

1 H.454

2 An act relating to transforming Vermont's education governance, quality,
3 and finance systems

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

5 * * * Findings and Intent * * *

6 Sec. 1. FINDINGS; INTENT; PLAN

7 (a) The General Assembly finds that:

8 (1) In 1997, the first piece of law the General Assembly enacted in
9 response to *Brigham v. State*, 166 Vt. 246 (1997) stated, "[t]he right to public
10 education is integral to Vermont's constitutional form of government and its
11 guarantees of political and civil rights...[and] fundamental for the success of
12 Vermont's children in a rapidly-changing society and global marketplace as
13 well as the State's own economic and social prosperity." 16 V.S.A. § 1.

14 (2) From the very first attempt at creating a basic frame of government,
15 Vermont's founders chose to include a right to public education, the only
16 governmental service included in Vermont's first Constitution of 1777.

17 (3) As the U.S. Supreme Court stated in *Brown v. Board of Education*,
18 347 U.S. 483 (1954), "education is perhaps the most important function of
19 state and local governments...[i]t is required in the performance of our most
20 basic public responsibilities...[i]t is the very foundation of good citizenship."

21 (4) The most enduring legacy of *Brigham* is the State's responsibility to
22 ensure substantially equal educational opportunities for all Vermont students.

1 (5) The education system is still reeling from the effects of a global
2 pandemic, yet the same challenges that have faced Vermont's education
3 system remain. Thirty to 40 years ago, Vermont educated more than 110,000
4 students each year. Today, there are approximately 84,000 students in the
5 public education system. Many schools have lost a significant number of
6 students and, with them, the ability to offer robust services and programs at
7 every school. Vermont's youth need to be prepared for a rapidly evolving
8 future.

9 (6) Vermonters deserve an exceptional educational system that is stable
10 and predictable and where a student's home address does not dictate the
11 quality of education they receive. School district size and boundaries, school
12 size, and class size are all influential factors in shaping the quality of
13 instruction and overall student outcomes. The effectiveness of our schools
14 depends on teacher quality, resource availability, and the unique strengths of
15 local communities. Change in our educational system is needed. Systems are
16 made of people, so change must come carefully and thoughtfully, with
17 meaningful engagement by all Vermonters.

18 (b) Intent; plan.

19 (1) To ensure each student is provided substantially equal educational
20 opportunities that will prepare them to thrive in a 21st-century world, it is the
21 intent of the General Assembly to work strategically, intentionally, and

1 thoughtfully to ensure that each incremental change made to Vermont's public
2 education system provides strength and support to its only constitutionally
3 required governmental service.

4 (2) It is further the intent of the General Assembly to:

5 (A) in the 2026 session:

6 (i) enact new, larger school district boundaries that would be
7 effective July 1, 2026;

8 (ii) enact updates to career and technical education governance
9 systems, both at the local and statewide levels, that are reflective of the larger
10 public education governance transformation to new, larger school districts;

11 (iii) create a coordinated and coherent statewide strategy for career
12 and technical education that is responsive to students and the State's workforce
13 needs and that provides opportunities for more integration between career and
14 technical education and traditional high school work;

15 (iv) enact student-centered updates to fully fund career and
16 technical education within a foundation formula that does not create
17 competition between sending schools and career and technical education
18 programs for available funds nor exceed current spending levels;

19 (v) begin the process to create voting wards within each school
20 district to ensure school board membership is apportioned in such a manner as

1 to achieve substantially equal weighting of the votes of all voters in the
2 election of school board members; and

3 (vi) establish an appropriate weight for prekindergarten students,
4 as well as enact changes to the publicly funded prekindergarten program that
5 ensure costs are borne by the appropriate funding source depending on the age
6 of the student and the prekindergarten education provider;

7 (B) provide or enable the provision of the necessary staffing,
8 resources, and support to the Agency of Education, the Secretary of State's
9 Office, town clerks, and other integral parties to the election system to hold the
10 first school board member elections within the newly created school districts in
11 a special election in November 2027; and

12 (C) provide or enable the provision of the necessary staffing,
13 resources, and support to the Agency of Education, State Board of Education,
14 and other integral parties to ensure that the necessary guidance and funding is
15 in place to allow for a smooth and successful transition between the operation
16 of Vermont's current 119 school districts to the new, larger school districts,
17 with new school districts assuming responsibility for the education of all
18 resident students on July 1, 2028.

