

1 **Yellow** = changes from S.287 as passed by Senate

2

3 TO THE HOUSE OF REPRESENTATIVES:

4 The Committee on Ways and Means to which was referred Senate Bill No.  
5 287 entitled “An act relating to improving student equity by adjusting the  
6 school funding formula and providing education quality and funding  
7 oversight” respectfully reports that it has considered the same and recommends  
8 that the House propose to the Senate that the bill be amended by striking out all  
9 after the enacting clause and inserting in lieu thereof the following:

10 \* \* \* Findings and Goals; **Effective July 1, 2022** \* \* \*

11 Sec. 1. FINDINGS

12 (a) The Vermont Supreme Court, in *Brigham v. State*, 166 Vt. 246 (1997),  
13 held that education in Vermont is “a constitutionally mandated right” and that  
14 to “keep a democracy competitive and thriving, students must be afforded  
15 equal access to all that our educational system has to offer.” Therefore, the  
16 Court held that in order to “fulfill its constitutional obligation the [S]tate must  
17 ensure substantial equality of educational opportunity throughout Vermont.”

18 (b) The General Assembly reflected this holding in statute, 16 V.S.A. § 1,  
19 stating that “the right to education is fundamental for the success of Vermont’s  
20 children in a rapidly-changing society and global marketplace as well as for the  
21 State’s own economic and social prosperity. To keep Vermont’s democracy

1 competitive and thriving, Vermont students must be afforded substantially  
2 equal access to a quality basic education...it is the policy of the State that all  
3 Vermont children will be afforded educational opportunities that are  
4 substantially equal although educational programs may vary from district to  
5 district.”

6 (c) Students come to school with dissimilar learning needs and  
7 socioeconomic backgrounds that may require different types and levels of  
8 educational support for them to achieve common standards or outcomes.  
9 Similarly, schools in different contexts may also require different levels of  
10 resources due to their scale of operations or the price they must pay for key  
11 resources. Therefore, school districts with similar education property tax rates  
12 may achieve significantly different student outcomes.

13 (d) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of  
14 Education to study the efficacy of the current pupil weighting factors, which  
15 are used in Vermont’s school funding formula to provide equitable tax capacity  
16 to local school districts for spending on various student needs, and to consider  
17 whether increased or additional weighting factors should be included in the  
18 equalized pupil count.

19 (e) On December 24, 2019, the Agency issued its Pupil Weighting Factors  
20 Report, which was produced by a University of Vermont-Rutgers University  
21 team of researchers. The Report found that neither the cost factors

1 incorporated in the weighing formula nor the values of the current weights  
2 reflect contemporary educational circumstances and costs and that stakeholders  
3 viewed the existing approach as “outdated.” The Report found that values for  
4 the existing weights have weak ties, if any, with evidence describing  
5 differences in the costs for educating students with disparate needs or operating  
6 schools in different contexts and recommended that the General Assembly  
7 increase certain existing weights and add certain new weighting factors.

8 (f) 2021 Acts and Resolves No. 59 created the Task Force on the  
9 Implementation of the Pupil Weighting Factors Report composed of eight  
10 members of the General Assembly, four Senators and four Representatives, to  
11 recommend to the General Assembly an action plan and proposed legislation to  
12 ensure that all public school students have equitable access to educational  
13 opportunities, taking into account the Weighting Report. The Task Force  
14 unanimously recommended two systemic change options and a series of  
15 related provisions for either updating the weights or adopting a cost factor  
16 adjustment approach to providing direct aid to school districts as set out in its  
17 “Report Prepared in Accordance with Act No. 59 of the 2021 Legislative  
18 Session” dated December 17, 2021.

19 Sec. 2. GOALS

20 By enacting this legislation, the General Assembly intends to fulfill  
21 Vermont’s constitutional mandate to ensure that all students receive substantial

1 equality of educational opportunity throughout the State. The legislation is  
2 designed to:

3 (1) increase educational equity by ensuring that the financial resources  
4 available to local school districts for educating students living in poverty,  
5 students with English language learning needs, students in small rural schools,  
6 students in sparsely populated school districts, and students in middle and high  
7 schools are sufficient to meet the cost of educating these students;

8 (2) improve educational outcomes of students throughout Vermont,  
9 regardless of geography, demography, or circumstances, by ensuring that  
10 financial resources tied to the cost of educating these students are available to  
11 local school districts;

12 (3) improve transparency in the distribution of financial resources to  
13 school districts by simplifying the school funding formula and better tying  
14 educational expenditures to student needs;

15 (4) enhance educational and financial accountability by ensuring that  
16 equitable resources are budgeted and expended for the education of students in  
17 these circumstances or categories and that regular evaluation mechanisms are  
18 utilized to assess educational equity and outcomes; and

19 (5) improve oversight of Vermont’s kindergarten–grade 12 public  
20 education funding system by creating a new advisory body with expertise to  
21 monitor and recommend improvements to the system.

1           \* \* \* Transition to Cost Factor Adjustments; Effective July 1, 2022 \* \* \*

2           Sec. 3. TRANSITION TO COST FACTOR ADJUSTMENTS

3           (a) Intent of act. This act transitions the education funding system from  
4           using pupil weighting factors, which are designed to provide equitable tax  
5           capacity to local school districts for spending on various student needs, to the  
6           use of cost factor adjustments to provide direct aid to school districts to address  
7           various student needs and circumstances. The four-year transition period  
8           begins with the 2024-2025 school year and ends with the 2027-2028 school  
9           year (transition period), during which time cost factor adjustments shall be  
10          phased-in and weighting factors shall be phased-out.

11          (b) Phase-in of cost factor adjustments. Sec. 20 of this act creates 16  
12          V.S.A. § 4013 (Cost Factor Adjustments), which fully implements the cost  
13          factor adjustments beginning with the 2028-2029 school year and thereafter.  
14          Although that section does not take effect until July 1, 2028, the provisions of  
15          that section shall apply as if restated in this transition section, but modified as  
16          follows:

17               (1) for the 2024-2025 school year, each school district shall receive a  
18               cost factor adjustment equal to one-fifth of the amount calculated under section  
19               4013;

1           (2) for the 2025-2026 school year, each school district shall receive a  
2           cost factor adjustment equal to two-fifths of the amount calculated under  
3           section 4013;

4           (3) for the 2026-2027 school year, each school district shall receive a  
5           cost factor adjustment equal to three-fifths of the amount calculated under  
6           section 4013;

7           (4) for the 2027-2028 school year, each school district shall receive a  
8           cost factor adjustment equal to four-fifths of the amount calculated under  
9           section 4013; and

10           (5) for the 2028-2029 school year and thereafter, section 4013 takes  
11           effect and each school district shall receive a cost factor adjustment equal to  
12           the full amount calculated under that section.

