

1 Introduced by Committee on Finance

2 Date:

3 Subject: Education; student equity; pupil weighting

4 Statement of purpose of bill as introduced: This bill proposes to: (1) improve
5 student equity by adjusting and adding pupil weights beginning in fiscal year
6 2024 with a five-year transition period; (2) create the Education Fund Advisory
7 Committee to monitor Vermont’s education financing system, conduct
8 analyses, recalculate and recalibrate the pupil weights and categorical aid
9 amounts as necessary, and make annual recommendations reporting its
10 findings to the General Assembly; (3) add six Agency of Education staff
11 positions to support school districts in the provision of English Language
12 Learner services, improve school district educational standards, and support
13 the Education Fund Advisory Committee; and (4) require that the State Auditor
14 conduct a performance audit, conducted under Generally Accepted
15 Government Auditing Standards, that identifies the successes and failures of
16 the implementation of this act.

1 An act relating to improving student equity by adjusting the school funding
2 formula and providing education quality and funding oversight

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

4 * * * Findings and Goals * * *

5 Sec. 1. FINDINGS

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

12 (b) The General Assembly reflected this holding in statute, 16 V.S.A. § 1,
13 stating that “the right to education is fundamental for the success of Vermont’s
14 children in a rapidly-changing society and global marketplace as well as for the
15 State’s own economic and social prosperity. To keep Vermont’s democracy
16 competitive and thriving, Vermont students must be afforded substantially
17 equal access to a quality basic education...it is the policy of the State that all
18 Vermont children will be afforded educational opportunities that are
19 substantially equal although educational programs may vary from district to
20 district.”

21 (c) Students come to school with dissimilar learning needs and
22 socioeconomic backgrounds that may require different types and levels of

1 educational support for them to achieve common standards or outcomes.

2 Similarly, schools in different contexts may also require different levels of
3 resources due to their scale of operations or the price they must pay for key
4 resources. Therefore, school districts with similar education property tax rates
5 may achieve significantly different student outcomes.

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

12 (e) On December 24, 2019, the Agency issued its Pupil Weighting Factors
13 Report, which was produced by a University of Vermont-Rutgers University
14 team of researchers. The Report found that neither the cost factors
15 incorporated in the weighing formula nor the values of the current weights
16 reflect contemporary educational circumstances and costs and that stakeholders
17 viewed the existing approach as “outdated.” The Report found that values for
18 the existing weights have weak ties, if any, with evidence describing
19 differences in the costs for educating students with disparate needs or operating
20 schools in different contexts and recommended that the General Assembly
21 increase certain existing weights and add certain new weighting factors.

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

12 Sec. 2. GOALS

13 By enacting this legislation, the General Assembly intends to fulfill
14 Vermont’s constitutional mandate to ensure that all students receive substantial
15 equality of educational opportunity throughout the State. The legislation is
16 designed to:

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

1 (2) improve educational outcomes of students in the circumstances and
2 categories identified under subdivision (1) of this subsection by ensuring that
3 financial resources tied to the cost of educating these students are available to
4 local school districts;

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

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

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

15 * * * Determination of Weighted Membership * * *

16 Sec. 3. 16 V.S.A. § 4001(7) is amended to read:

17 (7) “Long-term membership” of a school district in any school year
18 means the:

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

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

3 Sec. 4. 16 V.S.A. § 4001(8) is amended to read:

4 (8) ~~“Poverty ratio” means the number of persons in the school district~~
5 ~~who are aged six through 17 and who are from economically deprived~~
6 ~~backgrounds, divided by the long term membership of the school district. A~~
7 ~~person “Pupil from an economically deprived economically deprived~~
8 ~~background” means a person pupil who resides with a family unit receiving~~
9 ~~nutrition benefits. A person who does not reside with a family unit receiving~~
10 ~~nutrition benefits but for whom English is not the primary language shall also~~
11 ~~be counted in the numerator of the ratio. The Secretary shall use a method of~~
12 ~~measuring the nutrition benefits population that produces data reasonably~~
13 ~~representative of long term trends. Persons for whom English is not the~~
14 ~~primary language shall be identified pursuant to subsection 4010(e) of this title~~
15 is eligible for free or reduced-price lunch under the National School Lunch
16 Act, 42 U.S.C. § 1751 et seq., and in the Child Nutrition Act, 42 U.S.C. § 1771
17 et seq., each as amended.

