1.6 million in fiscal year 2025. Absent any other changes in policy, the homestead yield and/or nonhomestead property tax rate would need to be adjusted to cover this cost.

JFO estimates approximately a \$281,000 cost to the General Fund in fiscal year 2025 to account for the expansion of the Adult Diploma Program.

Sections 1, 2, 3, and 6 are estimated to have a fiscal impact.

- Section 1 would expand eligibility for the Adult Diploma Program and rename it the “Adult Education and Secondary Credential Program.” The expansion of eligibility is estimated to increase the overall cost of the program by approximately \$2.8 million in fiscal year 2025. (The impact to State funds is outlined in Section 3 of the bill).
- Section 2 would repeal the High School Completion Program on July 1, 2024, which is estimated to result in savings of \$1.9 million to the Education Fund in fiscal year 2025.
- Section 3 would adjust the Adult Education and Secondary Credential Program’s funding sources to 40% from the Education Fund and 60% from the General Fund. This is estimated to cost the Education Fund approximately \$2.5 million and the General Fund approximately \$281,000 in fiscal year 2025.
- Section 6 would appropriate \$1 million from the Education Fund to the Agency of Education (AOE) in fiscal year 2025 for the purpose of providing funding to school districts for a community schools program.

¹ The full text of the bill can be found at the following link:

[https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20Appropriations/Bills/H.874/Drafts.%20Amendments.%20and%20Legal%20Documents/H.874~Beth%20St.%20James~House%20Committee%20on%20Ways%20and%20Means%20Committee%20Report%20\(10-0-2\)~3-21-2024.pdf](https://legislature.vermont.gov/Documents/2024/WorkGroups/House%20Appropriations/Bills/H.874/Drafts.%20Amendments.%20and%20Legal%20Documents/H.874~Beth%20St.%20James~House%20Committee%20on%20Ways%20and%20Means%20Committee%20Report%20(10-0-2)~3-21-2024.pdf)

Background and Details

The following sections would have a fiscal impact.

Section 1

Section 1 would rename the Adult Diploma Program to the Adult Education and Secondary Credential Program and expand age eligibility requirements to correspond with the General Educational Development Program. The eligibility expansion also corresponds with the eligibility criteria of the High School Completion Program (which is repealed in Section 2 of this bill).

JFO estimates the expansion of eligibility would increase the cost of the Program by approximately \$2.8 million, totaling approximately \$6.3 million. The impact on State funds is discussed in the section on Section 3.

Section 2

Section 2 would repeal the High School Completion Program. This program is estimated to cost \$1.9 million to the Education Fund in fiscal year 2025. Repealing it would therefore save the Education Fund \$1.9 million in fiscal year 2025.

Section 3

Section 3 of the bill would adjust the funding split for the Adult Education and Secondary Credential Program to be 40% from the Education Fund and 60% from the General Fund.

As outlined in the section on Section 1, the expansion of the Program is estimated to increase the cost by approximately \$2.8 million, for a total cost of approximately \$6.3 million in fiscal year 2025.

The General Fund's portion would be an estimated total of \$3.6 million in fiscal year 2025. This would be a \$281,000 overall increased cost to the General Fund from the Governor's Recommended fiscal year 2025 budget.

The Education Fund would be responsible for 40% of the Program's cost, an estimated cost of \$2.5 million to the Education Fund in fiscal year 2025. Absent any other changes in policy, the homestead yield and/or nonhomestead rate would need to be adjusted to account for this.

Section 5

Section 5 would amend Act 67 (2021), Sec. 3 to expand the years that community school funding can be provided. This amendment would allow for funding to be provided in any year at the determination of the Secretary of Education.

Section 6

Section 6 would appropriate \$1 million from the Education Fund to AOE in fiscal year 2025 for the purpose of providing funding to school districts for the community school program.