13           (c) Phase-out of weighting factors. The weighting factors shall be phased-  
14           out as follows:

15           (1) for the 2024-2025 school year, each weight applied under 16 V.S.A.  
16           § 4010 shall be four-fifths of the weight set forth in that section;

17           (2) for the 2025-2026 school year, each weight applied under 16 V.S.A.  
18           § 4010 shall be three-fifths of the weight set forth in that section;

19           (3) for the 2026-2027 school year, each weight applied under 16 V.S.A.  
20           § 4010 shall be two-fifths of the weight set forth in that section;

1           (4) for the 2027-2028 school year, each weight applied under 16 V.S.A.  
2           § 4010 shall be one-fifth of the weight set forth in that section; and

3           (5) for the 2028-2029 school year and thereafter, weighting factors shall  
4           no longer be used; this act repeals the laws pertaining to weighting factors  
5           effective July 1, 2028.

6           (d) Suspension of excess spending penalty. Notwithstanding any provision  
7           of law to the contrary, the excess spending penalty under 16 V.S.A.  
8           § 4001(6)(B) and 32 V.S.A. § 5401(12) is suspended during the transition  
9           period.

10          (e) Suspension of hold harmless provision. Notwithstanding any provision  
11          of law to the contrary, the hold harmless provision under 16 V.S.A. § 4010(f)  
12          is suspended during the transition period.

13          (f) Suspension of ballot language requirement. Notwithstanding 16 V.S.A.  
14          § 563 (11)(D), which requires specified language for a school budget ballot,  
15          this requirement is suspended during the transition period.

16          (g) Prekindergarten weighting factor. Under current law, a weighting  
17          factor of 0.46 is applied to a student enrolled in a prekindergarten program. 16  
18          V.S.A. § 4010. The Pupil Weighting Factors Report did not review whether  
19          this weighting factor reflected the actual cost of providing prekindergarten  
20          educational services because that review was not within the scope of the  
21          authors' mandate. That review is now being undertaken pursuant to 2021 Acts

1 and Resolves No. 45. Therefore, although the current prekindergarten weight  
2 is in current law, its status should be viewed as transitional pending the  
3 outcome of this review.

4 \* \* \* Universal Income Declaration Form; Effective July 1, 2022 \* \* \*

5 Sec. 4. UNIVERSAL INCOME DECLARATION FORM

6 (a) It is the intention of the General Assembly that, beginning with the  
7 2023-24 school year and thereafter, the determination of whether a pupil is  
8 from an economically deprived background be changed from qualification for  
9 nutrition benefits to eligibility based upon family income of 185 percent or less  
10 of the current year Federal Poverty Level, with data collected from a universal  
11 income declaration form.

12 (b) A universal income declaration form is used by some other states and  
13 school districts in Vermont with universal school meals programs to collect  
14 household size and income information. A universal income declaration form  
15 is used to collect income bracket information from all families, reducing  
16 stigma and resulting in the collection of more accurate pupil eligibility counts  
17 throughout a school district.

18 (c) On or before October 1, 2022, the Agency of Education shall convene a  
19 working group that includes school staff and hunger and nutrition experts to  
20 develop the universal income declaration form that shall be fully accessible to

1 all Vermont families. The new form shall be implemented statewide for the  
2 2023–24 school year and thereafter.

3 \* \* \* Evaluation and Reporting; Effective July 1, 2022 \* \* \*

4 Sec. 5. EVALUATION AND REPORTING

5 (a)(1) On or before December 15, 2031, the State Auditor shall submit to  
6 the House and Senate Committees on Education, the House Committee on  
7 Ways and Means, the Senate Committee on Finance, the Agency of Education,  
8 and the Education Tax Advisory Committee a performance audit, conducted  
9 under Generally Accepted Government Auditing Standards, that identifies the  
10 successes and failures of the implementation of this act, including:

11 (A) whether, and the extent to which, each of the act’s five goals  
12 under Sec. 2 of this act have been met;

13 (B) if a goal has not been met, the reasons why and recommendations  
14 to achieve that goal; and

15 (C) the fiscal impact of the act, including the cost of implementation.

16 (2) On or before December 15, 2024, the Auditor, the Agency of  
17 Education, and the Education Fund Advisory Committee created under Sec. 6  
18 of this act shall jointly agree to the statement of work for the audit, including  
19 how to measure whether the act’s five goals have been met, and submit the  
20 statement of work to the House and Senate Committees on Education, the  
21 House Committee on Ways and Means, and the Senate Committee on Finance.

1        (b) The audit shall be carried out by the State Auditor or a contracted  
2        designee of the State Auditor who, in order to maintain independence, has not  
3        consulted on, or contracted to provide services in relation to, the Pupil  
4        Weighting Factors Report dated December 24, 2019 or the Report Prepared in  
5        Accordance with Act No. 59 of the 2021 Legislative Session dated  
6        December 17, 2021. The audit shall cover the period beginning on July 1,  
7        2028 and ending on June 30, 2030 (audit period). The audit shall take into  
8        account such metrics as the Auditor, the Agency of Education, and the  
9        Education Fund Advisory Committee jointly determine appropriate, and may  
10       include:

11            (1) school district progress on meeting the Education Quality Standards  
12            set out in 16 V.S.A. § 165 and other relevant education standards, such as the  
13            WIDA Consortium standards for English-language education, Common Core  
14            State Standards, and Next Generation Science Standards;

15            (2) student performance progress on proficiency-based learning  
16            assessments and graduation requirements;

17            (3) student performance progress on standardized tests, such as the  
18            Smarter Balanced Assessment Consortium, New England Common  
19            Assessment Program, Vermont Alternate Assessment Portfolio, WIDA multi-  
20            lingual learner assessments, and TOEFL English-language proficiency  
21            assessment, comparable across demographic categories;

1           (4) Vermont Youth Risk Behavior Surveys results as reported by the

2           Department of Health;

3           (5) graduation and post-secondary education enrollment rates;

4           (6) education spending and homestead tax rates;

5           (7) educator compensation levels and full licensure status; and

6           (8) academic, extracurricular, and student support resources across

7           school districts.

8           (c) The Auditor shall host a web page that provides transparency to the

9           public on its work under this section for the period **July 1, 2028 to December**

10           **15, 2031**, which shall include, when available, the following information or

11           links to the following information:

12           (1) this act;

13           (2) the statement of work;

14           (3) reports to the General Assembly and other public bodies on its work;

15           and

16           (4) all metrics used under subsection (b) of this section.