19 (3) It is further the intent of the General Assembly to ensure that the
20 imposition of the new statewide education tax rate contemplated by this act
21 does not result in an increase of education property tax bills relative to

1 Vermont's current education funding system for municipalities across
2 Vermont. The General Assembly intends to mitigate or reduce property tax
3 bills for Vermonters by, among other things:

4 (A) enacting new school district boundaries that increase the
5 efficiency of the delivery of educational services through scale;

6 (B) addressing inefficiencies of education delivery through
7 programmatic updates to prekindergarten, career and technical education, and
8 special education;

9 (C) improving staffing ratios to increase sustainability and reduce
10 costs;

11 (D) addressing high-cost, languishing physical school infrastructure
12 through implementation of a new State aid for school construction program;

13 (E) evaluating and consolidating education governance structures to
14 reduce administrative costs and burdens;

15 (F) stabilizing education property taxes by transitioning from an
16 education funding system that funds locally varying budgets to a foundation
17 formula that funds predictable educational opportunity payments;

18 (G) implementing a foundation formula with costs reflective of the
19 most efficient method of delivery of education services to Vermont pupils of
20 all educational needs within Vermont's existing education structure;

1 (H) providing a process for regular recalibration of the foundation
2 formula to reduce costs over time as educational efficiencies are gained
3 through the implementation of new governance and programmatic structures;

4 (I) reserving support for small and sparse schools for schools that are
5 small or sparse by necessity;

6 (J) shifting certain education and other related costs off of the
7 Education Fund and on to other sources of funding that do not impact the
8 property tax bills of Vermonters;

9 (K) implementing equalizing measures for any local spending
10 additional to educational opportunity payments that reserve funds within the
11 Education Fund to reduce following-year property tax bills;

12 (L) imposing a cap on local spending additional to educational
13 opportunity payments to limit property tax rate increases through the
14 supplemental district spending tax;

15 (M) providing transitional measures to ease school district
16 movement from current education spending to educational opportunity
17 payments under the new foundation formula; and

18 (N) replacing the existing property tax credit with a homestead
19 exemption that increases income sensitivity benefits to Vermonters with low
20 and moderate income and smooths existing income sensitivity benefit cliffs.

* * * Commission on the Future of Public Education * * *

Sec. 2. 2024 Acts and Resolves No. 183, Sec. 1 is amended to read:

Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC
EDUCATION; REPORTS

(a) Creation. There is hereby created the Commission on the Future of Public Education in Vermont. The right to education is fundamental for the success of Vermont's children in a rapidly changing society and global marketplace as well as for the State's own economic and social prosperity. The Commission shall study the provision of education in Vermont and make recommendations for a statewide vision for Vermont's public education system to ensure that all students are afforded substantially equal educational opportunities in an efficient, sustainable, and stable education system. The Commission shall also make recommendations for the strategic policy changes necessary to make Vermont's educational vision a reality for all Vermont students.

