

1 S.13

2 Introduced by Senator Baruth

3 Referred to Committee on Education

4 Date: January 12, 2021

5 Subject: Education; equalized pupils; implementation report

6 Statement of purpose of bill as introduced: This bill proposes to require the  
7 Agency of Education to develop a plan to implement the equalized pupil  
8 weighting changes outlined in the Pupil Weighting Factors Report dated  
9 December 24, 2019, produced by a University of Vermont-led team of  
10 researchers.

11 ~~An act relating to the implementation of the Pupil Weighting Factors Report~~

*An act relating to the Pupil Weighting Factors Report*

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

13 ~~Sec. 1. FINDINGS~~

14 ~~(a) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of~~  
15 ~~Education to undertake a study examining and evaluating the current formula~~  
16 ~~used to weigh economically disadvantaged students, English language learners,~~  
17 ~~and secondary-level students in Vermont for purposes of calculating equalized~~  
18 ~~pupils. The study was also to consider whether new cost factors and weights~~  
19 ~~should be included in the equalized pupil calculation.~~

1 ~~(b) The findings from the Pupil Weighting Factors Report dated~~  
2 ~~December 24, 2019 (Report), produced by a University of Vermont-led team~~  
3 ~~of researchers, including national experts on student weighting, were stark,~~  
4 ~~stating that “[n]either the factors considered by the [current] formula nor the~~  
5 ~~value of the weights reflect contemporary educational circumstances and~~  
6 ~~costs.” The Report also found that the current “values for the existing weights~~  
7 ~~have weak ties, if any, with evidence describing the difference in the costs of~~  
8 ~~educating students with disparate needs or operating schools in different~~  
9 ~~contexts.”~~

10 ~~(c) As a corrective to this situation, the major recommendations of the~~  
11 ~~Report are straightforward, specifically that the General Assembly increase~~  
12 ~~certain of the existing weights and that it add population density (rurality) as a~~  
13 ~~new weighting factor, given the Report’s finding that rural districts pay more~~  
14 ~~to educate a student. However, given the statewide nature of Vermont’s~~  
15 ~~education funding system and the reality that any change in the weighting~~  
16 ~~formula is complex due to its relationship to other educational policies and will~~  
17 ~~produce fluctuations in tax rates across the State, the General Assembly has~~  
18 ~~chosen to develop a phased approach to revising the weighting formula.~~

1 ~~Sec. 2. PUPIL WEIGHTING FACTORS, IMPLEMENTATION REPORT,~~

2 PUBLIC OUTREACH

3 (a) On or before December 15, 2021, the Agency of Education, in  
4 collaboration with the State Board of Education and stakeholders from the  
5 education community, including the Vermont Superintendents Association, the  
6 Vermont School Boards Association, the Vermont Principals Association, and  
7 the Vermont-NEA, shall develop a plan of implementation (Implementation  
8 Plan) for the Report's recommended weighting changes, found in Table E.1 of  
9 the Report's Executive Summary, under the heading "New Weight Derived  
10 from Models with Controls for SWDs." This Implementation Plan shall  
11 include:

12 (1) a timeline for phasing in the equalized pupil weighting changes over  
13 three years;

14 (2) a design for the implementation that is sensitive to the effect on  
15 property taxes and budgets in all of Vermont's school districts; and

16 (3) consideration of the new formula's interaction with other provisions  
17 of existing law, including the excess spending penalty threshold, the effect on  
18 nonoperating districts and the districts to which they pay tuition, small school  
19 grants, and incentives created under 2015 Acts and Resolves No. 46.

20 (b) As part of its collaboration with the Agency of Education under

21 ~~subsection (a) of this section, on or before December 1, 2021, the State Board~~

1 ~~of Education shall hold, virtually or in person, not less than six public~~  
2 ~~meetings in different regions of the State, both to help educate the public about~~  
3 ~~the financial realities of the weighting formula and any changes to it and to~~  
4 ~~gather public input on the Report and its proposed implementation. The Board~~  
5 ~~shall refer this testimony to the Agency of Education, which shall use the input~~  
6 ~~to inform its Implementation Plan.~~

7 ~~(c) The Agency shall deliver its completed Implementation Plan to the~~  
8 ~~House and Senate Committees on Education, the House Committee on Ways~~  
9 ~~and Means, and the Senate Committee on Finance, not later than December 15,~~  
10 ~~2021.~~