18 Sec. 5. UNIVERSAL INCOME DECLARATION FORM

19 It is the intention of the General Assembly that the determination of
20 whether a pupil is from an economically deprived background be changed
21 from eligibility for free or reduced-price school meals to a measurement

1 determined by the General Assembly, but not lower than 185 percent of the
2 2021 Federal Poverty Level, with data collected from a universal income
3 declaration form. This form is used by some other states and school districts in
4 Vermont with universal school meals programs to collect household size and
5 income information that was previously collected using the Free and Reduced-
6 Price Meal Application. The form may be required by states to collect income
7 bracket information from all families and thereby reduces stigma and collects
8 more accurate pupil eligibility counts throughout a school district. The
9 Agency of Education shall convene a working group on or before October 1,
10 2022, including school staff and hunger and nutrition experts, to develop a new
11 form that is fully accessible to families before statewide implementation of the
12 form for the 2023–24 school year.

13 Sec. 6. 16 V.S.A. § 4010 is amended to read:

14 § 4010. DETERMINATION OF WEIGHTED MEMBERSHIP

15 (a) Determination of average daily membership and subgroup lists.

16 (1) On or before the first day of December during each school year, the
17 Secretary shall determine the average daily membership, as defined in
18 subdivision 4001(1) of this title, of each school district for the current school
19 year. The determination shall list separately:

20 ~~(A)~~ (A) resident prekindergarten children pupils in prekindergarten;

1 ~~(2)(B)~~ resident students being provided elementary or kindergarten
2 education pupils in kindergarten through grade five; and

3 ~~(3)(C)~~ resident students being provided secondary education pupils in
4 grades six through eight; and

5 (D) resident pupils in grades nine through 12.

6 (2) On or before the first day of December during each school year, the
7 Secretary shall identify resident pupils from economically deprived
8 backgrounds, as defined in subdivision 4001(8) of this title, in each school
9 district for the current school year.

10 (3)(A) On or before the first day of December during each school year,
11 the Secretary shall list all school districts that have a population density,
12 measured by the number of persons per square mile residing within the
13 geographic boundaries of the district as of July 1 of that year, equaling:

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

15 (ii) 36 to 54 persons per square mile; or

16 (iii) 55 to 100 persons per square mile.

17 (B) Population density data shall be based on the most recent U.S.
18 Census data as provided to the Agency of Education by the Vermont Center for
19 Geographic Information.

1 (4)(A) On or before the first day of December during each school year,
2 the Secretary shall list all school districts that have one or more schools that
3 have an average two-year enrollment of:

4 (i) fewer than 100 enrolled pupils; or

5 (ii) 100 to 250 enrolled pupils.

6 (B) As used in this subdivision (4) and in subdivision (c)(4) of this
7 section, “average two-year enrollment” means the average enrollment of the
8 two most recently completed school years, and “enrollment” means the number
9 of pupils who are enrolled in a school operated by the district on October 1. A
10 pupil shall be counted as one whether the pupil is enrolled as a full-time or
11 part-time student.