17

18

19           \*\*\* Education Fund Advisory Committee; **Effective July 1, 2022** \*\*\*

1 Sec. 6. 32 V.S.A. § 5413 is added to read:

2 § 5413. CREATION; EDUCATION FUND ADVISORY COMMITTEE

3 (a) Creation. There is created the Education Fund Advisory Committee to  
4 monitor Vermont’s education financing system, conduct analyses, and to  
5 perform the duties under subsection (c) of this section.

6 (b) Membership. The Committee shall be composed of the following seven  
7 members:

8 (1) the Commissioner of Taxes or designee;

9 (2) the Secretary of Education or designee;

10 (3) two members of the public with expertise in education financing,  
11 who shall be appointed by the Speaker of the House;

12 (4) two members of the public with expertise in education financing,  
13 who shall be appointed by the Committee on Committees; and

14 (5) one member of the public with expertise in education financing, who  
15 shall be appointed by the Governor.

16 (c)(1) Powers and duties. Annually, on or before January 15, the  
17 Committee shall make recommendations to the General Assembly regarding:

18 (A) updating the **cost factor adjustments**, which may include  
19 recalibration, recalculation, adding or eliminating **factors**, or any combination  
20 of these actions, as necessary;

1           (B) changes to, or the addition of new or elimination of existing,  
2           categorical aid, as necessary;

3           (C) changes to income levels eligible for a property tax credit under  
4           32 VSA § 6066;

5           (D) means to adjust the revenue sources for the Education Fund,  
6           including whether to transition to an education income tax;

7           (E) means to improve both equity and efficiency in education funding  
8           statewide;

9           (F) whether and when to reinstate the excess spending threshold and,  
10          if reinstated, at what level;

11          (G) whether and when to reinstate 16 V.S.A. § 563 (11)(D), the  
12          required language for a school budget ballot, and if reinstated, what language  
13          to use to promote accuracy and transparency; and

14          (H) the amount of the stabilization reserve.

15          (2) The Committee shall recommend updated **cost factor adjustments**  
16          and categorical aid to the General Assembly at least every five years, which  
17          may include a recommendation not to make changes where appropriate.

18          (3) The Committee, in its initial January 15, 2023 report to the General  
19          Assembly, shall, after consultation with the Department of Taxes, the Agency  
20          of Education, and the Joint Fiscal Office, make recommendations on the

1 implementation of an education income tax system to replace the homestead  
2 education property tax system, including:

3 (A) implementing a renter’s tax credit or other mechanisms to ensure  
4 Vermonters who rent a primary residence participate fairly in the education  
5 income tax system;

6 (B) means for administering the new education income tax system;  
7 and

8 (C) ways to transition from the current homestead education property tax  
9 system to the new income tax system.

10 (d) Assistance. The Committee shall have the administrative, technical,  
11 and legal assistance of the Department of Taxes, the Agency of Education, and  
12 the Joint Fiscal Office.

13 (e) Meetings.

14 (1) The Commissioner of Taxes shall call the first meeting of the  
15 Committee to occur on or before July 15, 2022.

16 (2) The Committee shall select a chair from among its members at the  
17 first meeting.

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

19 (f) Compensation and reimbursement. Members of the Committee shall be  
20 entitled to per diem compensation and reimbursement of expenses as permitted  
21 under section 1010 of this title for up to four meetings per year.

1       Sec. 7. APPROPRIATION; EDUCATION FUND ADVISORY

2                       COMMITTEE

3               The sum of \$2,500.00 is appropriated from the General Fund in fiscal year  
4               2023 for per diem and reimbursement of expenses for members of the  
5               Education Fund Advisory Committee created under Sec. 6 of this act.

6               \* \* \* Agency of Education and Joint Fiscal Office Collaboration; Effective

7                                       July 1, 2022 \* \* \*

8       Sec. 8. COLLABORATION BY THE AGENCY OF EDUCATION AND

9                       JOINT FISCAL OFFICE

10               The Agency of Education and the Joint Fiscal Office shall:

11               (1) on or before August 1, 2022, enter into a memorandum of  
12               understanding to share data, models, and other information that is needed to  
13               update the cost factor adjustments;

14               (2) each host the statistical model used to provide modeling for the  
15               Weighting Report dated December 24, 2019 and for ensuing memos, and  
16               ensure that this model is updated and maintained on both systems in parallel;  
17               and

18               (3) recommend, based on their consensus view, updates to the cost  
19               factor adjustments, which may include recalibration, recalculation, adding or  
20               eliminating factors, or any combination of these actions, to the Education Fund  
21               Advisory Committee created under Sec. 6 of this act on a scheduled and

1 periodic basis to account for cost changes, including changes in the costs  
2 associated with providing substantially equal educational opportunity,  
3 demographics, and school district configurations.

4 \* \* \* Agency of Education; Staffing; Effective July 1, 2022 \* \* \*

5 **Sec. 9. AGENCY OF EDUCATION; STAFFING**

6 **(a) The following six positions are created in the Agency of Education:**

7 **(1) one full-time, classified position to provide guidance and support to**  
8 **school districts for English language learners for whom English is not their**  
9 **primary language;**

10 **(2) two full-time, classified positions to develop and maintain the**  
11 **universal household income declaration form and provide guidance to school**  
12 **districts on its use; and**

13 **(3) three full-time, classified positions to provide financial and data**  
14 **analysis for the Agency of Education and the Education Fund Advisory**  
15 **Committee created under Sec. 6 of this act.**

16 **(b) There is appropriated to the Agency of Education from the General**  
17 **Fund for fiscal year 2023 the amount of \$600,000.00 for salaries, benefits, and**  
18 **operating expenses for the positions created under subsection (a) of this**  
19 **section.**

20  
21



1                   \* \* \* Poverty Ratio Definition; Effective July 1, 2023 \* \* \*

2           Sec. 12. 16 V.S.A. § 4001(8) is amended to read:

3                   (8) “Poverty ratio” means the number of persons in the school district  
4                   who are aged six through 17 and ~~who are from economically deprived~~  
5                   ~~backgrounds~~ whose family income, as determined under the universal income  
6                   declaration form developed and maintained by the Agency of Education, is 185  
7                   percent or less of the current year Federal Poverty Level, divided by the long-  
8                   term membership of the school district. ~~A person from an economically~~  
9                   ~~deprived background means a person who resides with a family unit receiving~~  
10                  ~~nutrition benefits. A person who does not reside with a family unit receiving~~  
11                  ~~nutrition benefits~~ whose family income, as determined under the universal  
12                  income declaration form developed and maintained by the Agency of  
13                  Education, is 185 percent or less of the current year Federal Poverty Level but  
14                  for whom English is not the primary language shall also be counted in the  
15                  numerator of the ratio. ~~The Secretary shall use a method of measuring the~~  
16                  ~~nutrition benefits population that produces data reasonably representative of~~  
17                  ~~long-term trends. Persons for whom English is not the primary language shall~~  
18                  ~~be identified pursuant to subsection 4010(e) of this title. “Pupils whose~~  
19                  families are at or below 185 percent of FPL” means pupils whose family  
20                  income, as determined under the universal income declaration form developed

1 and maintained by the Agency of Education, is 185 percent or less of the  
2 current year Federal Poverty Level.

