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Section-by-Section
Draft No. 2.1 of W&M’ amendment to S.287
April 20, 2022
Office of Legislative Counsel Testimony

* * * Findings and Goals * * *

Sec. 1. FINDINGS [Pages 1-4]

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; status of 0.46 prekindergarten weight.

Sec. 2. GOALS [Page 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; and
- (4) enhance educational and financial accountability.

* * * Updated Weights; Implementation * * *

Sec. 3. INTENT OF ACT [Page 5]

States intent of act to update pupil weights and to limit the degree to which homestead property tax rates can increase over fiscal years 2025–2029.

Sec. 4. Amendment to 16 V.S.A. § 4010 (determination of weighted long-term membership and per pupil education spending). [Pages 5-13]

(a) Definitions of “EL pupils,” “FPL,” and “Weighting categories.”

(b) Determination of average daily membership and weighting categories.

Requires the Secretary to identify the number of students in each weighting category for current year for each school district.

(c) Reporting on weighting categories to the Agency of Education.

Requires school districts to annually report to the Agency of Education the

1 information needed in order for the Agency to compute the weighting
2 categories under subsection (b) of this section for that district. A school
3 district that pays public tuition on behalf of a resident student may request the
4 receiving school to collect this information on the sending district's resident
5 student, and if requested, the receiving school is required to provide this
6 information to the sending district.

7 (d) Determination of weighted long-term membership. Applies the weights
8 to long-term membership (two-year average ADM), except for small school
9 weight, which is applied using an enrollment count.

10 (e) Hold harmless. Provides that a school district's weighted long-term
11 membership shall not decline more than 3.5 percent year-over-year.

12 (f) Determination of per pupil education spending. Requires the Secretary
13 to determine the per pupil education spending for the next fiscal year for the
14 school district, which is a school district's education spending divided by its
15 weighted long-term membership.

16 (g) Guidelines. Requires the Secretary to develop guidelines to enable
17 clear and consistent identification of pupils to be counted under this section.

18 (h) Updates to weights. Requires that AOE and JFO calculate, based on
19 their consensus view, updates to the weights every five years and report to the
20 relevant Committees. Requires the General Assembly to update the weights
21 and transportation reimbursement not less than every five years and to delay
22 the implementation date by a year in order to provide school districts with time
23 to prepare their budgets. States that updates to the weights may include
24 recalibration, recalculation, adding or eliminating weights, or any combination
25 of these actions.

26 **Sec. 5.** COLLABORATION BY THE AGENCY OF EDUCATION AND
27 JOINT FISCAL OFFICE [Pages 13-14]

1 Requires AOE and JFO to enter into a memorandum of understanding to
2 share data, models, and other information that is needed to update the weights,
3 and each host the statistical model used to provide modeling for the weights.

4 Sec. 6. VERMONT CENTER FOR GEOGRAPHIC INFORMATION [Page
5 14]

6 Requires the Vermont Center for Geographic Information to shall assist
7 AOE in determining the number of persons per square mile residing within the
8 land area of the geographic boundaries of each school district in the State.

9 Sec. 7. CALCULATION OF TAX RATES; TAX RATE REVIEW;
10 FISCAL YEARS 2025–2029 [Pages 14-16]

11 (a) Protects a school district’s homestead property tax rate from increasing
12 more than five percent over the prior fiscal year in each fiscal year for five
13 fiscal years, from fiscal year 2025 through fiscal year 2029.

14 (b) If (a) is met (more than a five percent increase) and the school district’s
15 per pupil education spending increases by 10 percent or more over the school
16 district’s prior fiscal year, a Tax Rate Review is triggered.

17 Sec. 8. SUSPENSION OF LAWS [Page 16]

18 Suspends the excess spending penalty, the hold harmless provision, and the
19 ballot language requirement during fiscal years 2025–2029.

20 * * * Universal Income Declaration Form * * *

21 Sec. 9. UNIVERSAL INCOME DECLARATION FORM [Pages 17-18]

22 Requires AOE to implement the universal income declaration form for the 2023–
23 24 school year and to establish a process for verifying the accuracy of data
24 collected through the universal income declaration form on a community level.
25 Provides a \$200,000.00 appropriation from the General Fund to the AOE for
26 fiscal year 2023 to fund operating expenses associated with the creation of the
27 electronic universal income declaration form.

28 * * * English Learners * * *

1 **Sec. 10.** Adding 16 V.S.A. § 4013 (English learners services; State aid) [Pages
2 18-20]

3 (a) Definitions of “Applicable federal laws,” “EL services,” and “EL
4 students” or “EL pupils.”

5 (b) Required EL services. Sets out required EL services to be offered by
6 school districts.

7 (c) Agency of Education support and quality assurance. Sets out required
8 support and quality assurance work by AOE.

9 (d) Categorical aid. Provides categorical aid to school districts:

10 (1) one to five EL students enrolled receive State aid of \$25,000.00 for
11 that school year; or

12 (2) six to 25 EL students enrolled receive State aid of \$50,000.00 for
13 that school year.