12 (b) Determination of long-term membership. The Secretary shall
13 determine the long-term membership, as defined in subdivision 4001(7) of this
14 title, for each school district for each ~~student~~ pupil group described in
15 ~~subsection (a) subdivision (a)(1) of this section. The Secretary shall use the~~
16 ~~actual average daily membership over two consecutive years, the latter of~~
17 ~~which is the current school year.~~

18 (c) Determination of weighted long-term membership. The Secretary shall
19 determine the weighted long-term membership, as defined in subdivision
20 4001(12) of this title, for each school district ~~using the long-term membership~~
21 ~~from subsection (b) of this section and the following weights for each class:~~

1 ~~Prekindergarten 0.46~~

2 ~~Elementary or kindergarten 1.0~~

3 ~~Secondary 1.13.~~

4 (1) The Secretary shall first apply grade level weights. Each pupil
5 included in long-term membership from subsection (b) of this section shall
6 count as one, multiplied by the following amounts:

7 (A) prekindergarten—negative 0.54;

8 (B) grades six through eight—0.36; and

9 (C) grades nine through 12—0.39.

10 (2) The Secretary shall next apply a weight for pupils from
11 economically deprived backgrounds. Each pupil included in long-term
12 membership from subsection (b) of this section shall receive an additional
13 weighting amount of 1.03.

14 (3) The Secretary shall then apply a weight for pupils living in low
15 population density school districts. Each pupil included in long-term
16 membership from subsection (b) of this section residing in a low population
17 density school district shall receive an additional weighting amount of:

18 (A) 0.15, where the number of persons per square mile in the school
19 district is 35 or fewer;

20 (B) 0.12, where the number of persons per square mile in the school
21 district is 36 or more but fewer than 56; or

1 (C) 0.07, where the number of persons per square mile in the school
2 district is 56 or more but fewer than 101.

3 (4) The Secretary shall lastly apply a weight for pupils who attend a
4 small school. If the number of persons per square mile in a school district is 55
5 or fewer and the school district has a school with an average two-year
6 enrollment of:

7 (A) fewer than 100 pupils, then the school district shall receive an
8 additional weighting amount of 0.21 for each pupil included in the small
9 school's average two-year enrollment; or

10 (B) 100 or more but fewer than 251 pupils, then the school district
11 shall receive an additional weighting amount of 0.07 for each pupil included in
12 the small school's average two-year enrollment.

13 (5) A school district's weighted long-term membership shall equal long-
14 term membership as determined under subsection (b) of this section plus the
15 cumulation of the weights assigned by the Secretary under this subsection.

16 ~~(d) The weighted long-term membership calculated under subsection (c) of~~
17 ~~this section shall be increased for each school district to compensate for~~
18 ~~additional costs imposed by students from economically deprived~~
19 ~~backgrounds. The adjustment shall be equal to the total from subsection (c) of~~
20 ~~this section, multiplied by 25 percent, and further multiplied by the poverty~~
21 ~~ratio of the district. [Repealed.]~~

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

4 (f) Hold harmless. For purposes of determining weighted membership
5 under this section, a district's equalized pupils shall in no case be less than
6 96 and one-half percent of the actual number of equalized pupils in the district
7 in the previous year, prior to making any adjustment under this section.

8 (g) Guidelines. The Secretary shall develop guidelines to enable clear and
9 consistent identification of ~~students~~ pupils to be counted under this section.

10 (h) Determination of equalized pupils. On December 1 each year, the
11 Secretary shall determine the equalized pupil count for the next fiscal year for
12 district review. The Secretary shall make any necessary corrections on or
13 before December 15, on which date the count shall become final for that year.

14 (i) ~~The Secretary shall evaluate the accuracy of the weights established in~~
15 ~~subsection (e) of this section and, at the beginning of each biennium, shall~~
16 ~~propose to the House and Senate Committees on Education whether the~~
17 ~~weights should stay the same or be adjusted. The provisions of 2 V.S.A.~~
18 ~~§ 20(d) (expiration of required reports) shall not apply to the report to be made~~
19 ~~under this subsection. [Repealed.]~~

1 Sec. 6a. 16 V.S.A. § 4010 is amended to read:

2 § 4010. DETERMINATION OF WEIGHTED MEMBERSHIP

3 * * *

4 (h) Determination of equalized pupils. On December 1 each year, the
5 Secretary shall determine the equalized pupil count for the next fiscal year for
6 district review. This equalized pupil count shall equal the average of the
7 equalized pupil count for the year of calculation with the equalized pupil
8 counts for the preceding two fiscal years. The Secretary shall make any
9 necessary corrections on or before December 15, on which date the count shall
10 become final for that year.