3 Sec. 13. 16 V.S.A. § 4010(d) is amended to read:

4 (d) The weighted long-term membership calculated under subsection (c) of  
5 this section shall be increased for each school district to compensate for  
6 additional costs imposed by ~~students from economically deprived backgrounds~~  
7 pupils whose families are at or below 185 percent of FPL. The adjustment shall  
8 be equal to the total from subsection (c) of this section, multiplied by 25  
9 percent, and further multiplied by the poverty ratio of the district.

10 \* \* \* English language learners; July 1, 2024 \* \* \*

11 Sec. 14. 16 V.S.A. Chapter 23, Subchapter 7, is added to read:

12 Subchapter 7. ENGLISH LANGUAGE LEARNERS

13 § 1049b. ENGLISH LANGUAGE LEARNERS

14 (a) Definitions. In this section:

15 (1) “ELL students” mean students who are English language learners  
16 and for whom English is not their primary language.

17 (2) “ELL services” means instructional and support personnel and  
18 services that are required under the Equal Education Opportunity Act, 20  
19 U.S.C. §1703, for ELL students and their families, which shall include:

20 (A) licensed teachers, paraprofessionals, translators, and cultural  
21 liaisons;

1           (B) high quality instructional materials such as books and digital  
2 resources;

3           (C) family support and education, with assistance from cultural  
4 liaisons who speak the student’s native language; and

5           (D) community outreach, education and engagement.

6           (b) Required ELL services. Each school district shall:

7           (1) provide ELL services;

8           (2) budget sufficient resources through a combination of State and  
9 federal categorical aid and local education spending to provide ELL services;

10           (3) report expenditures on ELL services annually to the Agency of  
11 Education through the financial reporting system as required by the Agency;  
12 and

13           (4) report on educational outcomes of ELL students as required by the  
14 Agency.

15           (c) Agency of Education support and quality assurance. The Agency of  
16 Education shall:

17           (1) provide guidance and program support to all school districts with  
18 ELL students as required under the Equal Education Opportunity Act,  
19 including:

20           (A) professional development resources for ELL instructors and  
21 support personnel; and



1                   ~~(I) the school’s measurable success in providing a variety of~~  
2 ~~high quality educational opportunities that meet or exceed the educational~~  
3 ~~quality standards adopted by the State Board pursuant to section 165 of this~~  
4 ~~title;~~

5                   ~~(II) the percentage of students from economically deprived~~  
6 ~~backgrounds, as identified pursuant to subsection 4010(d) of this title, and~~  
7 ~~those students’ measurable success in achieving positive outcomes;~~

8                   ~~(III) the school’s high student to staff ratios; and~~

9                   ~~(IV) the district’s participation in a merger study and~~  
10 ~~submission of a merger report to the State Board pursuant to chapter 11 of this~~  
11 ~~title or otherwise.~~

12                   ~~(2) “Enrollment” means the number of students who are enrolled in a~~  
13 ~~school operated by the district on October 1. A student shall be counted as one~~  
14 ~~whether the student is enrolled as a full time or part time student.~~

15                   ~~(3) “Two year average enrollment” means the average enrollment of the~~  
16 ~~two most recently completed school years.~~

17                   ~~(4) “Average grade size” means two year average enrollment divided by~~  
18 ~~the number of grades taught in the district on October 1. For purposes of this~~  
19 ~~calculation, kindergarten and prekindergarten programs shall be counted~~  
20 ~~together as one grade.~~



1       ~~(b) Small schools support grant. Annually, the Secretary shall pay a small~~  
2       ~~schools support grant to any eligible school district. The amount of the grant~~  
3       ~~shall be the greater of:~~

4             ~~(1) the amount determined by multiplying the two-year average~~  
5       ~~enrollment in the district by \$500.00 and subtracting the product from~~  
6       ~~\$50,000.00, with a maximum grant of \$2,500.00 per enrolled student; or~~

7             ~~(2) the amount of 87 percent of the base education amount for the~~  
8       ~~current year, multiplied by the two-year average enrollment, multiplied by the~~  
9       ~~AGS factor.~~

10       ~~(c) [Repealed.]~~

11       ~~(d) [Repealed.]~~

12       ~~(e) In the event that a school or schools that have received a grant under~~  
13       ~~this section merge in any year following receipt of a grant, and the~~  
14       ~~consolidated school is not eligible for a grant under this section or the small~~  
15       ~~school grant for the consolidated school is less than the total amount of grant~~  
16       ~~aid the schools would have received if they had not combined, the consolidated~~  
17       ~~school shall continue to receive a grant for three years following consolidation.~~  
18       ~~The amount of the annual grant shall be:~~

19             ~~(1) in the first year following consolidation, an amount equal to the~~  
20       ~~amount received by the school or schools in the last year of eligibility;~~

1           ~~(2) in the second year following consolidation, an amount equal to two-~~  
2 ~~thirds of the amount received in the previous year; and~~

3           ~~(3) in the third year following consolidation, an amount equal to one-~~  
4 ~~third of the amount received in the first year following consolidation.~~

5           ~~(f)(1) Notwithstanding anything to the contrary in this section, a school~~  
6 ~~district that received a small schools grant in fiscal year 2020 shall continue to~~  
7 ~~receive an annual small schools grant.~~

8           ~~(2) Payment of the grant under this subsection shall continue annually~~  
9 ~~unless explicitly repealed by the General Assembly; provided, however, that~~  
10 ~~the Secretary shall discontinue payment of the grant in the fiscal year~~  
11 ~~following the cessation of operations of the school that made the district~~  
12 ~~eligible for the small schools grant, and further provided that if the building~~  
13 ~~that houses the school that made the district eligible for the small schools grant~~  
14 ~~is consolidated with another school into a renovated or new school building,~~  
15 ~~then the Secretary shall continue to pay the grant during the repayment term of~~  
16 ~~any bonded indebtedness incurred in connection with the consolidation related~~  
17 ~~renovation or construction.~~

18           ~~(3) A school district that is eligible to receive an annual small schools~~  
19 ~~grant under this subsection shall not also be eligible to receive a small school~~  
20 ~~grant or its equivalent under subsection (b) of this section or under any other~~  
21 ~~provision of law.~~

1       (a) A school district that was voluntarily formed under 2010 Acts and  
2       Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and  
3       Resolves No. 46, each as amended, and received a merger support grant shall  
4       continue to receive that merger support grant, subject to the provisions in  
5       subsection (c) of this section.

