

1 Sec. X. EDUCATION FINANCE STUDY COMMITTEE

2 (a) Creation. There is created the Education Finance Study Committee to
3 study and recommend changes to Vermont’s education funding formula and
4 education finance system to ensure a system that provides high-quality public
5 education and substantially equal educational opportunities to all Vermont
6 students.

7 (b) Membership. The Study Committee shall be composed of the
8 following members:

9 (1) the Secretary of Education or designee;

10 (2) the Commissioner of Taxes or designee;

11 (3) two current members of the House of Representatives, not from the
12 same political party, who shall be appointed by the Speaker of the House; and

13 (4) two current members of the Senate, not from the same political
14 party, who shall be appointed by the Committee on Committees.

15 (c) Powers and duties. The Study Committee shall study the efficacy and
16 potential equity gains of changes to the education funding system. The
17 Committee’s recommendations shall be intended to result in an educational
18 funding system designed to afford substantially equal access to a high-quality
19 education for all Vermont students in accordance with *State v. Brigham*, 166
20 Vt. 246 (1997).

21 (1) Process. In developing its recommendations, the Committee shall:

1 (A) align its recommendations with Vermont’s educational policies;

2 (B) base any analysis and recommendations for base funding on the

3 evidence-based model developed by Picus Odden & Associates;

4 (C) seek input from key stakeholders, including members of the

5 school business office community and national experts in education finance;

6 and

7 (D) review implementation of recent education funding legislation,

8 including 2015 Acts and Resolves No. 46, 2018 Acts and Resolves No. 173,

9 and 2022 Acts and Resolves No. 127.

10 (2) Recommendations. In making its recommendations, the Committee
11 shall address, at a minimum, the following:

12 (A) allowable uses for the Education Fund that ensure sustainable

13 and equitable use of State funds;

14 (B) the method for setting tax rates to sustain the education finance

15 system, which shall be set in advance of budget cycles to allow taxpayers and

16 school officials to anticipate tax rates prior to finalizing school district budgets;

17 (C) the source of revenue for categorical and other State obligations

18 on the Education Fund;

19 (D) how to treat nonoperating districts that tuition their students to

20 public and approved independent schools outside of the district;

1 (E) an adequate and sustainable excess spending reserve amount
2 within the Education Fund, including recommendations for when excess
3 reserve amounts could be transferred to a school construction aid special fund;

4 (F) cost containment mechanisms, including use of an excess
5 spending penalty or allowable growth rates;

6 (G) a transition mechanism to move from the current funding system
7 to any recommended changes, including an implementation timeline;

8 (H) a system for ongoing monitoring of the Education Fund and
9 Vermont’s education finance system, to include consideration of a standing
10 Education Fund advisory committee; and

11 (I) updates to school district budget ballot language.

12 (3) Collaboration. The Study Committee shall seek input from and
13 collaborate with key stakeholders, including, at a minimum, the following:

14 (A) the Vermont School Boards Association;

15 (B) the Vermont Principals Association;

16 (C) the Vermont Superintendent’s Association;

17 (D) the Vermont National Education Association;

18 (E) the Vermont Association of School Business Officials; and

19 (F) the Vermont Independent Schools Association.

1 (d) Assistance. The Study Committee shall have the administrative,
2 technical, and legal assistance of the Joint Fiscal Office and Office of
3 Legislative Counsel.

4 (e) Proposed legislation. On or before December 15, 2024, the Study
5 Committee shall submit its findings and final recommendations in the form of
6 proposed legislation to the General Assembly.

7 (f) Meetings.

8 (1) The Secretary of Education shall call the first meeting of the Study
9 Committee to occur on or before July 1, 2024.

10 (2) The Study Committee shall select a chair from among its members at
11 the first meeting.

12 (3) A majority of the membership shall constitute a quorum.

13 (4) The Study Committee shall cease to exist on December 31, 2024.

14 (g) Compensation and reimbursement. For attendance at meetings during
15 adjournment of the General Assembly, a legislative member of the Study
16 Committee serving in the member’s capacity as a legislator shall be entitled to
17 per diem compensation and reimbursement of expenses pursuant to 2 V.S.A.
18 § 23 for not more than 10 meetings. These payments shall be made from
19 monies appropriated to the General Assembly.