14 (e) Annual appropriation. Requires categorical aid appropriation to be
15 included in statewide education spending.

16 (f) Payment. Requires payment of categorical aid on or before November 1
17 of each year.

18 **Sec. 11.** JOINT FISCAL OFFICE REPORT; ENGLISH LEARNERS
19 SERVICES; CATEGORICAL AID [Pages 21-22]

20 (a) On or before December 15, 2022, requires JFO to issue a written report
21 to the relevant Committees on the advantages and disadvantages of:

22 (1) changing the weight for EL students to reflect the cost of providing
23 different levels of required EL services; and

24 (2) changing the amount or eligibility, or both, for the EL categorical
25 aid.

26 (b) Requires JFO to consult with the AOE in drafting its report under
27 subsection (a) and AOE to provide JFO with information on the different
28 levels of required EL services and the number of EL students in each service-

1 level category and to assist JFO in determining the cost of providing EL
2 services for each service level category.

3 (c) Permits JFO to contract with a third party to perform the work required
4 of it under this section.

5 * * * Agency of Education; Staffing * * *

6 **Sec. 12.** AGENCY OF EDUCATION; STAFFING [Page 22]

7 (a) Creates six positions at AOE:

8 (1) one for English learner students;

9 (2) two to develop and maintain the universal household income
10 declaration form and provide guidance to school districts on its use; and

11 (3) three to provide financial and data analysis for AOE.

12 (b) Provides \$600,000.00 appropriation to AOE from the General Fund for
13 fiscal year 2023 for these positions.

14 * * * Education Quality Standards; Evaluation and Reporting * * *

15 **Sec. 13.** Amendment to 16 V.S.A. § 165 (education quality standards) [Pages
16 22-23]

17 Adds a new subsection (g) to require school districts to meet the school
18 district quality standards adopted by rule of AOE regarding the business,
19 facilities management, and governance practices of school districts.

20 **Sec. 14.** EDUCATION QUALITY STANDARDS; RULEMAKING [Page 23]

21 Requires AOE to adopt rules to implement the new education quality
22 standards.

23 **Sec. 15.** EVALUATION AND REPORTING ON IMPLEMENTATION OF
24 ACT [Page 23]

25 Requires JFO to design and contract for an evaluation of the impact of the
26 changes required under this act in achieving the goals under Sec. 2 of this act.

27 * * * Career Technical Education * * *

28 **Sec. 16.** CAREER TECHNICAL CENTER; STUDENT ENROLLMENT;
29 HOLD HARMLESS [Page 24]

1 Provides that the average of a Vermont school district’s three prior years’
2 full-time equivalent enrollment of students in a career technical center for
3 fiscal year 2023 and fiscal year 2024 shall in no case be less than 96 and one-
4 half percent of this average for the previous fiscal year.

5 **Sec. 17.** FUNDING AND GOVERNANCE STRUCTURES OF
6 CAREER TECHNICAL EDUCATION IN VERMONT [Pages 24-26]

7 Requires JFO to contract for services to review CTE funding and
8 governance structures and report to the relevant Committees on or before
9 March 1, 2023. Requires AOE to consider JFO’s work and develop an
10 implementation plan, including recommended steps to design and implement
11 new funding and governance models, and report to the relevant Committees on
12 or before July 1, 2023.

13 * * * Education Tax-Related Reports * * *

14 **Sec. 18.** REPORT; INCOME-BASED EDUCATION TAX SYSTEM;
15 DEPARTMENT OF TAXES [Pages 26-27]

16 Requires, on or before January 1, 2023, the Department of Taxes, in
17 consultation with AOE and JFO, to submit a written report to the relevant
18 Committees that makes recommendations regarding the implementation of an
19 income-based education tax system to replace the homestead property tax
20 system.

21 **Sec. 19.** REPORTS; PROPERTY TAX RATES; JOINT FISCAL OFFICE
22 [Pages 27-28]

23 Requires, on or before January 15, 2023, JFO to examine and provide
24 options to the relevant Committees for structuring the following:

25 (1) methods for cost containment that create equity in school districts’
26 ability to spend sufficiently on education to meet student needs;

27 (2) in collaboration with the Department of Taxes and AOE, the
28 mechanics for setting the yields in a manner that creates a constitutionally
29 adequate education spending amount for school districts at a level that is

1 predetermined by education funding experts to be sufficient to meet student
2 needs; and

3 (3) funding school districts in an equitable manner that provides needed
4 resources to school districts without regard to their education spending
5 decisions.

6 * * * Joint Fiscal Office; Appropriation * * *

7 **Sec. 20. JOINT FISCAL OFFICE; APPROPRIATION** [Page 28]

8 Provides a \$205,000.00 appropriation to JFO from the General Fund for
9 fiscal year 2023 for the studies and reports required by JFO under this act.

10 * * * Conforming and Technical Changes to Titles 16 and 32 * * *

11 **Secs. 21-29. Conforming changes.** [Pages 28-42]

12 * * * Effective Dates * * *

13 **Sec. 30. EFFECTIVE DATES** [Pages 42-44]