11 Sec. 3. REQUIREMENT FOR ADDITIONAL LEGISLATIVE ACTION

12 ~~During the second year of the 2021–2022 biennium, the House and Senate~~  
13 ~~Committees on Education shall consider the Agency’s Implementation Plan,~~  
14 ~~making such changes as they may deem necessary. A positive vote of both the~~  
15 ~~House and Senate, and approval by the Governor, would then be required to~~  
16 ~~put the Implementation Plan into effect.~~

17 Sec. 4. EFFECTIVE DATE

18 ~~This act shall take effect on passage.~~

~~Sec. 1. FINDINGS~~

~~(a) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of Education to undertake a study examining and evaluating the current formula used to weigh economically disadvantaged students, English language learners, and secondary level students in Vermont for purposes of calculating~~

equalized pupils. The study was also to consider whether new cost factors and weights should be included in the equalized pupil calculation.

(b) The findings from the Pupil Weighting Factors Report dated December 24, 2019 (Report), produced by a University of Vermont-led team of researchers, including national experts on student weighting, were stark, stating that “[n]either the factors considered by the [current] formula nor the value of the weights reflect contemporary educational circumstances and costs.” The Report also found that the current “values for the existing weights have weak ties, if any, with evidence describing the difference in the costs of educating students with disparate needs or operating schools in different contexts.”

(c) As a corrective to this situation, the major recommendations of the Report are straightforward, specifically that the General Assembly increase certain of the existing weights and that it add population density (rurality) as a new weighting factor, given the Report’s finding that rural districts pay more to educate a student. However, given the statewide nature of Vermont’s education funding system and the reality that any change in the weighting formula is complex due to its relationship to other educational policies and will produce fluctuations in tax rates across the State, the General Assembly has chosen to develop a phased approach to revising the weighting formula.

Sec. 2. TASK FORCE ON THE IMPLEMENTATION OF THE PUPIL  
WEIGHTING FACTORS REPORT

(a) Creation. There is created the Task Force on the Implementation of the Pupil Weighting Factors Report. The Task Force shall recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Pupil Weighting Factors Report dated December 24, 2019 (Report), produced by a University of Vermont-led team of researchers.

(b) Membership. The Task Force shall be a legislative task force and shall be composed of the following six members:

- (1) the Chair of the Senate Committee on Finance or designee;
- (2) the Chair of the Senate Committee on Education or designee;
- (3) the Chair of the House Committee on Ways and Means or designee;
- (4) the Chair of the House Committee on Education or designee;
- (5) the Secretary of Education or designee; and
- (6) the Chair of the State Board of Education or designee.

(c) Powers and duties. The Task Force shall recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Report, and shall:

(1) recommend which weighting factors to modify or create and their associated weights and whether any weights should be eliminated in lieu of categorical aid;

(2) consider use of categorical aid, including whether categorical aid should be used instead of some or all of the weighting factors and, if weighting factors are used, whether small schools grants, transportation aid, and other State grant funding targeted for a specific purpose should be adjusted or terminated;

(3) recommend how to ensure that school districts are using funding to meet education quality standards and improve student outcomes and opportunities;

(4) consider education property tax rates and the taxing capacity of school districts and how the Task Force's recommendations relate to the recommendations of the Vermont Tax Structure Commission Report dated February 8, 2021;

(5) recommend how to transition to the new weights or categorical aid to promote equity and ease the financial impact on school districts during the transition, including the availability and use of federal funding;

(6) recommend how tuition rates for non-operating school districts and career technical centers should be adjusted to account for the cost of educating students as reflected in the recommended weights or categorical aid;

(7) consider school funding formulas in other states and alternative models for school funding;

(8) consider the relationship between the recommended weights or categorical aid and the changes to special education funding under 2018 Acts and Resolves No. 173; and

(9) consider the impact of the recommended weights or categorical aid on the goals and outcomes of 1997 Acts and Resolves No. 60 and 2015 Acts and Resolves No. 46, each as amended.

(d) Consultant. The Task Force shall retain a consultant to assist it with executing its powers and duties. The consultant shall have expertise and experience in providing advice on Vermont's education funding and tax system and shall be nationally recognized in the field of education funding and tax systems.

