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Fiscal Note

March 19, 2026 Ezra Holben, Fiscal Analyst

H.931 – An act relating to miscellaneous changes in education law

As recommended by the House Committee on Ways and Means, Draft 1.1[1,i]

Bill Summary

This bill would introduce several additions and amendments to education law. Two of these, Vermont's adoption of the Interstate Compact for Education, and the requirement that the Agency of Education (AOE) pay for criminal information requests for some new employees or contractors have fiscal implications for the State. This bill would become effective July 1, 2026.

Fiscal Impact

The Joint Fiscal Office (JFO) estimates that this bill would be a de minimis increase to State expenditures.

This bill would codify Vermont's entry into the Interstate Compact for Education. Member states pay dues to the Compact. Vermont currently pays these dues through the AOE budget, so this would not represent a new expenditure. As the bill would not introduce a new revenue source nor an appropriation for this, the General Assembly would need to continue appropriating to AOE for this purpose. The annual dues of about $53,000 are included in AOE's budget for fiscal year 2027 and have been unchanged for several years.

Additionally, JFO estimates the bill would increase State expenditures by requiring AOE to pay criminal records check fees. AOE would pay the cost of obtaining certain AOE employment applicants' fingerprints and criminal records from the Federal Bureau of Investigation (FBI). JFO expects fees would total about $47 per applicant in fiscal year 2027. AOE estimates up to 34 employees would require criminal record checks each year. This would total about $1,600 in fiscal year 2027, which would be de minimis.

Background and Details

Section 1: Amending the Moratorium on Approved Independent Schools

This section would amend Act 78 (2023) to allow therapeutic approved independent schools that changed ownership to be approved by the State Board of Education (SBE). Under Act 78, Sec. E.511.1, the SBE is prohibited from approving applications for initial approval of an approved independent school. H.931's amendment would apply to therapeutic schools that are required to submit an application due to a change in ownership and remain a therapeutic school afterwards. The fiscal impact of this change is unclear.

[1] *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

Section 2: Interstate Compact for Education

This section would reestablish Vermont's membership within the Interstate Compact for Education (the Education Commission of the States, or ECS). Per ECS, Vermont would be represented by seven individuals:

- The Governor;
- two legislators (one from the House and one from the Senate); and
- four members appointed by the Governor.

Of the Governor's appointees, one must be the head of a State agency or institution which is responsible for at least one public education program.

As a member of ECS, Vermont would be subject to paying dues. The dues are based on ECS' estimated expenditures. Vermont's dues in fiscal year 2027 would total $53,100 per ECS. H.931 does not designate a specific appropriation for these dues, nor an agency to pay them. In prior years, AOE paid these dues and built them into its budget. AOE confirmed that these dues are factored into its budget for fiscal year 2027. As such, this cost would not represent a new expenditure for the State.

Section 13: Class Size Minimums

This section would amend Act 73, Sec. 7(b). Under this amendment, a school would be held harmless for not meeting class size minimums. This amendment would remain in effect until one of two conditions is met; the SBE updates the Education Quality Standards (EQS) rule 2000 series to address the addition of class size minimums to the education quality standards, or July 1, 2027.

The amendment would no longer be effective once one of these conditions is met, whichever comes first. Absent amendment, if a school does not meet class size minimums for three consecutive years, action may be recommended by the Secretary of Education to the SBE. The fiscal impact of this change is unknown.

Section 14-15: Background Checks

Section 14 would mandate some prospective employees or contractors of AOE provide their fingerprints to facilitate a criminal records check. This would apply to people who may potentially have unsupervised contact with students. The fingerprints would be taken by a law enforcement agency as specified under 20 V.S.A. § 2062. Using the fingerprints, records would be retrieved by the Vermont Crime Information Center (VCIC) from the FBI.

Per 20 V.S.A. § 2062, up to $35 may be charged for a set of classifiable fingerprints. The fee to retrieve criminal records using the fingerprints is set by the FBI; for fiscal year 2026, the fee is $12 per applicant. VCIC collects and remits the criminal record fees to the FBI.

This bill as recommended would require AOE to pay these costs. AOE estimates, based on prior years, an average of 34 individuals would need record checks annually. JFO estimates this would increase expenditures at the AOE by about $1,600 annually.

Per section 15, AOE criminal record check results would be maintained under statute 16 V.S.A. § 256.

[i] *The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.*