

1 **Yellow** = changes from v.1.3

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 \* \* \*

11 Sec. 1. FINDINGS [Effective July 1, 2022]

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 adjustment**  
16 approach to providing direct aid to school districts as set out in its “Report  
17 Prepared in Accordance with Act No. 59 of the 2021 Legislative Session”  
18 dated December 17, 2021.

19 (g) Under current law, a weighting factor of 0.46 is applied to a student  
20 enrolled in a prekindergarten program. 16 V.S.A. § 4010. The Pupil  
21 Weighting Factors Report did not review whether this weighting factor

1 reflected the actual cost of providing prekindergarten educational services  
2 because that review was not within the scope of the authors' mandate. That  
3 review is now being undertaken pursuant to 2021 Acts and Resolves No. 45.  
4 Therefore, although the 0.46 prekindergarten weight is in current law, its status  
5 should be viewed as transitional pending the outcome of this review.

6 Sec. 2. GOALS [Effective July 1, 2022]

7 By enacting this legislation, the General Assembly intends to fulfill  
8 Vermont's constitutional mandate to ensure that all students receive substantial  
9 equality of educational opportunity throughout the State. The legislation is  
10 designed to:

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

16 (2) improve educational outcomes of publicly-funded students  
17 throughout Vermont;

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



1 Education or through other sources of income data available to the Agency, is  
2 185 percent or less of the current year Federal Poverty Level; or  
3 (B) pupils who are directly certified for free-and reduced-priced  
4 meals.

5 (b) Determination of cost 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, using  
14 the highest number of pupils in the district that meet this definition under the  
15 universal income form or who are directly certified for free-and reduced-priced  
16 meals; and

17 (E) EL pupils.

18 (2)(A) Identify all school districts that have low population density,  
19 measured by the number of persons per square mile residing within the land  
20 area of the geographic boundaries of the district as of July 1 of the year of  
21 determination, equaling:

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

2                   (ii) 36 or more persons per square mile but fewer than 55 persons  
3 per square mile; or

4                   (iii) 55 or more persons per square mile but fewer than 100  
5 persons per square mile.

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

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

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

14                   (i) fewer than 100 pupils; or

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

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

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

4           (c) Reporting on cost categories to the Agency of Education. Each school  
5           district shall annually report to the Agency of Education by a date established  
6           by the Agency the information needed in order for the Agency to compute the  
7           cost categories under subsection (b) of this section for that district. A non-  
8           operating school district may request that the receiving public or approved  
9           independent school collect this information on students enrolled in the  
10           receiving public or approved independent school who reside in the non-  
11           operating district, and if requested, the public or approved independent school  
12           shall provide this information to the non-operating district in a timely manner.

13           (d) Cost adjustment count. For each cost category except the small schools  
14           cost category under subdivision (b)(3) of this section, the Secretary shall  
15           compute the cost adjustment count by using the long-term membership in that  
16           category.

17           (e) Cost adjustments. For each pupil in a cost adjustment count, a school  
18           district shall annually receive the following amounts.

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

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



1           (3) For each pupil whose family is at or below 185 percent of FPL —  
2           \$10,480.00.

3           (4) For each EL pupil receiving EL services—\$25,335.00.

4           (5) For each pupil living in a low population density school district,  
5           measured by the number of persons per square mile residing within the land  
6           area of the geographic boundaries of the district as of July 1 of the year of  
7           determination:

8                   (A) \$1,526.00, where the number of persons per square mile is fewer  
9                   than 36 persons;

10                   (B) \$1,221.00, where the number of persons per square mile is 36 or  
11                   more but fewer than 55 persons; or

12                   (C) \$712.00, where the number of persons per square mile is 55 or  
13                   more but fewer than 100.

14           (6) If the number of persons per square mile residing within the land  
15           area of the geographic boundaries of a school district as of July 1 of the year of  
16           determination is 55 or fewer, then, for each pupil listed under subdivision  
17           (b)(3)(C) of this section (pupils who attend small schools):

18                   (A) fewer than 100 pupils in average two-year enrollment—  
19                   \$2,137.00; or

20                   (B) 100 or more pupils but fewer than 250 pupils in average two-year  
21                   enrollment—\$712.00.