(b) Membership. The Commission shall be composed of the following members and, to the extent possible, the members shall represent the State's geographic, gender, racial, and ethnic diversity:

- (1) the Secretary of Education or designee;
- (2) the Chair of the State Board of Education or designee;
- (3) the Tax Commissioner or designee;

1 (4) one current member of the House of Representatives, appointed by
2 the Speaker of the House;

3 (5) one current member of the Senate, appointed by the Committee on
4 Committees;

5 (6) one representative from the Vermont School Boards Association
6 (VSBA), appointed by the VSBA Executive Director;

7 (7) one representative from the Vermont Principals' Association (VPA),
8 appointed by the VPA Executive Director;

9 (8) one representative from the Vermont Superintendents Association
10 (VSA), appointed by the VSA Executive Director;

11 (9) one representative from the Vermont National Education
12 Association (VTNEA), appointed by the VTNEA Executive Director;

13 (10) one representative from the Vermont Association of School
14 Business Officials (VASBO) with experience in school construction projects,
15 appointed by the President of VASBO;

16 (11) the Chair of the Census-Based Funding Advisory Group, created
17 under 2018 Acts and Resolves No. 173;

18 (12) the Executive Director of the Vermont Rural Education
19 Collaborative; and

20 (13) one representative from the Vermont Independent Schools
21 Association (VISA), appointed by the President of VISA.

1 (c) Steering group. On or before July 1, 2024, the Speaker of the House
2 shall appoint two members of the Commission, the Committee on Committees
3 shall appoint two members of the Commission, and the Governor shall appoint
4 two members of the Commission to serve as members of a steering group. The
5 steering group shall provide leadership to the Commission and shall work with
6 a consultant or consultants to analyze the issues, challenges, and opportunities
7 facing Vermont's public education system, as well as develop and propose a
8 work plan to formalize the process through which the Commission shall seek
9 to achieve its final recommendations. The formal work plan shall be approved
10 by a majority of the Commission members. The steering group ~~shall form a~~
11 ~~subcommittee of the Commission to address education finance topics in greater~~
12 ~~depth and~~ may form one or more ~~additional~~ subcommittees of the Commission
13 to address ~~other~~ key topics in greater depth, as necessary. ~~The steering group~~
14 ~~may appoint non-Commission members to the education finance~~
15 ~~subcommittee. All other subcommittees shall be composed solely of~~
16 ~~Commission members.~~

17 (d) Collaboration and information review.

18 (1) The Commission ~~shall~~ may seek input from and collaborate with key
19 stakeholders, as directed by the steering group. At a minimum, the
20 Commission shall consult with:

21 (A) the Department of Mental Health;

1 (B) the Department of Labor;

2 (C) the President of the University of Vermont or designee;

3 (D) the Chancellor of the Vermont State Colleges Corporation or
4 designee;

5 (E) a representative from the Prekindergarten Education
6 Implementation Committee;

7 (F) the Office of Racial Equity;

8 (G) a representative with expertise in the Community Schools model
9 in Vermont;

10 (H) the Vermont Youth Council;

11 (I) the Commission on Public School Employee Health Benefits; and

12 (J) an organization committed to ensuring equal representation and
13 educational equity.

14 (2) The Commission shall also review and take into consideration
15 existing educational laws and policy, including legislative reports the
16 Commission deems relevant to its work and, at a minimum, 2015 Acts and
17 Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves
18 No. 127, and 2023 Acts and Resolves No. 76.

19 (e) Duties of the Commission. The Commission shall study Vermont's
20 public education system and make recommendations to ensure all students are
21 afforded quality educational opportunities in an efficient, sustainable, and

1 equitable education system that will enable students to achieve the highest
2 academic outcomes. The result of the Commission's work shall be a
3 ~~recommendation for a statewide vision for Vermont's public education system,~~
4 ~~with recommendations for the policy changes necessary to make Vermont's~~
5 ~~educational vision a reality~~ recommendations for what roles, functions, or
6 decisions should be a function of local control and what roles, functions, or
7 decisions should be a function of control at the State level. In creating and
8 making its recommendations, the Commission shall engage in the following:

9 (1) Public engagement. The Commission shall conduct not fewer than
10 14 public meetings to inform the work required under this section. At least one
11 meeting of the Commission as a whole or a subcommittee of the Commission
12 shall be held in each county. The Commission shall publish a draft of its final
13 recommendations on or before October 1, 2025, solicit public feedback, and
14 incorporate such feedback into its final recommendations. When submitting its
15 final recommendations to the General Assembly, the Commission shall include
16 all public feedback received as an addendum to its final report. The public
17 feedback process shall include:

18 (A) a minimum 30-day public comment period, during which time
19 the Commission shall accept written comments from the public and
20 stakeholders; and

1 (B) a public outreach plan that maximizes public engagement and
2 includes notice of the availability of language assistance services when
3 requested.