~~(e) Collaboration. In performing its duties under this section, the Task Force shall collaborate with the Vermont Superintendents Association, the Vermont School Boards Association, the Vermont Council of Special Education Administrators, the Vermont Principals' Association, the Vermont Independent Schools Association, and the Vermont-National Education Association.~~

~~(f) Public meetings. The Task Force shall hold one or more meetings to share information and receive input from the public concerning its work, which may be part of or separate from its regular meetings.~~

~~(g) Report. On or before January 15, 2022, the Task Force shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with its action plan and proposed legislation.~~

~~(h) Meetings.~~

~~(1) The Secretary of Education shall call the first meeting of the Task Force to occur on or before August 1, 2021.~~

~~(2) The Task Force shall select a chair from among its members at the first meeting.~~

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

~~(4) The Task Force shall meet not more than 12 times.~~

~~(i) Assistance. The Task Force shall have the:~~

~~(1) administrative assistance from the Agency of Education, which shall include organizing meetings and taking minutes;~~

~~(2) technical assistance of the Joint Fiscal Office, which shall include contracting with, and overseeing the work of, the consultant and data analysis and computation;~~

~~(3) assistance from the consultant, which shall include assistance with executing the Task Force's powers and duties and writing the report required under subsection (g) of this section; and~~

~~(4) legal assistance from Office of Legislative Counsel, which shall include legal advice and drafting proposed legislation.~~

~~(j) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 12 meetings. These payments shall be made from monies appropriated to the General Assembly.~~

Sec. 3. REQUIREMENT FOR ADDITIONAL LEGISLATIVE ACTION

During the second year of the 2021–2022 biennium, the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance shall consider the action plan and legislation proposed by the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act. It is the intent of the General Assembly that it pass legislation during the second year of the biennium that implements changes to how education is funded to ensure that all public school students have equitable access to educational opportunities. A positive vote of both the House and Senate, and approval by the Governor, would be required to implement these changes.

Sec. 4. APPROPRIATIONS

(a) The sum of \$10,800.00 is appropriated from the General Fund in fiscal year 2022 to the General Assembly for per diem and reimbursement of expenses for members of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

(b) The sum of \$150,000.00 is appropriated from the General Fund in fiscal year 2022 to the Joint Fiscal Office for consultant expenses of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

Sec. 1. FINDINGS

(a) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of Education to undertake a study examining and evaluating the current formula used to weigh economically disadvantaged students, English language learners, and secondary-level students in Vermont for purposes of calculating equalized pupils. The study was also to consider whether new cost factors and weights should be included in the equalized pupil calculation.

(b) The findings from the Pupil Weighting Factors Report dated December 24, 2019 (Report), produced by a University of Vermont-led team of researchers, including national experts on student weighting, were stark, stating that “[n]either the factors considered by the [current] formula nor the value of the weights reflect contemporary educational circumstances and costs.” The Report also found that the current “values for the existing weights have weak ties, if any, with evidence describing the difference in the costs of educating students with disparate needs or operating schools in different contexts.”

(c) The major recommendations of the Report are straightforward, specifically that the General Assembly increase certain of the existing weights and that it add population density (rurality) as a new weighting factor, given the Report's finding that rural districts pay more to educate a student. However, given the statewide and unique nature of Vermont's education funding system and the reality that any change in the weighting formula is complex due to its relationship to other educational policies and will produce fluctuations in tax rates across the State, the General Assembly has chosen to develop a phased approach to revising the weighting formula.

**Sec. 2. TASK FORCE ON THE IMPLEMENTATION OF THE PUPIL  
WEIGHTING FACTORS REPORT**

(a) Creation. There is created the Task Force on the Implementation of the Pupil Weighting Factors Report. The Task Force shall recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Pupil Weighting Factors Report dated December 24, 2019 (Report), produced by a University of Vermont-led team of researchers.

(b) Membership.

(1) The Task Force shall be a legislative task force and shall be composed of the following eight members:

(A) two members of the Senate Committee on Finance;

(B) two members of the Senate Committee on Education;

(C) two members of the House Committee on Ways and Means; and

(D) two members of the House Committee on Education.

(2) Members from the House Committees shall be appointed by the Speaker of the House and shall not all be from the same party, and members from the Senate Committees shall be appointed by the Committee on Committees and shall not all be from the same party.