6       (b) A school district that was involuntarily formed under the Final Report  
7       of Decisions and Order on Statewide School District Merger Decisions  
8       Pursuant to Act 46, Secs. 8(b) and 10 dated November 28, 2018 and that  
9       received a small schools grant in fiscal year 2020 shall receive an annual  
10       merger support grant in that amount, subject to the provisions in subsection (c)  
11       of this section.

12       (c)(1) Payment of a merger support grant under this section shall not be  
13       made in any year that the school district receives a **small school cost factor**  
14       **adjustment under section 4013** of this title.

15       (2) Payment of a merger support grant under this section shall continue  
16       annually unless explicitly repealed by the General Assembly; provided,  
17       however, that the Secretary shall discontinue payment of the grant in the fiscal  
18       year following the cessation of operations of the school that made the district  
19       originally eligible for the grant, and further provided that if the building that  
20       houses the school that made the district originally eligible for the grant is  
21       consolidated with another school into a renovated or new school building, then

1 the Secretary shall continue to pay the grant during the repayment term of any  
2 bonded indebtedness incurred in connection with the consolidation-related  
3 renovation or construction.

4 Sec. 16. 16 V.S.A. § 4030 is amended to read:

5 § 4030. DATA SUBMISSION; CORRECTIONS

6 \* \* \*

7 (b) The Secretary shall use data submitted on or before January 15 prior to  
8 the fiscal year that begins the following July 1; in order to calculate the  
9 amounts due each school district for any fiscal year for ~~the following:~~

10 ~~(1) transportation aid due under section 4016 of this title; and~~

11 ~~(2) the small school support grant due under section 4015 of this title.~~

12 \* \* \*

13 Sec. 17. 16 V.S.A. § 1531 is amended to read:

14 § 1531. RESPONSIBILITY OF STATE BOARD

15 \* \* \*

16 (c) For a school district that is geographically isolated from a Vermont  
17 career technical center, the State Board may approve a career technical center  
18 in another state as the career technical center that district students may attend.  
19 In this case, the school district shall receive transportation assistance pursuant  
20 to section 1563 of this title and tuition assistance pursuant to ~~section~~ subsection  
21 1561(c) of this title. Any student who is a resident in the Windham Southwest

1 Supervisory Union and who is enrolled at public expense in the Charles H.  
2 McCann Technical School or the Franklin County Technical School shall be  
3 considered to be attending an approved career technical center in another state  
4 pursuant to this subsection, and, if the student is from a school district eligible  
5 for a ~~small schools~~ merger support grant pursuant to section 4015 of this title,  
6 the student’s full-time equivalency shall be computed according to time  
7 attending the school.

8 \* \* \* Changes to 16 V.S.A. Chapter 133; State Funding of Public  
9 Education; Effective July 1, 2028 \* \* \*

10 Sec. 18. 16 V.S.A. § 4001 is amended to read:

11 § 4001. DEFINITIONS

12 As used in this chapter:

13 (1) “Average daily membership” of a school district or, if needed in  
14 order to calculate the appropriate homestead tax rate, of the municipality as  
15 defined in 32 V.S.A. § 5401(9), in any year means:

16 \* \* \*

17 (B) The full-time equivalent enrollment in the year before the last  
18 census period, of any State-placed students as defined in subdivision 11(a)(28)  
19 of this title. A school district that provides for the education of its students by  
20 paying tuition to an approved independent school or public school outside the  
21 district shall not count a State-placed student for whom it is paying tuition for

1 purposes of determining average daily membership. A school district that is  
2 receiving the full amount, as defined by the State Board by rule, of the  
3 student's education costs under subsection 2950(a) of this title shall not count  
4 the student for purposes of determining average daily membership. ~~A State-~~  
5 ~~placed student who is counted in average daily membership shall be counted as~~  
6 ~~a student for the purposes of determining weighted student count.~~

7 (C) The full-time equivalent enrollment for each prekindergarten  
8 child as follows:

9 (i) ~~if~~ If a child is enrolled in 10 or more hours of prekindergarten  
10 education per week or receives 10 or more hours of essential early education  
11 services per week, the child shall be counted as one full-time equivalent pupil  
12 multiplied by 0.46.

13 (ii) ~~if~~ If a child is enrolled in six or more but fewer than 10 hours  
14 of prekindergarten education per week or if a child receives fewer than 10  
15 hours of essential early education services per week, the child shall be counted  
16 as a percentage of one full-time equivalent pupil, calculated as one multiplied  
17 by the number of hours per week divided by ten, with the resulting amount  
18 multiplied by 0.46.

19 (iii) A child enrolled in prekindergarten education for fewer than  
20 six hours per week shall not be included in the district's average daily  
21 membership.







1           (b) ~~The Secretary shall determine the long-term membership for each~~  
2 ~~school district for each student group described in subsection (a) of this~~  
3 ~~section. The Secretary shall use the actual average daily membership over two~~  
4 ~~consecutive years, the latter of which is the current school year. Determination~~  
5 ~~of long-term membership.~~

6           (1) On December 1 each year, the Secretary shall determine long-term  
7 membership for each school district for the next fiscal year for district review.

8           (2) “Long-term membership” of a school district in any school year  
9 means the:

10           (A) mean average of the district’s average daily membership,  
11 excluding full-time equivalent enrollment of State-placed students, over two  
12 school years, the latter of which is the current school year; plus

13           (B) full-time equivalent enrollment of State-placed students for the  
14 most recent of the two years.

15           (3) A district’s long-term membership shall in no case be less than 96  
16 and one-half percent of the long-term membership in the district in the  
17 previous year, prior to making any adjustment under this section.

18           (4) The Secretary shall make any necessary corrections to its  
19 determination of long-term membership on or before December 15, on which  
20 date the long-term membership count shall become final for that year.

1       (c) The Secretary shall determine the weighted long-term membership for  
2       each school district using the long-term membership from subsection (b) of  
3       this section and the following weights for each class:

4             Prekindergarten 0.46

5             Elementary or kindergarten 1.0

6             Secondary 1.13 Determination of per pupil education spending. As  
7       soon as reasonably possible after a school district budget is approved by voters,  
8       the Secretary shall determine the per pupil education spending for the next  
9       fiscal year for the school district. Per pupil education spending shall equal a  
10       school district's education spending divided by its long-term membership.

11       (d) The weighted long-term membership calculated under subsection (c) of  
12       this section shall be increased for each school district to compensate for  
13       additional costs imposed by pupils whose families are at or below 185 percent  
14       of FPL. The adjustment shall be equal to the total from subsection (c) of this  
15       section, multiplied by 25 percent, and further multiplied by the poverty ratio of  
16       the district. [Repealed.]