11 * * *

12 Sec. 6b. PROSPECTIVE AND CONDITIONAL REPEALS

13 If, on or before July 1, 2027, the General Assembly has not revised the
14 weighting factors under 16 V.S.A. § 4010 to reflect changes in cost factors
15 from which the weights are derived after receiving a recommendation of the
16 Education Fund Advisory Committee created under Sec. 14 of this act to do so,
17 then:

18 (1) 16 V.S.A. § 4010 is repealed; and

19 (2) Sec. 6a of this act is repealed.

1 ~~(III) the school’s high student to staff ratios; and~~
2 ~~(IV) the district’s participation in a merger study and~~
3 ~~submission of a merger report to the State Board pursuant to chapter 11 of this~~
4 ~~title or otherwise.~~

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

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

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

14 ~~(5) “AGS factor” means the following factors for each average grade~~
15 ~~size:~~

Average grade size	
More than:	but less than or equal to:
0	7
7	9
9	10
10	11

~~Factor:~~

0.19
0.175
0.16
0.145

1	11	12	0.13
2	12	13	0.115
3	13	14	0.10
4	14	15	0.085
5	15	16	0.070
6	16	17	0.055
7	17	18	0.040
8	18	19	0.025
9	19	20	0.015

10 ~~(6) “School district” means a town, city, incorporated, interstate, or~~
11 ~~union school district or a joint contract school established under chapter 11,~~
12 ~~subchapter 1 of this title.~~

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

16 ~~(1) the amount determined by multiplying the two year average~~
17 ~~enrollment in the district by \$500.00 and subtracting the product from~~
18 ~~\$50,000.00, with a maximum grant of \$2,500.00 per enrolled student; or~~

19 ~~(2) the amount of 87 percent of the base education amount for the~~
20 ~~current year, multiplied by the two year average enrollment, multiplied by the~~
21 ~~AGS factor.~~

1 ~~(c) [Repealed.]~~

2 ~~(d) [Repealed.]~~

3 ~~(e) In the event that a school or schools that have received a grant under~~
4 ~~this section merge in any year following receipt of a grant, and the~~
5 ~~consolidated school is not eligible for a grant under this section or the small~~
6 ~~school grant for the consolidated school is less than the total amount of grant~~
7 ~~aid the schools would have received if they had not combined, the consolidated~~
8 ~~school shall continue to receive a grant for three years following consolidation.~~

9 ~~The amount of the annual grant shall be:~~

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

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

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

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

19 ~~(2) Payment of the grant under this subsection shall continue annually~~
20 ~~unless explicitly repealed by the General Assembly; provided, however, that~~
21 ~~the Secretary shall discontinue payment of the grant in the fiscal year~~

1 following the cessation of operations of the school that made the district
2 eligible for the small schools grant, and further provided that if the building
3 that houses the school that made the district eligible for the small schools grant
4 is consolidated with another school into a renovated or new school building,
5 then the Secretary shall continue to pay the grant during the repayment term of
6 any bonded indebtedness incurred in connection with the consolidation related
7 renovation or construction.

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

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

17 (b) A school district that was involuntarily formed under the Final Report
18 of Decisions and Order on Statewide School District Merger Decisions
19 Pursuant to Act 46, Secs. 8(b) and 10 dated November 28, 2018 and that
20 received a small schools grant in fiscal year 2020 shall receive an annual

1 merger support grant in that amount, subject to the provisions in subsection (c)
2 of this section.

3 (c)(1) Payment of a merger support grant under this section shall not be
4 made in any year that the school district receives a small school weight under
5 section 4010 of this title.

