

S.287; Overview

March 31, 2022

Office of Legislative Counsel Testimony

Sec. 1. FINDINGS [Pages 1-3]

How we got here; Brigham; Act 60; Act 173; weighting study; weighting study report; Act 59; Task Force on the Implementation of the Pupil Weighting Factors Report; Task Force Report.

Sec. 2. GOALS [Pages 3-4]

To fulfill Vermont's constitutional mandate to ensure that all students receive substantial equality of educational opportunity throughout the State.

- (1) increase educational equity;
- (2) improve educational outcomes;
- (3) improve transparency in the distribution of financial resources;
- (4) enhance educational and financial accountability; and
- (5) improve oversight of Vermont's kindergarten–grade 12 public education funding

system.

Sec. 3. 16 V.S.A. § 4001(7) is amended to read: [Pages 4-5]

Amends definition of “Long-term membership”

Sec. 4. 16 V.S.A. § 4001(8) is amended to read: [Pages 5-6]

Amends definition of “poverty ratio” for the 2022-2023 school year to change the determination of whether a student is from an economically deprived background from eligibility for nutrition benefits to eligibility eligible for free or reduced-price lunch.

Sec. 4a. 16 V.S.A. § 4001(8) is amended to read: [Page 6]

For the 2023-2024 school year and thereafter, changes the determination of whether a student is from an economically deprived background from eligibility for free or reduced-price lunch to eligibility based on whether the student's family income is 185 percent or less of the current year Federal Poverty Level, as determined using the universal income declaration form.

Sec. 5. UNIVERSAL INCOME DECLARATION FORM [Pages 6-7]

Requires implementation of the universal income declaration form for the 2023–24 school year.

Sec. 6. 16 V.S.A. § 4010 is amended to read: [Pages 7-14]

Adds and adjusts weighting factors.

Sec. 6a. 16 V.S.A. § 4010 is amended to read: [Page 14]

Requires, beginning in FY29 and thereafter, the three year average equalized pupil count to be used.

Sec. 6b. PROSPECTIVE AND CONDITIONAL REPEALS [Pages 14-15]

Repeals weights if the General Assembly does not update them in five years.

Sec. 7. 16 V.S.A. § 4013 is added to read: [Pages 15-17]

Requires ELL services to be provided by school districts and provides categorical aid to school districts with 25 or fewer ELL students.

Sec. 8. 16 V.S.A. § 4015 is amended to read: [Pages 17-23]

Eliminates small school grants and allows merged districts, whether merged voluntarily or by State Board Order, to continue to receive merger support grants unless they get the small school weight.

Sec. 9. 16 V.S.A. § 4030 is amended to read: [Page 23]

Conforming change to reflect elimination of small schools grant.

Sec. 10. 16 V.S.A. § 1531 is amended to read: [Page 24]

Conforming change to reflect elimination of small schools grant.

Sec. 11. TRANSITION; CALCULATION OF EQUALIZED PUPILS [Pages 24-25]

For fiscal years 2024, 2025, and 2026, equalized pupils is a five year average of equalized pupils. For fiscal year 2027, equalized pupils is a four year average of equalized pupils. For fiscal year 2028, equalized pupils is a three year average of equalized pupils.

Sec. 12. TRANSITION; SUSPENSION OF EXCESS SPENDING**PENALTY AND HOLD HARMLESS PROVISION [Page 25]**

Suspends the excess spending penalty and hold harmless provision (3.5%) for fiscal years 2024, 2025, 2026, 2027, and 2028.

Sec. 12a. TRANSITION; SUSPENSION OF BALLOT LANGUAGE**REQUIREMENT [Page 25]**

Suspends required specified language for a school budget ballot for fiscal years 2024, 2025, 2026, 2027, and 2028.

Sec. 13. VERMONT CENTER FOR GEOGRAPHIC INFORMATION [Page 26]

Requires the Vermont Center for Geographic Information to assist the Agency of Education in determining the number of persons per square mile residing within the geographic boundaries of each school district in the State.

Sec. 14. EVALUATION AND REPORTING [Pages 26-28]

On or before December 15, 2029, requires the State Auditor to conduct an independent audit that identifies the successes and failures of the implementation of the act.

Sec. 15. 32 V.S.A. § 5413 is added to read: [Pages 29-32]

Creates the Education Fund Advisory Committee to monitor Vermont's education financing system, conduct analyses, and to perform specified duties.

Sec. 15a. APPROPRIATION; EDUCATION FUND ADVISORY COMMITTEE [Page 32]

Appropriation for per diem and reimbursement of expenses for members of the Education Fund Advisory Committee.

Sec. 16. COLLABORATION BY THE AGENCY OF EDUCATION AND JOINT FISCAL OFFICE [Pages 32-33]

Requires collaboration between the Agency of Education and the Joint Fiscal Office to update the weighting factors.

Sec. 17. [Deleted.]**Sec. 18. 16 V.S.A. § 4001(6)(B) is amended to read: [Page 33]**

Eliminates unused exceptions to the excess spending penalty.

Sec. 19. 16 V.S.A. § 4001(3) is amended to read: [Page 33-34]

Minor clarification to the definition of equalized pupils.

Sec. 20. 16 V.S.A. § 563 is amended to read: [Pages 34-35]

Minor change to cross reference.

Sec. 21. EFFECTIVE DATES [Pages 35-37]

Steps	Calculation of homestead property tax rate ¹
1	Calculate ADM for current school year for each school district—count of student enrollment (16 V.S.A. §§ 4001(1) and 4010(a))
2	Calculate long-term membership for each school district—two-year average ADM (16 V.S.A. §§ 4001(7) and 4010(b))
3	Calculate weighted long-term ADM for each school district—long-term membership adjusted by the weighting factors (16 V.S.A. §§ 4001(12) and 4010(c))
4	Calculate equalization ratio—the ratio of the statewide long-term ADM to the statewide long-term weighted ADM (16 V.S.A. § 4001(3))
5	Calculate equalized pupils for each school district—long-term weighted ADM multiplied by equalization ratio (16 V.S.A. §§ 4001(3) and 4010(h))
6	Calculate education spending for each school district as determined from approved budgets (16 V.S.A. §§ 4001(6))
7	Calculate education spending per equalized pupil for each school district—district’s education spending divided by its equalized pupils (16 V.S.A. § 4001(14))
8	Calculate homestead property tax property dollar yield—Statewide calculation (32 V.S.A. § 5401(15))
9	Calculate homestead property tax rate for each school district—education spending per equalized pupil divided by the homestead property dollar yield (32 V.S.A. §§ 5401(13)(A) and 5402(a)(2))
10	Divide the school district homestead property tax rate by each town's common level of appraisal (CLA) to determine the actual tax rate seen on the tax bill. (32 V.S.A. §§ 5401(3), 5402(b)(1), 5405)

¹ This chart does not address the process for taxpayers who pay education taxes based on income, but the steps and processes for calculating homestead rates are similar to those for calculating income rates.