17       (e) The weighted long-term membership calculated under subsection (c) of  
18       this section shall be further increased by 0.2 for each student in average daily  
19       membership for whom English is not the primary language. [Repealed.]

20       (f) For purposes of determining weighted membership under this section, a  
21       district's equalized pupils shall in no case be less than 96 and one-half percent

1 of the actual number of equalized pupils in the district in the previous year,  
2 prior to making any adjustment under this section. [Repealed.]

3 (g) Guidelines. The Secretary shall develop guidelines to enable clear and  
4 consistent identification of students to be counted under this section.

5 (h) On December 1 each year, the Secretary shall determine the equalized  
6 pupil count for the next fiscal year for district review. The Secretary shall  
7 make any necessary corrections on or before December 15, on which date the  
8 count shall become final for that year. [Repealed.]

9 (i) The Secretary shall evaluate the accuracy of the weights established in  
10 subsection (c) of this section and, at the beginning of each biennium, shall  
11 propose to the House and Senate Committees on Education whether the  
12 weights should stay the same or be adjusted. The provisions of 2 V.S.A.  
13 § 20(d) (expiration of required reports) shall not apply to the report to be made  
14 under this subsection. [Repealed.]

15 Sec. 20. 16 V.S.A. § 4011 is amended to read:

16 § 4011. EDUCATION PAYMENTS

17 \* \* \*

18 (c) Annually, each school district shall receive an education spending  
19 payment for support of education costs. An unorganized town or gore shall  
20 receive an amount equal to its adjusted education payment per pupil education  
21 spending for that year for each student based on the weighted average daily

1 ~~membership count, which shall not be equalized. In fiscal years 2007 and after,~~  
2 ~~no~~ No district shall receive more than its education spending amount.

3 \* \* \*

4 (i) ~~Annually, by~~ on or before October 1, the Secretary shall send to school  
5 boards for inclusion in town reports and publish on the Agency website the  
6 following information:

7 (1) ~~the statewide average district spending per equalized pupil per pupil~~  
8 ~~education spending for the current fiscal year and 125 percent of that average~~  
9 ~~spending; and~~

10 (2) a statewide comparison of student-teacher ratios among schools that  
11 are similar in number of students and number of grades.

12 Sec. 21. 16 V.S.A. § 4013 is added to read:

13 § 4013. COST FACTOR ADJUSTMENTS

14 (a) Definitions. As used in this section:

15 (1) “Cost factor categories” means the categories listed under subsection

16 (b) of this section.

17 (2) “ELL pupils” means pupils who are English language learners and

18 for whom English is not their primary language.

19 (3) “ELL services” means those services described under section 1049b

20 of this title.

1           (4) “Pupils whose families are at or below 185 percent of FPL” means  
2           pupils whose family income, as determined under the universal income  
3           declaration form developed and maintained by the Agency of Education, is 185  
4           percent or less of the current year Federal Poverty Level.

5           (b) Determination of cost factor categories. On or before the first day of  
6           December during each school year, the Secretary shall perform the following  
7           tasks.

8           (1) Using average daily membership, list for each school district the  
9           number of:

10           (A) pupils in kindergarten through grade five;

11           (B) pupils in grades six through eight;

12           (C) pupils in grades nine through 12;

13           (D) pupils whose families are at or below 185 percent of FPL; and

14           (E) ELL pupils.

15           (2)(A) Identify all school districts that have low population density,  
16           measured by the number of persons per square mile residing within the  
17           geographic boundaries of the district as of July 1 of that year, equaling:

18           (i) fewer than 36 persons per square mile;

19           (ii) 36 or more persons per square mile but fewer than 55 persons  
20           per square mile; or

1                   (iii) 55 or more persons per square mile but fewer than 100  
2 persons per square mile.

3                   (B) Population density data shall be based on the best available U.S.  
4 Census data as provided to the Agency of Education by the Vermont Center for  
5 Geographic Information.

6                   (C) Using average daily membership, list for each school district that  
7 has low population density the number of pupils in each of subdivisions  
8 (A)(i)–(iii) of this subdivision (2).

9                   (3)(A) Identify all school districts that have one or more small schools,  
10 which are schools that have an average two-year enrollment of:

11                   (i) fewer than 100 pupils; or

12                   (ii) 100 or more pupils but fewer than 250 pupils.

13                   (B) As used in subdivision (A) of this subdivision (3), “average two-  
14 year enrollment” means the average enrollment of the two most recently  
15 completed school years, and “enrollment” means the number of pupils who are  
16 enrolled in a school operated by the district on October 1. A pupil shall be  
17 counted as one whether the pupil is enrolled as a full-time or part-time student.

18                   (C) Using average two-year enrollment, list for each school district  
19 that has a small school the number of pupils in each of subdivisions (A)(i)–(ii)  
20 of this subdivision (3).

1       (c) Cost factor count. For each cost factor category except the small  
2       schools cost factor category under subdivision (b)(3) of this section, the  
3       Secretary shall compute the cost factor count by using the long-term  
4       membership in that category.

5       (d) Cost factor adjustments. For each pupil in a cost factor count, a school  
6       district shall annually receive the following amounts.

7               (1) For each pupil in grades six through eight— \$3,663.00.

8               (2) For each pupil in grades nine through 12— \$3,968.00.

9               (3) For each pupil whose family is at or below 185 percent of FPL —  
10       \$10,480.00.

11              (4) For each pupil who receives ELL services—\$25,335.00.

12              (5) For each pupil living in a low population density school district:

13                   (A) \$1,526.00, where the number of persons per square mile in the  
14       school district is 35 or fewer;

15                   (B) \$1,221.00, where the number of persons per square mile in the  
16       school district is 36 or more but fewer than 56; or

17                   (C) \$712.00, where the number of persons per square mile in the  
18       school district is 56 or more but fewer than 101.

19              (6) If the number of persons per square mile in a school district is 55 or  
20       lower, then, for each pupil listed under subdivision (b)(3)(C) of this section  
21       (pupils who attend small schools):

1           (A) fewer than 100 pupils in average two-year enrollment—

2           \$2,137.00; or

3           (B) 100 or more but fewer than 251 pupils in average two-year

4           enrollment—\$712.00.

5           (e) Annual appropriation. Annually, the General Assembly shall include in

6           its appropriation for statewide education spending under subsection 4011(a) of

7           this title an appropriation to provide cost factor adjustments required under

8           subsection (d) of this section.