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

16 Sec. 8. 16 V.S.A. § 4030 is amended to read:

17 § 4030. DATA SUBMISSION; CORRECTIONS

18 * * *

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

* * * Transition * * *

Sec. 10. TRANSITION; CALCULATION OF EQUALIZED PUPILS

(a) For fiscal years 2024, 2025, and 2026, the number of equalized pupils in a school district shall be determined by averaging the equalized pupil count for the year of calculation with the equalized pupil counts for the preceding four fiscal years.

(b) For fiscal year 2027, the number of equalized pupils in a school district shall be determined by averaging the equalized pupil count for the year of calculation with the equalized pupil counts for the preceding three fiscal years.

(c) For fiscal year 2028, the number of equalized pupils in a school district shall be determined by averaging the equalized pupil count for the year of calculation with the equalized pupil counts for the preceding two fiscal years.

Sec. 11. TRANSITION; SUSPENSION OF EXCESS SPENDING

PENALTY AND HOLD HARMLESS PROVISION

(a) Notwithstanding any provision of law to the contrary, for fiscal years 2024, 2025, 2026, 2027, and 2028, the excess spending penalty under 16 V.S.A. § 4001(6)(B) and 32 V.S.A. § 5401(12) is suspended.

(b) Notwithstanding any provision of law to the contrary, for fiscal years 2024, 2025, 2026, 2027, and 2028, the hold harmless provision under 16 V.S.A. § 4010(f) is suspended.

1 Sec. 12. VERMONT CENTER FOR GEOGRAPHIC INFORMATION

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

6 * * * Evaluation and Reporting * * *

7 Sec. 13. EVALUATION AND REPORTING

8 (a) On or before December 15, 2029, the State Auditor shall submit to the
9 House and Senate Committees on Education, the House Committee on Ways
10 and Means, the Senate Committee on Finance, the Agency of Education, and
11 the Education Tax Advisory Committee a performance audit, conducted under
12 Generally Accepted Government Auditing Standards, that identifies the
13 successes and failures of the implementation of this act, including:

14 (1) whether, and the extent to which, each of the act’s five goals have
15 been met, which are to:

16 (A) increase educational equity by ensuring that the financial
17 resources available to local school districts for educating students living in
18 poverty, students with English language learning needs, students in small rural
19 schools, students in sparsely populated school districts, and students in middle
20 and high schools are sufficient to meet the cost of educating these students;

1 (B) improve educational outcomes of students in the circumstances
2 and categories identified under subdivision (1)(A) of this subsection (a) by
3 ensuring that financial resources tied to the cost of educating these students are
4 available to local school districts;

5 (C) improve transparency in the distribution of financial resources to
6 school districts by simplifying the school funding formula and better tying
7 educational expenditures to student needs;

8 (D) enhance educational and financial accountability by ensuring that
9 equitable resources are budgeted and expended for the education of students in
10 these circumstances or categories and that regular evaluation mechanisms are
11 utilized to assess educational equity and outcomes; and

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

15 (2) if a goal has not been met, the reasons why and recommendations to
16 achieve that goal; and

17 (3) the fiscal impact of the act, including the cost of implementation.

18 (b) The audit shall be carried out by the State Auditor or a contracted
19 designee of the State Auditor who, in order to maintain independence, has not
20 consulted on, or contracted to provide services in relation to, the Pupil
21 Weighting Factors Report dated December 24, 2019 or the Report Prepared in

1 Accordance with Act No. 59 of the 2021 Legislative Session dated
2 December 17, 2021. The audit shall cover the period beginning on July 1,
3 2024 and ending on June 30, 2029. The audit shall take into account such
4 metrics as the Auditor determines appropriate including:

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

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

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

16 (4) Vermont Youth Risk Behavior Surveys results as reported by the
17 Department of Health;

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

19 (6) education spending and homestead tax rates;

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

1 (8) academic, extracurricular, and student support resources across
2 school districts.