1       (f) Cost adjustments' inflator. The cost adjustment amounts under  
2       subsection (e) of this section shall be annually increased by the most  
3       recent New England Economic Project Cumulative Price Index, as of  
4       November 15, for state and local government purchases of goods and services.

5       (g) 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 adjustments required under  
8       subsection (d) of this section.

9       (h) Payment and reporting of cost adjustments.

10       (1) Cost adjustments under this section shall be paid from the Education  
11       Fund and shall be added to education payment receipts under section 4011 of  
12       this title.

13       (2) The Agency of Education shall annually provide a statement to each  
14       school district identifying each cost adjustment and the amount attributable to,  
15       and basis for, each cost category.

16       (i) Updates to cost adjustments.

17       (1) It is the intention of the General Assembly to consider whether and  
18       how to update the cost adjustments under this section and transportation  
19       reimbursement under section 4016 of this title not less than every five years  
20       and, if they are updated, the implementation date for the updated cost  
21       adjustments and transportation reimbursement be delayed by a year in order to

1 provide school districts with time to prepare their budgets. Updates to the **cost**  
2 **adjustments** may include recalibration, recalculation, adding or eliminating  
3 **cost adjustments**, or any combination of these actions.

4 (2) On or before January 1 of each year, the Agency of Education and  
5 the Joint Fiscal Office shall recommend, based on their consensus view,  
6 updates to the **cost adjustments**, which may include recalibration, recalculation,  
7 adding or eliminating **cost adjustments, inflating cost adjustments**, or any  
8 combination of these actions, to the **House and Senate Committees on**  
9 **Education, the House Committee on Ways and Means, and the Senate**  
10 **Committee on Finance** to account for **cost changes**.

11 Sec. 5. COLLABORATION BY THE AGENCY OF EDUCATION AND  
12 JOINT FISCAL OFFICE [Effective July 1, 2022]

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

14 (1) on or before August 1, 2022, enter into a memorandum of  
15 understanding to share data, models, and other information that is needed to  
16 update the **cost adjustments; and**

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

20 Sec. 6. PROSPECTIVE AND CONDITIONAL **INFLATOR OF COST**  
21 **ADJUSTMENTS** [Effective July 1, 2022]

1        If, on or before July 1, 2027, the General Assembly has not revised the cost  
2        adjustments under 16 V.S.A. § 4013 as added by this act to reflect changes in  
3        cost factors from which the cost adjustments are derived after receiving a  
4        recommendation from the Joint Fiscal Office and the Agency of Education to  
5        do so, then the cost adjustments under section 4013 shall be inflated to match  
6        the growth in education spending over the period beginning in July 1, 2022 and  
7        ending on July 1, 2027.

8        Sec. 7. VERMONT CENTER FOR GEOGRAPHIC INFORMATION

9        [Effective July 1, 2022]

10        The Vermont Center for Geographic Information created under 3 V.S.A.  
11        § 2475 shall assist the Agency of Education in determining the number of  
12        persons per square mile residing within the land area of the geographic  
13        boundaries of each school district in the State.

14        Sec. 8. CALCULATION OF TAX RATES; TAX RATE REVIEW;

15        FISCAL YEARS 2025–2030 [Effective July 1, 2022]

16        (a) Notwithstanding 32 V.S.A. chapter 135 and any other provision of law  
17        to the contrary, if, in fiscal year 2025 when the cost adjustments under 16  
18        V.S.A. § 4013 are applied, the tax rate of a town increases by five percent or  
19        more over the town’s tax rate in fiscal year 2024, then the town’s tax rate shall  
20        be increased by not more than five percent in each fiscal year from fiscal year  
21        2025 through fiscal year 2030.