4 (2) Policy considerations. ~~In developing its recommendations, the~~
5 ~~Commission shall consider and prioritize the following topics~~ The
6 Commission's work shall include recommendations for:

7 (A) ~~Governance, resources, and administration. The Commission~~
8 ~~shall study and make recommendations regarding education governance at the~~
9 ~~State level, including the role of the Agency of Education in the provision of~~
10 ~~services and support for the education system. Recommendations under this~~
11 ~~subdivision (A) shall include, at a minimum, the following:~~

12 (i) ~~whether changes need to be made to the structure of the~~
13 ~~Agency of Education, including whether it better serves the recommended~~
14 ~~education vision of the State as an agency or a department;~~

15 (ii) ~~what are the staffing needs of the Agency of Education;~~

16 (iii) ~~whether changes need to be made to the composition, role,~~
17 ~~and function of the State Board of Education to better serve the recommended~~
18 ~~education vision of the State;~~

19 (iv) ~~what roles, functions, or decisions should be a function of~~
20 ~~local control and what roles, functions, or decisions should be a function of~~
21 ~~control at the State level; and~~

1 ~~(v) the effective integration of career and technical education in~~
2 ~~the recommended education vision of the State.~~ necessary updates to the roles
3 and responsibilities of school district boards and the electorate, including
4 amendments to 16 V.S.A. §§ 562 and 563;

5 ~~(B) Physical size and footprint of the education system. The~~
6 ~~Commission shall study and make recommendations regarding how the unique~~
7 ~~geographical and socioeconomic needs of different communities should factor~~
8 ~~into the provision of education in Vermont, taking into account and building~~
9 ~~upon the recommendations of the State Aid to School Construction Working~~
10 ~~Group. Recommendations under this subdivision (B) shall include, at a~~
11 ~~minimum, the following:~~

12 ~~(i) an analysis and recommendation for the most efficient and~~
13 ~~effective number and location of school buildings, school districts, and~~
14 ~~supervisory unions needed to achieve Vermont's vision for education,~~
15 ~~provided that if there is a recommendation for any change, the~~
16 ~~recommendation shall include an implementation plan;~~

17 ~~(ii) an analysis of the capacity and ability to staff all public~~
18 ~~schools with a qualified workforce, driven by data on class size~~
19 ~~recommendations;~~

1 ~~(iii) analysis of whether, and if so, how, collaboration with~~
2 ~~Vermont's postsecondary schools may support the development and retention~~
3 ~~of a qualified educator workforce;~~

4 ~~(iv) an analysis of the current town tuition program and whether,~~
5 ~~and if so, what, changes are necessary to meet Vermont's vision for education,~~
6 ~~including the legal and financial impact of funding independent schools and~~
7 ~~other private institutions, including consideration of the following:~~

8 ~~(I) the role designation, under 16 V.S.A. § 827, should play in~~
9 ~~the delivery of public education; and~~

10 ~~(II) the financial impact to the Education Fund of public dollars~~
11 ~~being used in schools located outside Vermont; and~~

12 ~~(v) an analysis of the current use of private therapeutic schools in~~
13 ~~the provision of special education services and whether, and if so, what,~~
14 ~~changes are necessary to meet Vermont's special education needs, including~~
15 ~~the legal and financial impact of funding private therapeutic schools. a process~~
16 ~~for a community served by a school to have a voice in decisions regarding~~
17 ~~school closures and recommendations for what that process shall entail; and~~