3 * * * Education Fund Advisory Committee * * *

4 Sec. 14. 32 V.S.A. § 5413 is added to read:

5 § 5413. CREATION; EDUCATION FUND ADVISORY COMMITTEE

6 (a) Creation. There is created the Education Fund Advisory Committee to
7 monitor Vermont’s education financing system, conduct analyses, recalculate
8 and recalibrate the pupil weights and categorical aid amounts as necessary, and
9 make annual recommendations reporting its findings to the General Assembly.

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

12 (1) the Commissioner of Taxes or designee;

13 (2) the Secretary of Education or designee;

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

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

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

20 (c) Powers and duties. Annually, on or before January 15, the Committee
21 shall make recommendations to the General Assembly regarding the

1 recalculation and recalibration of the pupil weights and categorical aid
2 amounts as necessary, the property dollar equivalent yield, the income dollar
3 equivalent yield, the nonhomestead property tax rate, and the amount of the
4 stabilization reserve.

5 (d) Assistance. The Committee shall have the administrative, technical,
6 and legal assistance of the Department of Taxes, the Agency of Education, the
7 Joint Fiscal Office, the Office of Legislative Counsel, and the Office of
8 Legislative Operations.

9 (e) Meetings.

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

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

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

15 (f) Compensation and reimbursement. Members of the Committee shall be
16 entitled to per diem compensation and reimbursement of expenses as permitted
17 under section 1010 of this title.

18 Sec. 15. EDUCATION FUND ADVISORY COMMITTEE; FIRST REPORT

19 Pursuant to 32 V.S.A. § 5413(c), on or before January 15, 2023, the
20 Education Fund Advisory Committee shall submit its first report to the House
21 Committees on Education and on Ways and Means and the Senate Committees

1 on Education and on Finance with its findings and any recommendations for
2 legislative action. The Committee’s first report shall recommend the
3 upcoming fiscal year yield, the nonhomestead education property tax rate, and
4 the amount of the stabilization reserve under 16 V.S.A. § 4026 if it was
5 maintained at five percent.

6 Sec. 16. 32 V.S.A. § 5402b is amended to read:

7 § 5402b. STATEWIDE EDUCATION TAX YIELDS;

8 RECOMMENDATION OF THE ~~COMMISSIONER~~ EDUCATION
9 FUND ADVISORY COMMITTEE

10 (a) Annually, ~~no~~ not later than December 1, the ~~Commissioner of Taxes~~
11 Education Fund Advisory Committee, after consultation with ~~the Secretary of~~
12 ~~Education, the Secretary of Administration, and~~ the Joint Fiscal Office, shall
13 calculate and recommend a property dollar equivalent yield, an income dollar
14 equivalent yield, and a nonhomestead property tax rate for the following fiscal
15 year. In making these calculations, the ~~Commissioner~~ Committee shall
16 assume:

17 * * *

18 (c) Annually, on or before December 1, the Education Fund Advisory
19 Committee, with the assistance of the Joint Fiscal Office shall prepare and
20 publish an official, annotated copy of the Education Fund Outlook. The
21 Emergency Board shall review the Outlook at its meetings. As used in this

1 section, “Education Fund Outlook” means the projected revenues and expenses
2 associated with the Education Fund for the following fiscal year, including
3 projections of different categories of educational expenses and costs.

4 Sec. 17. COLLABORATION BY THE AGENCY OF EDUCATION AND
5 JOINT FISCAL OFFICE

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

7 (1) on or before August 1, 2022, enter into a memorandum of
8 understanding to share data, models, and other information that is needed to
9 update the weighting factors;

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

14 (3) recommend, based on their consensus view, recalibrated weights to
15 the Education Fund Advisory Committee on a scheduled and periodic basis to
16 account for cost changes, including changes in the costs associated with
17 providing substantially equal educational opportunity, demographics, and
18 school district configurations.

19 * * * Agency of Education; Staffing * * *

20 Sec. 18. AGENCY OF EDUCATION; STAFFING

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

1 ~~average grade size of 20 or fewer students, with one or more other schools.~~

2 [Repealed.]

