

## 2022 Acts and Resolves No. 127, An act relating to improving student equity by adjusting the school funding formula and providing education quality and funding oversight

### *High-Level Overview*

1. Sec. 3. Intent of Act: “This act updates and adds new pupil weights for fiscal year 2025 and thereafter. Because this change will affect homestead property tax rates, this act limits the degree to which these rates can increase over fiscal years 2025-2029.”
2. Sec. 4. 16 V.S.A. § 4010 Determination of Weighted Long-Term Membership and Per Pupil Education Spending
  - a. Adjusts and adds pupil weights, which adjust student counts to account for the different costs associated with serving different student needs or circumstances
  - b. 

<u>Weighting category</u>	<u>Weight</u>
i. Grade level weights	
1. PreK/EEE	-0.54
2. K-5	0
3. 6-8	0.36
4. 7-12	0.39
ii. Poverty weight	1.03
iii. EL weight	2.49
iv. Sparsity weight* (Number of people in district)	
1. < 36 persons	0.15
2. 36 – 54 persons	0.12
3. 55 – 100 persons	0.07
v. Small school* (Only applicable for districts also receiving sparsity weight <55 persons)	
1. < 100 pupils	0.21
2. 100 – 249 pupils	0.07
  - c. Sec. 7. Calculation of tax rates; tax rate review; fiscal years 2025-2029
    - i. Homestead property tax rate increases are capped at 5% for FY 2025-2029
    - ii. If a district’s per pupil education spending increases by more than 10% over the school district’s prior fiscal year per pupil education spending, when calculated using the same funding formula for both years, it will be subject to a Tax Rate Review. If the review determines spending to be excessive, the annual increase of the homestead property tax rate will NOT be capped.

- d. Sec. 8. Suspension of laws
  - i. Excess spending penalty suspended during FY 2024-2029
  - ii. Hold harmless provision suspended during FY 2025-2029
  - iii. Ballot language requirement suspended during FY 2025-2029
  
- e. Sec. 9. Universal Income Declaration Form
  
- f. Sec. 10 English learners services; State aid
  - i. Creates categorical aid for some districts with EL students
  - ii. If a district has 1 to 5 EL students enrolled, it shall receive \$25,000 from the State
  - iii. If a district has 6-25 EL students enrolled, it shall receive \$50,000 from the State
  - iv. Requires school districts to offer certain EL services and requires AOE to offer support and quality assurance
  
- g. Sec. 12. Staffing
  - i. 1 full-time position to provide support and guidance to districts for EL students
  - ii. 2 full-time positions to develop and maintain the UIDF and provide guidance to school districts
  - iii. 2 full-time positions to provide financial and data analysis for AOE
  
- h. Secs. 13 & 14. District Quality Standards
  - i. Adds requirement for school district to meet district quality standards and requires AOE to adopt rules
  
- i. Sec. 15. Evaluation and reporting on implementation of act
  - i. Requires JFO to contract for an evaluation of the changes made pursuant to Act 127 and submit a report on or before Dec. 15, 2029
  
- j. Sec. 17. CTE funding and governance structures of CTE in Vermont
  - i. Report from JFO contractor due March 2023
  - ii. Report from AOE with recommendations due July 1, 2023
  
- k. Sec. 18. Income-based education tax system report
  
- l. Sec. 19. JFO report on ed spending cost containment and equitable ed funding