1           **(b)(1) If, in fiscal year 2025 when the cost adjustments under 16 V.S.A.**  
2           **§ 4013 are applied, a school district’s education spending per pupil increases**  
3           **by ten percent or more over its education spending per pupil in fiscal year**  
4           **2024, then it shall be subject to a Tax Rate Review. Upon the request of the**  
5           **Secretary, a school district shall submit its budget to a Tax Rate Review to**  
6           **determine whether its increase in education spending per pupil was beyond the**  
7           **school district’s control or for other good cause. In conducting the Review, the**  
8           **Secretary will select three business managers and three superintendents to**  
9           **serve in an advisory role in the Review. The Review shall consider at least the**  
10           **following factors:**

11                   **(A) the extent to which the increase in education spending per pupil**  
12                   **is caused by declining enrollment in the school district; and**

13                   **(B) the extent to which the increase in education spending per pupil**  
14                   **is caused by increases in tuition paid by the school district.**

15           **(2) If, at the conclusion of the Review, the Secretary determines that the**  
16           **school district’s budget contains excessive increases in education spending per**  
17           **pupil that are within the school district’s control and are not supported by good**  
18           **cause, then the tax rate of a town within the school district that would**  
19           **otherwise be increased by not more than five percent in each fiscal year**  
20           **pursuant to subsection (a) of this section shall be increased by the tax rate**  
21           **calculated pursuant to 32 V.S.A. chapter 135.**



1       Sec. 10. UNIVERSAL INCOME DECLARATION FORM [Effective July 1,  
2       2022]

3           (a) It is the intention of the General Assembly that, beginning with the  
4       2023-24 school year and thereafter, the determination of whether a pupil is  
5       from an economically deprived background be changed from qualification for  
6       nutrition benefits to eligibility based upon family income of 185 percent or less  
7       of the current year Federal Poverty Level, with data collected from a universal  
8       income declaration form.

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

15           (c) On or before October 1, 2022, the Agency of Education shall convene a  
16       working group that includes school staff and hunger and nutrition experts to  
17       develop the universal income declaration form that shall be fully accessible to  
18       all Vermont families both in paper form and electronically. On or before July  
19       1, 2023, the new form shall be implemented statewide for the 2023–24 school  
20       year and thereafter.

1       (d) The Agency of Education shall establish a process for verifying the  
2       accuracy of data collected through the universal income declaration form on a  
3       community level, which may include using other sources of income data  
4       available to the Agency, including census and direct certification for free-and  
5       reduced-priced meals.

6       (e) The sum of \$200,000.00 is appropriated from the Education Fund to the  
7       Agency of Education for fiscal year 2023 to fund operating expenses  
8       associated with the creation of the electronic universal income declaration  
9       form.

10                   \* \* \* English language learners \* \* \*

11       Sec. 11. 16 V.S.A. § 4017 is added to read: [Effective July 1, 2024]

12       § 4017. ENGLISH LANGUAGE SERVICES; STATE AID

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

14               (1) “Applicable federal laws” mean the Equal Education Opportunities  
15       Act (20 U.S.C. § 1703), Title VI of the Civil Rights Act of 1964 (42 U.S.C.  
16       §§ 2000d et seq.), and Titles I and III of the Elementary and Secondary  
17       Education Act of 1965 (20 U.S.C. §§ 6301 et seq. and 20 U.S.C. §§ 6801 et  
18       seq.), each as amended.

19               (2) “EL services” mean instructional and support personnel and services  
20       that are required under applicable federal laws for EL students and their  
21       families.



1           (3) “EL students” mean students who have been identified as  
2           English language learners through the screening protocols required under 20  
3           U.S.C. § 6823(b)(2).

4           (b) Required EL services. Each school district shall:

5           (1) screen students to determine which students are EL students and  
6           therefore qualify for EL services;

7           (2) assess and monitor the progress of EL students;

8           (3) provide EL services;

9           (4) budget sufficient resources through a combination of State and  
10          federal categorical aid and local education spending to provide EL services;

11          (5) report expenditures on EL services annually to the Agency of  
12          Education through the financial reporting system as required by the Agency;  
13          and

14          (6) evaluate the effectiveness of their EL programs and report  
15          educational outcomes of EL students as required by the Agency and applicable  
16          federal laws.

