

**No. 175. An act relating to making miscellaneous changes in education law.**

(H.716)

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

\* \* \* Special Education Funding \* \* \*

Sec. 1. 16 V.S.A. § 2961 is amended to read:

§ 2961. CENSUS GRANT

\* \* \*

(d)(1)(A) For fiscal year 2023, the amount of the census grant for a supervisory union shall be:

(i) the average amount it received for fiscal years 2018, 2019, and 2020, or the average amount it received for fiscal years 2019, 2020, and 2021, whichever amount is greater, from the State for special education under sections 2961 (standard mainstream block grants), 2963 (special education expenditures reimbursement), and 2963a (exceptional circumstances) of this title; increased by

(ii) the annual change in the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis.

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\* \* \* Holocaust Education; Report \* \* \*

Sec. 2. HOLOCAUST EDUCATION; REPORT AND  
RECOMMENDATIONS

On or before January 15, 2023, the Agency of Education shall issue a written report to the Senate and House Committees on Education on the status of Holocaust education in public schools and its recommendations to ensure that Holocaust education is included in the educational programs provided to students in public schools. In preparing the report and recommendations, the Agency of Education shall work with the Vermont Holocaust Memorial to avail themselves of that organization's knowledge of the subject and experience in Vermont schools.

\* \* \* Special Education Rule Change; Delay \* \* \*

Sec. 3. STATE BOARD OF EDUCATION 2360 RULE SERIES; PARTIAL  
DELAY

It is the intent of the General Assembly to allow educators and staff time to adequately prepare for the delivery of special education services as required under the State Board of Education special education rules series 2360, which takes effect on July 1, 2022. Therefore, notwithstanding any provision of law to the contrary under 16 V.S.A. § 164 and 3 V.S.A. § 845(d), the State Board of Education shall suspend the implementation of rules 2362 and 2362.2.5 until July 1, 2023. The remaining rules under the 2360 rule series shall take effect on July 1, 2022.

Sec. 4. [Deleted.]

\* \* \* Income-Based Education Tax Study Committee \* \* \*

Sec. 5. INCOME-BASED EDUCATION TAX; STUDY COMMITTEE

(a) Creation. There is created the Income-Based Education Tax Study Committee to study and make recommendations regarding the creation and implementation of an income-based education tax system to replace the homestead property tax system for education funding in this State.

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

(1) three current members of the House of Representatives, not all from the same political party, who shall be appointed by the Speaker of the House; and

(2) three current members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Study Committee shall study the creation and implementation of an income-based education tax system, including the following issues:

(1) restructuring the renter credit under 32 V.S.A. chapter 154 or creating a new credit or other mechanisms to ensure that Vermonters who rent a primary residence participate fairly in the education income tax system;

(2) transitioning from the current homestead property tax system to a new income-based education tax system;

(3) accurate modeling, given the differences between household income for homestead property tax purposes and adjusted gross income for income tax purposes;

(4) whether there should be a limit to the amount of income subject to a new income-based education tax;

(5) challenges or other considerations for administering a new proposed education income tax system;

(6) with regard to income as a tax base, the impact of a new proposed education income tax on the State's taxing capacity, including the impact on the General Fund; and

(7) any other relevant considerations.

(d) Assistance. The Study Committee shall have the administrative, technical, and legal assistance of the Agency of Education, the Department of Taxes, the Joint Fiscal Office, the Office of Legislative Counsel, and the Office of Legislative Operations and shall consult with the Vermont League of Cities and Towns and any other interested stakeholders.

(e) Report. On or before December 30, 2022, the Study Committee shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance with its findings and recommendations for legislative action, which shall include proposed legislative language.

(f) Meetings.

- (1) The Joint Fiscal Office shall call the first meeting of the Study Committee to occur on or before July 15, 2022.
- (2) The Study Committee shall select a chair from among its members at the first meeting.
- (3) A majority of the membership shall constitute a quorum.
- (4) The Study Committee shall cease to exist on December 31, 2022.
- (g) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Study Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than six meetings. These payments shall be made from monies appropriated to the General Assembly.

\* \* \* Effective Date \* \* \*

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

Date Governor signed bill: June 2, 2022