(c) Powers and duties. The Task Force shall recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Report, and shall:

(1) consider how to integrate the weighting calculations from the Report with Vermont's equalized pupil calculations, excess spending threshold, and yield calculations;

(2) consider how categorical aid can address differences in the costs of educating students across school districts;

(3) for the purpose of calculating equalized pupils, recommend age ranges to be included and how to define a “person from an economically deprived background” taking into account the current definition in 16 V.S.A. § 4001(8) and similar definitions in Part A, Title I, of the Elementary and Secondary Education Act, as amended by the Every Student Succeeds Act, and eligibility for free and reduced-priced lunch under the National School Lunch Act;

(4) in recognition that the current formula used to calculate equalized pupils uses more than one mathematical method, consider changes to the formula to simplify it and make its calculation more transparent;

(5) recommend statutory changes in the Agency of Education’s powers and duties to ensure that all school districts are meeting education quality standards and improving student outcomes and opportunities;

(6) recommend how to transition to the recommended weights and categorical aid to promote equity and ease the financial impact on school districts during the transition, including the availability and use of federal funding;

(7) consider the relationship between the recommended weights and categorical aid and the changes to special education funding under 2018 Acts and Resolves No. 173, including the impact on federally required maintenance of effort and maintenance of financial support;

(8) consider the interaction between the recommended weights and categorical aid and the goals and outcomes of 1997 Acts and Resolves No. 60, 2003 Acts and Resolves No. 68, and 2015 Acts and Resolves No. 46, each as amended;

(9) recommend ways to mitigate the impacts on residential property tax rates and consider tax rate equity between districts; and

(10) recommend whether to modify, retain, or repeal the excess spending threshold under 32 V.S.A. § 5401(12) and 16 V.S.A. § 4001(6)(B).

(d) Consultant. The Task Force may retain a consultant or consultants to assist it with modeling education finance scenarios developed by the Task Force and in writing the report required under subsection (g) of this section.

(e) Collaboration. In performing its duties under this section, the Task Force shall collaborate with the State Board of Education, the Vermont Superintendents Association, the Vermont School Boards Association, the Vermont Council of Special Education Administrators, the Vermont Principals’ Association, the Vermont Independent Schools Association, and the Vermont-National Education Association.

(f) Public meetings. The Task Force shall hold two or more meetings to share information and receive input from the public concerning its work, which may be part of or separate from its regular meetings. The Task Force shall include time during each of its meetings for public comment.

(g) Report. On or before December 15, 2021, the Task Force shall submit a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance with its action plan and proposed legislation.

(h) Meetings.

(1) The Joint Fiscal Office shall call the first meeting of the Task Force to occur on or before June 1, 2021.

(2) The Task Force shall select co-chairs from among its members at the first meeting, one a member of the House and the other a member from the Senate.

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

(i) Assistance. The Task Force shall have:

(1) Administrative assistance from the Joint Fiscal Office, which shall include organizing meetings and taking minutes.

(2) Technical assistance from the Agency of Education, the Department of Taxes, and the Joint Fiscal Office. If the consultant is retained, the Joint Fiscal Office shall contract with, and oversee the work of, the consultant.

(3) Legal assistance from Office of Legislative Counsel, which shall include legal advice and drafting proposed legislation.

(j) Compensation and reimbursement. For attendance at meetings during adjournment of the General Assembly, a legislative member of the Task Force shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than 12 meetings. These payments shall be made from monies appropriated to the General Assembly.

### Sec. 3. WEIGHTING FACTORS SIMULATOR

The Agency of Education, in collaboration with the Joint Fiscal Office, shall create a user-friendly weighting factors simulator that will allow users to model the impact of proposed changes in weights on all school district tax rates. The creation of and use by the Task Force of the simulator shall be overseen by the Task Force.

*Sec. 4. ADDITIONAL LEGISLATIVE ACTION*

*During the second year of the 2021–2022 biennium, the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance shall consider the action plan and legislation proposed by the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act. It is the intent of the General Assembly that it pass legislation during the second year of the biennium that implements changes to how education is funded to ensure that all public school students have equitable access to educational opportunities.*

*Sec. 5. EXCESS SPENDING MORATORIUM*

*For fiscal years 2022 and 2023, for the purpose of determining a school district's education property tax rate under 32 V.S.A. chapter 135, education spending under 16 V.S.A. § 4001(6) and the education spending adjustments under 32 V.S.A. § 5401(13) shall be calculated without regard to excess spending under 32 V.S.A. § 5401(12) and 16 V.S.A. § 4001(6)(B).*

*Sec. 6. APPROPRIATION*

*The sum of \$25,000.00 is appropriated from the General Fund in fiscal year 2022 to the Joint Fiscal Office for consultant expenses of the Task Force on the Implementation of the Pupil Weighting Factors Report created under Sec. 2 of this act.*

*Sec. 7. EFFECTIVE DATE*

*This act shall take effect on passage.*