17          (c) Agency of Education support and quality assurance. The Agency of  
18          Education shall:

19          (1) provide guidance and program support to all school districts with EL  
20          students as required under applicable federal law, including:

1           (A) professional development resources for EL teachers and support  
2 personnel; and

3           (B) information on best practices and nationally recognized language  
4 development standards; and

5           (2) prescribe, collect, and analyze financial and student outcome data  
6 from school districts to ensure that districts are providing high quality EL  
7 services and expending sufficient resources to provide these services.

8           (d) Categorical aid. A school district that has, as determined annually on  
9 October 1 of the year:

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

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

14           (e) Annual appropriation. Annually, the General Assembly shall include in  
15 its appropriation for statewide education spending under subsection 4011(a) of  
16 this title an appropriation to provide aid to school districts for EL services  
17 under this section.

18           (f) Payment. On or before November 1 of each year, the State Treasurer  
19 shall withdraw from the Education Fund, based on warrant of the  
20 Commissioner of Finance and Management, and shall forward to each school  
21 district the aid amount it is owed under this section.

1 **Sec. 12. JOINT FISCAL OFFICE REPORT; ENGLISH LANGUAGE**

2 **SERVICES; CATEGORICAL AID [Effective July 1, 2022]**

3 (a) On or before December 15, 2022, the Joint Fiscal Office shall issue a  
4 written report to the House and Senate Committees on Education, the House  
5 Committee on Ways and Means, and the Senate Committee on Finance on the  
6 advantages and disadvantages of:

7 (1) changing the cost adjustment amount for EL students under 16  
8 V.S.A. § 4017, as added by this act, to reflect the cost of providing different  
9 levels of required EL services, such different services levels based on the  
10 degree of English-proficiency of EL students; and

11 (2) changing the amount or eligibility, or both, for the categorical aid  
12 provided to school districts with 25 or fewer EL students under 16 V.S.A.  
13 § 4017(d) as added by this act.

14 (b) The Joint Fiscal Office shall consult with the Agency of Education in  
15 drafting its report under subsection (a) of this section.

16 **Sec. 13. AGENCY OF EDUCATION; STAFFING [Effective July 1, 2022]**

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

18 (1) one full-time, classified position to provide guidance and support to  
19 school districts for English language students;





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

12 Sec. 18. 16 V.S.A. § 1546 is amended to read: [Effective July 1, 2024]

13 § 1546. COMPREHENSIVE HIGH SCHOOLS

14 \* \* \*

15 (c) Two or more comprehensive high schools for which the State Board has  
16 designated a service region shall be a career technical center for the purposes  
17 of accountability to the State Board under subchapter 2 of this chapter,  
18 responsibilities of the career technical center under subchapter 3 of this  
19 chapter, and receiving State financial assistance under subchapter 5 of this  
20 chapter, excluding the ~~per-equalized-pupil~~ general State support grant under  
21 subsection 1561(b). The regional advisory board shall determine how funds

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

5 Sec. 19. 16 V.S.A. § 4001 is amended to read: [Effective July 1, 2024]

6 § 4001. DEFINITIONS

7 As used in this chapter:

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

11 \* \* \*

12 (B) The full-time equivalent enrollment in the year before the last  
13 census period, of any State-placed students as defined in subdivision 11(a)(28)  
14 of this title. A school district that provides for the education of its students by  
15 paying tuition to an approved independent school or public school outside the  
16 district shall not count a State-placed student for whom it is paying tuition for  
17 purposes of determining average daily membership. A school district that is  
18 receiving the full amount, as defined by the State Board by rule, of the  
19 student’s education costs under subsection 2950(a) of this title shall not count  
20 the student for purposes of determining average daily membership. ~~A State-~~

1 ~~placed student who is counted in average daily membership shall be counted as~~  
2 ~~a student for the purposes of determining weighted student count.~~

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

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

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

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

18 (iv) There is no limit on the total number of children who may be  
19 enrolled in prekindergarten education or who receive essential early education  
20 services.