9           (f) Payment of cost factor adjustments. Cost factor adjustments under this

10          section shall be paid from the Education Fund and shall be added to education

11          payment receipts under section 4011 of this title. The Agency of Education

12          shall annually provide a statement to each school district identifying each cost

13          factor adjustment and the amount attributable to, and basis for, each cost factor

14          category.

15          (g) Use of ELL cost factor adjustment. School districts that receive an ELL

16          cost factor adjustment shall only use that funding to cover the costs of

17          providing ELL services. Each school district shall provide the Secretary, in the

18          manner and time frame established by the Secretary, with an accounting of the

19          amount of ELL cost factor adjustment received and how the district spent those

20          funds. It is the intention of the General Assembly that the reporting by school

21          districts of these annual expenses be simple and efficient. Any unused portion

1 of the ELL cost factor adjustment from one year shall revert to the Education  
2 Fund.

3 (h) Use of other cost factor adjustments. Cost factor adjustments other than  
4 for ELL services may be used by a school district in its discretion.

5 (i) Updates to cost factor adjustments. It is the intention of the General  
6 Assembly to consider whether and how to update the cost factor adjustments  
7 under this section not less than every five years and, if they are updated, the  
8 implementation date for the updated cost factor adjustments be delayed by a  
9 year in order to provide school districts with time to prepare their budgets.

10 Updates to the cost factor adjustments may include recalibration, recalculation,  
11 adding or eliminating cost factors, or any combination of these actions.

12 Sec. 22. 16 V.S.A. § 4016 is amended to read:

13 § 4016. REIMBURSEMENT FOR TRANSPORTATION EXPENDITURES

14 (a) A school district or supervisory union that incurs allowable  
15 transportation expenditures shall receive a transportation reimbursement grant  
16 each year. The grant shall be equal to 50 percent of allowable transportation  
17 expenditures; provided, however, that in any year the total amount of grants  
18 under this subsection shall not exceed the total amount of adjusted base year  
19 transportation grant expenditures. The total amount of base year transportation  
20 grant expenditures shall be \$10,000,000.00 for fiscal year 1997, increased each  
21 year thereafter by the annual price index for state and local government

1 purchases of goods and services. If in any year the total amount of the grants  
2 under this subsection exceed the adjusted base year transportation grant  
3 expenditures, the amount of each grant awarded shall be reduced  
4 proportionately. Transportation grants paid under this section shall be paid  
5 from the Education Fund and shall be added to ~~adjusted~~ education payment  
6 receipts paid under section 4011 of this title.

7 \* \* \*

8 (c) A district or supervisory union may apply and the Secretary may pay  
9 for extraordinary transportation expenditures incurred due to geographic or  
10 other conditions such as the need to transport students out of the school district  
11 to attend another school because the district does not maintain a public school.  
12 The State Board shall define extraordinary transportation expenditures by rule.  
13 The total amount of base year extraordinary transportation grant expenditures  
14 shall be \$250,000.00 for fiscal year 1997, increased each year thereafter by the  
15 annual price index for state and local government purchases of goods and  
16 services. Extraordinary transportation expenditures shall not be paid out of the  
17 funds appropriated under subsection (b) of this section for other transportation  
18 expenditures. Grants paid under this section shall be paid from the Education  
19 Fund and shall be added to ~~adjusted~~ education payment receipts paid under  
20 section 4011 of this title.

21 Sec. 23. 16 V.S.A. § 4026 is amended to read:

1 § 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;

2 CREATION AND PURPOSE

3 \* \* \*

4 (e) The enactment of this chapter and other provisions of the Equal  
5 Educational Opportunity Act of which it is a part have been premised upon  
6 estimates of balances of revenues to be raised and expenditures to be made  
7 under the act for such purposes as adjusted education spending payments, cost  
8 factor adjustments, categorical State support grants, provisions for property tax  
9 income sensitivity, payments in lieu of taxes, current use value appraisals, tax  
10 stabilization agreements, the stabilization reserve established by this section,  
11 and for other purposes. If the stabilization reserve established under this  
12 section should in any fiscal year be less than 5.0 percent of the prior fiscal  
13 year's appropriations from the Education Fund, as defined in subsection (b) of  
14 this section, the Joint Fiscal Committee shall review the information provided  
15 pursuant to 32 V.S.A. § 5402b and provide the General Assembly its  
16 recommendations for change necessary to restore the stabilization reserve to  
17 the statutory level provided in subsection (b) of this section.

18 Sec. 24. 16 V.S.A. § 4030(d) is amended to read:

19 § 4030. DATA SUBMISSION; CORRECTIONS

20 (d) The Secretary shall not use data corrected due to an error submitted  
21 following the deadlines to recalculate ~~the equalized pupil ratio under~~

1 ~~subdivision 4001(3)~~ long-term membership under section 4010 of this title.

2 The Secretary shall not adjust average daily membership counts if an error or  
3 change is reported more than three fiscal years following the date that the  
4 original data was due.

5 \* \* \* Conforming and Technical Changes to Titles 16 and 32; Effective July 1,  
6 2028 \* \* \*

7 Sec. 25. 16 V.S.A. § 563 is amended to read:

8 § 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

9 The school board of a school district, in addition to other duties and  
10 authority specifically assigned by law:

11 \* \* \*

12 (11)(A) Shall prepare and distribute annually a proposed budget for the  
13 next school year according to such major categories as may from time to time  
14 be prescribed by the Secretary.

15 \* \* \*

16 (C) At a school district's annual or special meeting, the electorate  
17 may vote to provide notice of availability of the school budget required by this  
18 subdivision to the electorate in lieu of distributing the budget. If the electorate  
19 of the school district votes to provide notice of availability, it must specify how  
20 notice of availability shall be given, and such notice of availability shall be  
21 provided to the electorate at least 30 days before the district's annual meeting.

1 The proposed budget shall be prepared and distributed at least ten days before  
2 a sum of money is voted on by the electorate. Any proposed budget shall show  
3 the following information in a format prescribed by the Secretary:

4 \* \* \*

5 (iv) the definition of “education spending,” the number of pupils  
6 and ~~number of equalized pupils~~ long-term membership in the school district,  
7 and the district’s per pupil education spending ~~per equalized pupil~~ in the  
8 proposed budget and in each of the prior three years.

9 (D) The board shall present the budget to the voters by means of a  
10 ballot in the following form:

11 “Article #1 (School Budget):

12 Shall the voters of the school district approve the school board to expend  
13 \$ \_\_\_\_\_, which is the amount the school board has determined to be  
14 necessary for the ensuing fiscal year? It is estimated that this proposed budget,  
15 if approved, will result in per pupil education spending of \$ \_\_\_\_\_ ~~per~~  
16 ~~equalized pupil~~. This projected per pupil education spending ~~per equalized~~  
17 ~~pupil~~ is \_\_\_\_\_ % higher/lower than spending for the current year.”