18 ~~(C) The role of public schools. The Commission shall study and~~
19 ~~make recommendations regarding the role public schools should play in both~~
20 ~~the provision of education and the social and emotional well-being of students.~~

1 ~~Recommendations under this subdivision (C) shall include, at a minimum, the~~
2 ~~following:~~

3 ~~(i) how public education in Vermont should be delivered;~~

4 ~~(ii) whether Vermont's vision for public education shall include~~
5 ~~the provision of wraparound supports and collocation of services;~~

6 ~~(iii) whether, and if so, how, collaboration with Vermont's~~
7 ~~postsecondary schools may support and strengthen the delivery of public~~
8 ~~education; and~~

9 ~~(iv) what the consequences are for the Commission's~~
10 ~~recommendations regarding the role of public schools and other service~~
11 ~~providers, including what the role of public schools means for staffing,~~
12 ~~funding, and any other affected system, with the goal of most efficiently~~
13 ~~utilizing State funds and services and maximizing federal funding~~ a process
14 for monitoring implementation of this act in a manner that is transparent and
15 public facing.

16 ~~(D) Education finance system. The Commission shall explore the~~
17 ~~efficacy and potential equity gains of changes to the education finance system,~~
18 ~~including weighted educational opportunity payments as a method to fund~~
19 ~~public education. The Commission's recommendations shall be intended to~~
20 ~~result in an education funding system designed to afford substantially equal~~
21 ~~access to a quality basic education for all Vermont students in accordance with~~

1 ~~State v. Brigham, 166 Vt. 246 (1997). Recommendations under this~~
2 ~~subdivision (D) shall include, at a minimum, the following:~~

3 ~~(i) allowable uses for the Education Fund that shall ensure~~
4 ~~sustainable and equitable use of State funds;~~

5 ~~(ii) the method for setting tax rates to sustain allowable uses of the~~
6 ~~Education Fund;~~

7 ~~(iii) whether, and if so, what, alternative funding models would~~
8 ~~create a more affordable, sustainable, and equitable education finance system~~
9 ~~in Vermont, including the consideration of a statutory, formal base amount of~~
10 ~~per pupil education spending and whether school districts should be allowed to~~
11 ~~spend above the base amount;~~

12 ~~(iv) adjustments to the excess spending threshold, including~~
13 ~~recommendations that target specific types of spending;~~

14 ~~(v) the implementation of education spending caps on different~~
15 ~~services, including administrative and support services and categorical aid;~~

16 ~~(vi) how to strengthen the understanding and connection between~~
17 ~~school budget votes and property tax bills;~~

18 ~~(vii) adjustments to the property tax credit thresholds to better~~
19 ~~match need to the benefit;~~

1 ~~(viii) a system for ongoing monitoring of the Education Fund and~~
2 ~~Vermont's education finance system, to include consideration of a standing~~
3 ~~Education Fund advisory committee;~~

4 ~~(ix) an analysis of the impact of healthcare costs on the Education~~
5 ~~Fund, including recommendations for whether, and if so, what, changes need~~
6 ~~to be made to contain costs; and~~

7 ~~(x) implementation details for any recommended changes to the~~
8 ~~education funding system. [Repealed.]~~

9 (E) Additional considerations. The Commission may consider any
10 other topic, factor, or issue that it deems relevant to its work and
11 recommendations.