21 \* \* \*









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

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

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

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

10           (3) A district’s long-term membership shall in no case be less than 96  
11           and one-half percent of the long-term membership in the district in the  
12           previous year, prior to making any adjustment under this section. [is hold  
13           harmless going to be impacted by pre-k ADM count of 0.46? Brad]

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

17           [Secretary/school districts have 15 days to make corrections; too short? Brad]

18           ~~(c) The Secretary shall determine the weighted long term membership for~~  
19           ~~each school district using the long term membership from subsection (b) of~~  
20           ~~this section and the following weights for each class:~~

21                   Prekindergarten 0.46

1           ~~Elementary or kindergarten 1.0~~

2           ~~Secondary 1.13~~ Determination of per pupil education spending. As  
3           soon as reasonably possible after a school district budget is approved by voters,  
4           the Secretary shall determine the per pupil education spending for the next  
5           fiscal year for the school district. Per pupil education spending shall equal a  
6           school district’s education spending divided by its long-term membership.

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

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

16          ~~(f) For purposes of determining weighted membership under this section, a~~  
17          ~~district’s equalized pupils shall in no case be less than 96 and one half percent~~  
18          ~~of the actual number of equalized pupils in the district in the previous year,~~  
19          ~~prior to making any adjustment under this section. [Repealed.]~~

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



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

4 (1) the statewide average district ~~spending per equalized pupil per pupil~~  
5 education spending for the current fiscal year ~~and 125 percent of that average~~  
6 ~~spending~~; and

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

9 Sec. 22. 16 V.S.A. § 4015 is amended to read: [Effective July 1, 2024]

10 § 4015. ~~SMALL SCHOOL~~ MERGER SUPPORT FOR MERGED  
11 DISTRICTS

12 ~~(a) In this section:~~

13 ~~(1) “Eligible school district” means a school district that:~~

14 ~~(A) operates at least one school with an average grade size of 20 or~~  
15 ~~fewer; and~~

16 ~~(B) has been determined by the State Board, on an annual basis, to be~~  
17 ~~eligible due to either:~~

18 ~~(i) the lengthy driving times or inhospitable travel routes between~~  
19 ~~the school and the nearest school in which there is excess capacity; or~~

20 ~~(ii) the academic excellence and operational efficiency of the~~  
21 ~~school, which shall be based upon consideration of:~~

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**  
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. 23. 16 V.S.A. § 4026 is amended to read: [Effective July 1, 2024]

5 § 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;

6 CREATION AND PURPOSE

7 \* \* \*

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

1 Sec. 24. 16 V.S.A. § 4030 is amended to read: [Effective July 1, 2024]

2 § 4030. DATA SUBMISSION; CORRECTIONS

3 \* \* \*

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

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

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

9 \* \* \*

10 (d) The Secretary shall not use data corrected due to an error submitted  
11 following the deadlines to recalculate ~~the equalized pupil ratio under~~  
12 ~~subdivision 4001(3) long-term membership under section 4010 of this title.~~

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

16 \* \* \*

17 Sec. 25. 32 V.S.A. § 5401 is amended to read: [Effective July 1, 2024]

18 § 5401. DEFINITIONS

19 As used in this chapter:

20 \* \* \*



1 Sec. 26. 32 V.S.A. § 5402(e) is amended to read: [Effective July 1, 2024]

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

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

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

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

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

19 (C) Determine a combined homestead tax rate by calculating the  
20 weighted average of the rates determined under subdivisions (A) and (B) of  
21 this subdivision (2), with weighting based upon the ratio of union school per



1 ~~pupil equalized~~ pupils from the member municipality to total ~~equalized~~ pupils  
2 of the member municipality; and the ratio of ~~equalized~~ pupils attending a  
3 school other than the union school to total ~~equalized~~ pupils of the member  
4 municipality. Total ~~equalized~~ pupils of the member municipality is based on  
5 the number of pupils who are legal residents of the municipality and attending  
6 school at public expense. If necessary, the Commissioner may adopt a rule to  
7 clarify and facilitate implementation of this subsection (e).

8 \* \* \* Effective Dates \* \* \*

9 Sec. 27. EFFECTIVE DATES

10 [to be updated as draft progresses; see section headings for effective dates]

11

12 (Committee vote: \_\_\_\_\_)

13

\_\_\_\_\_

14

Representative \_\_\_\_\_

15

FOR THE COMMITTEE