3 * * *

4 (x) ~~School district costs associated with dual enrollment and early~~
5 ~~college programs.~~ [Repealed.]

6 * * *

7 Sec. 20. 16 V.S.A. § 4001(3) is amended to read:

8 (3) “Equalized pupils” means, for the school year for which it is
9 calculated, the long-term weighted average daily membership multiplied by the
10 ratio of the statewide long-term average daily membership to the statewide
11 long-term weighted average daily membership.

12 Sec. 21. 16 V.S.A. § 563 is amended to read:

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

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

16 * * *

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

20 * * *

1 (C) At a school district’s annual or special meeting, the electorate
2 may vote to provide notice of availability of the school budget required by this
3 subdivision to the electorate in lieu of distributing the budget. If the electorate
4 of the school district votes to provide notice of availability, it must specify how
5 notice of availability shall be given, and such notice of availability shall be
6 provided to the electorate at least 30 days before the district’s annual meeting.
7 The proposed budget shall be prepared and distributed at least ten days before
8 a sum of money is voted on by the electorate. Any proposed budget shall show
9 the following information in a format prescribed by the Secretary:

10 * * *

11 (iv) the definition of “education spending,” the number of pupils
12 and number of equalized pupils, as determined under subsection 4010(h) of
13 this title, in the school district, and the district’s education spending per
14 equalized pupil in the proposed budget and in each of the prior three years.

15 * * *

16 * * * Effective Dates * * *

17 Sec. 22. EFFECTIVE DATES

18 (a) The following sections shall take effect on passage:

19 (1) Sec. 1 (findings);

20 (2) Sec. 2 (goals);

21 (3) Sec. 5 (universal income declaration form);

- 1 (4) Sec. 12 (Vermont Center for Geographic Information);
- 2 (5) Sec. 14 (creation; Education Fund Advisory Committee);
- 3 (6) Sec. 15 (Education Fund Advisory Committee; first report);
- 4 (7) Sec. 16 (amendment to 32 V.S.A. § 5402b; statewide education tax
5 yields; recommendation of the Education Fund Advisory Committee;
- 6 (8) Sec. 17 (collaboration by the Agency of Education and Joint Fiscal
7 Office);
- 8 (9) Sec. 18 (Agency of Education; staffing);
- 9 (10) Sec. 19 (amendment to 16 V.S.A. § 4001(6)(B); excess spending
10 threshold);
- 11 (11) Sec. 20 (amendment to 16 V.S.A. § 4001(3); definition of
12 “equalized pupils”);
- 13 (12) Sec. 21 (amendment to 16 V.S.A. § 563; powers of school boards;
14 form of vote); and
- 15 (13) this section (effective dates).
- 16 (b) The following sections shall take effect on July 1, 2023:
- 17 (1) Sec. 3 (amendment to 16 V.S.A. § 4001(7); definition of “long-term
18 membership”);
- 19 (2) Sec. 4 (amendment to 16 V.S.A. § 4001(8); definition of “pupil from
20 an economically deprived background”);

- 1 (3) Sec. 6 (amendment to 16 V.S.A. § 4010; determination of weighted
2 membership);
- 3 (4) Sec. 6b (prospective and conditional repeals);
- 4 (5) Sec. 7 (amendment to 16 V.S.A. § 4015; small school support);
- 5 (6) Sec. 8 (amendment to 16 V.S.A. § 4030; data submission;
6 corrections);
- 7 (7) Sec. 9 (amendment to 16 V.S.A. § 1531; responsibility of State
8 Board);
- 9 (8) Sec. 10 (transition; calculation of equalized pupils);
- 10 (9) Sec. 11 (transition; suspension of excess spending penalty); and
- 11 (10) Sec. 13 (evaluation and reporting).
- 12 (c) Sec. 6a (amendment to 16 V.S.A. § 4010; determination of weighted
13 membership) shall take effect on July 1, 2028 unless repealed under Sec. 6b of
14 this act.