12 (f) Reports. The Commission shall prepare and submit to the General
13 Assembly the following:

14 (1) a formal, written work plan, which shall include a communication
15 plan to maximize public engagement, on or before September 15, 2024;

16 (2) a written report containing its preliminary findings and
17 recommendations, including short-term cost containment considerations for the
18 2025 legislative session, on or before December 15, 2024; and

19 (3) a written report containing its final findings and recommendations
20 ~~for a statewide vision for Vermont's public education system and the policy~~
21 ~~changes necessary to make that educational vision a reality based on its~~

1 analysis of the governance topics contained in subdivisions (e)(2)(A)–(C) of
2 this section, on or before December 1, 2025;~~and~~

3 ~~(4) proposed legislative language to advance any recommendations for~~
4 ~~the education funding system on or before December 15, 2025.~~

5 (g) Assistance. The Agency of Education shall contract with one or more
6 independent consultants or facilitators to provide technical and legal assistance
7 to the Commission for the work required under this section. For the purposes
8 of scheduling meetings and providing administrative assistance, the
9 Commission shall have the assistance of the Agency of Education. The
10 Agency shall also provide the educational and financial data necessary to
11 facilitate the work of the Commission. School districts shall comply with
12 requests from the Agency to assist in data collections.

13 (h) Meetings.

14 (1) The Secretary of Education shall call the first meeting of the
15 Commission to occur on or before July 15, 2024.

16 (2) The Speaker of the House and the President Pro Tempore shall
17 jointly select a Commission chair.

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

19 (4) Meetings shall be conducted in accordance with Vermont's Open
20 Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

21 (5) The Commission shall cease to exist on December 31, 2025.

1 (i) Compensation and reimbursement. Members of the Commission shall
2 be entitled to per diem compensation and reimbursement of expenses as
3 permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including
4 subcommittee meetings. These payments shall be made from monies
5 appropriated to the Agency of Education.

6 * * * School District Redistricting * * *

7 Sec. 3. SCHOOL DISTRICT REDISTRICTING TASK FORCE; REPORT

8 (a) Creation. There is created the School District Redistricting Task Force
9 to recommend new school district boundaries and configurations to the
10 General Assembly.

11 (b) Membership. The Task Force shall be composed of the following
12 members:

13 (1) Nonlegislative members. There shall be five nonlegislative
14 members, all of whom shall have extensive experience working within the
15 Vermont public education system. Appointing authorities shall coordinate to
16 ensure that, to the extent possible, each of the five nonlegislative members
17 represents a different geographic region of the State.

18 (A) Two members shall be appointed by the Speaker of the House,
19 one of whom shall be a retired or former Vermont superintendent of a
20 supervisory union with multiple member school districts and one of whom

1 shall be either a retired or former Vermont school business manager or a
2 retired or former school board member.

3 (B) Two members shall be appointed by the Committee on
4 Committees, one of whom shall be a retired or former Vermont superintendent
5 and one of whom shall be a retired or former Vermont school business
6 manager.

7 (C) One member shall be appointed by the Governor, who shall be a
8 retired or former Vermont superintendent.

9 (2) Legislative members. There shall be six legislative members.

10 (A) Three members shall be current members of the House of
11 Representatives, not all from the same political party nor from the same school
12 district, who shall be appointed by the Speaker of the House.

13 (B) Three members shall be current members of the Senate, not all
14 from the same political party nor from the same school district, who shall be
15 appointed by the Committee on Committees.

16 (c) Powers and duties. In consultation with the Commission on the Future
17 of Public Education, the Task Force shall study and consider different
18 configurations for school district consolidation and propose not more than
19 three options for new school district boundaries. At least one boundary
20 proposal recommendation shall consider the use of supervisory unions and
21 supervisory districts, allow for the continuation of a tuitioning system that

1 provides continued access to independent schools that have served geographic
2 areas that do not operate public schools for the grades served by the
3 independent schools, and to the extent practical, not separate geographic areas
4 that contain nonoperating school districts as such districts exist on July 1,
5 2025.

6 (1) Proposed new school districts or supervisory unions and supervisory
7 districts shall have, to the extent practical, an average daily membership of not
8 fewer than approximately 4,000 and not more than 8,000 prekindergarten
9 through grade 12 students.