18 \* \* \*

19 Sec. 26. 16 V.S.A. § 706 is amended to read:

20 § 706. PROPOSAL TO FORM STUDY COMMITTEE



1 in another state as the career technical center that district students may attend.  
2 In this case, the school district shall receive transportation assistance pursuant  
3 to section 1563 of this title and tuition assistance pursuant to ~~section~~ subsection  
4 1561(c) of this title. Any student who is a resident in the Windham Southwest  
5 Supervisory Union and who is enrolled at public expense in the Charles H.  
6 McCann Technical School or the Franklin County Technical School shall be  
7 considered to be attending an approved career technical center in another state  
8 pursuant to this subsection, and, if the student is from a school district eligible  
9 for a merger support grant pursuant to section 4015 of this title or a small  
10 school cost factor adjustment pursuant to section 4013 of this title, the  
11 student's full-time equivalency shall be computed according to time attending  
12 the school.

13 Sec. 28. 16 V.S.A. § 1546 is amended to read:

14 § 1546. COMPREHENSIVE HIGH SCHOOLS

15 \* \* \*

16 (c) Two or more comprehensive high schools for which the State Board has  
17 designated a service region shall be a career technical center for the purposes  
18 of accountability to the State Board under subchapter 2 of this chapter,  
19 responsibilities of the career technical center under subchapter 3 of this  
20 chapter, and receiving State financial assistance under subchapter 5 of this  
21 chapter, excluding the ~~per equalized pupil~~ general State support grant under

1 subsection 1561(b). The regional advisory board shall determine how funds  
2 received under subchapter 5 shall be distributed. A comprehensive high school  
3 aggrieved by a decision of the regional advisory board may appeal to the  
4 Secretary who, after opportunity for hearing, may affirm or modify the  
5 decision.

6 Sec. 29. 32 V.S.A. § 5401 is amended to read:

7 § 5401. DEFINITIONS

8 As used in this chapter:

9 \* \* \*

10 (12) “Excess spending” means:

11 (A) The ~~per-equalized-pupil~~ amount of the district’s per pupil  
12 education spending, as defined in 16 V.S.A. § 4001(6), plus any amount  
13 required to be added from a capital construction reserve fund under 24 V.S.A.  
14 § 2804(b).

15 (B) In excess of 121 percent of the statewide average district per  
16 pupil education spending ~~per-equalized-pupil~~ increased by inflation, as  
17 determined by the Secretary of Education on or before November 15 of each  
18 year based on the passed budgets to date. As used in this subdivision (B),  
19 “increased by inflation” means increasing the statewide average district per  
20 pupil education spending ~~per-equalized-pupil~~ for fiscal year 2015 by the most  
21 recent New England Economic Project cumulative price index, as of

1 November 15, for state and local government purchases of goods and services,  
2 from fiscal year 2015 through the fiscal year for which the amount is being  
3 determined.

4 (13)(A) “Education property tax spending adjustment” means the  
5 greater of one or a fraction in which the numerator is the district’s per pupil  
6 education spending plus excess spending, ~~per equalized pupil~~, for the school  
7 year, and the denominator is the property dollar equivalent yield for the school  
8 year, as defined in subdivision (15) of this section.

9 (B) “Education income tax spending adjustment” means the greater  
10 of one or a fraction in which the numerator is the district’s per pupil education  
11 spending plus excess spending, ~~per equalized pupil~~, for the school year, and the  
12 denominator is the income dollar equivalent yield for the school year, as  
13 defined in subdivision (16) of this section.

14 \* \* \*

15 (15) “Property dollar equivalent yield” means the amount of per pupil  
16 education spending ~~per equalized pupil~~ that would result if the homestead tax  
17 rate were \$1.00 per \$100.00 of equalized education property value, and the  
18 statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were  
19 maintained.

20 (16) “Income dollar equivalent yield” means the amount of per pupil  
21 education spending ~~per equalized pupil~~ that would result if the income

1 percentage in subdivision 6066(a)(2) of this title were 2.0 percent, and the  
2 statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were  
3 maintained.

4 Sec. 30. 32 V.S.A. § 5402(e) is amended to read:

5 (e) The Commissioner of Taxes shall determine a homestead education tax  
6 rate for each municipality that is a member of a union or unified union school  
7 district as follows:

8 (1) For a municipality that is a member of a unified union school  
9 district, use the base rate determined under subdivision (a)(2) of this section  
10 and a spending adjustment under subdivision 5401(13) of this title based upon  
11 the per pupil education spending ~~per equalized pupil~~ of the unified union.

12 (2) For a municipality that is a member of a union school district:

13 (A) Determine the municipal district homestead tax rate using the  
14 base rate determined under subdivision (a)(2) of this section and a spending  
15 adjustment under subdivision 5401(13) of this title based on the per pupil  
16 education spending ~~per total equalized pupil~~ in the municipality who attends a  
17 school other than the union school.

18 (B) Determine the union district homestead tax rate using the base  
19 rate determined under subdivision (a)(2) of this section and a spending  
20 adjustment under subdivision 5401(13) of this title based on the per pupil  
21 education spending ~~per equalized pupil~~ of the union school district.

1 (C) Determine a combined homestead tax rate by calculating the  
2 weighted average of the rates determined under subdivisions (A) and (B) of  
3 this subdivision (2), with weighting based upon the ratio of union school per  
4 pupil equalized pupils from the member municipality to total equalized pupils  
5 of the member municipality; and the ratio of equalized pupils attending a  
6 school other than the union school to total equalized pupils of the member  
7 municipality. Total equalized pupils of the member municipality is based on  
8 the number of pupils who are legal residents of the municipality and attending  
9 school at public expense. If necessary, the Commissioner may adopt a rule to  
10 clarify and facilitate implementation of this subsection (e).

11 \* \* \* Prospective and Conditional Repeal \* \* \*

12 Sec. 31. PROSPECTIVE AND CONDITIONAL REPEAL

13 If, on or before July 1, 2027, the General Assembly has not revised the cost  
14 factor adjustments under 16 V.S.A. § 4013 to reflect changes in cost factors  
15 from which the cost factor adjustments are derived after receiving a  
16 recommendation of the Education Fund Advisory Committee created under  
17 Sec. 6 of this act to do so, then 16 V.S.A. § 4013 is repealed on July 1, 2027.

18 \* \* \* Effective Dates \* \* \*

19 Sec. 32. EFFECTIVE DATES

20 [to be updated as draft progresses; see reader assistance for effective dates]

21

1 (Committee vote: \_\_\_\_\_)

2

\_\_\_\_\_

3

Representative \_\_\_\_\_

4

FOR THE COMMITTEE