10 (2) Proposed new school districts or supervisory unions and supervisory
11 districts shall also be, to the greatest extent possible, grand list and pupil-count
12 balanced, demographically equitable, logistically feasible, and create the least
13 amount of disruption to students as possible.

14 (3) In creating the proposed districts, the Task Force shall consider the
15 following with the goal of increasing equitable access to educational
16 opportunity for all students:

17 (A) current school district and town boundaries and other historic and
18 current community connections, including access to regional services for
19 students, such as designated agencies;

20 (B) geographic barriers, including mountains and rivers;

21 (C) population distribution;

1 (D) location, capacity, and the facility condition index score of
2 current school buildings;

3 (E) transportation and employment patterns and practices;

4 (F) grand list values accounting for the homestead exemption and
5 current education spending;

6 (G) student demographics;

7 (H) the debt, liabilities, and assets of current school districts;

8 (I) staffing levels and salary scales;

9 (J) opportunities to support local elementary schools, central middle
10 schools, and regional high schools, with the least disruption to students;

11 (K) access to career and technical education (CTE) for all eligible
12 students;

13 (L) the maximization of cost efficiencies;

14 (M) the location of schools and CTE centers; and

15 (N) any other factors the Task Force deems relevant.

16 (d) Public input. The Task Force shall hold not fewer than two public
17 hearings to receive and consider feedback from members of the public
18 regarding school district consolidation and proposed boundaries and shall work
19 closely with the Commission on the Future of Public Education's public
20 engagement process to maximize public input regarding the development of
21 the proposed new school district boundaries.

1 (e) Assistance. The Task Force shall have the administrative, technical,
2 and legal assistance of the Agency of Administration, the Agency of Digital
3 Services, Vermont Center for Geographic Information, and the Department of
4 Taxes. The Task Force shall retain the services of one or more independent
5 third parties to provide contracted facilitation resources or any other services
6 the Task Force deems necessary.

7 (f) Report and maps. On or before December 1, 2025, the Task Force shall
8 submit a written report to the House Committees on Education and on
9 Government Operations and Military Affairs and the Senate Committees on
10 Education and on Government Operations with its proposals for new
11 consolidated school district boundaries. The report shall include how each
12 proposal meets the requirements contained in subdivisions (c)(1) and (2) of this
13 section, how the considerations in subdivision (c)(3) of this section factored
14 into each proposal, and the pros and cons of each proposal. Detailed maps
15 shall also be included with the report and the maps shall include the following
16 information, in addition to the proposed school district boundaries themselves:

17 (1) average daily membership for each proposed school district for the
18 2023–2024 school year;

19 (2) the member towns for each proposed school district;

1 (3) the location of public schools and nontherapeutic approved
2 independent schools that are eligible to receive public tuition as of July 1,
3 2025, and the grades operated by each of those schools;

4 (4) the five-year facility condition index score for each school;

5 (5) PCB testing score for each school;

6 (6) the 10-year change in enrollment between 2014 and 2024 for each
7 school; and

8 (7) the grand list value of each proposed school district.

9 (g) Meetings.

10 (1) The member appointed by the Governor shall call the first meeting
11 of the Task Force to occur on or before August 1, 2025.

12 (2) The Task Force shall select co-chairs from among its members at the
13 first meeting, one a member of the House and the other a member of the
14 Senate.

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

16 (4) The Task Force shall cease to exist on June 30, 2026.

17 (h) Compensation and reimbursement. Members of the Task Force shall be
18 entitled to per diem compensation and reimbursement of expenses as permitted
19 under 32 V.S.A. § 1010 for not more than eight meetings. These payments
20 shall be made from monies appropriated to the Agency of Administration.

21 (i) Appropriations.

1 (1) The sum of \$50,000.00 is appropriated to the Agency of
2 Administration from the General Fund in fiscal year 2026 for the purposes of
3 supporting the Task Force and the hiring of one or more facilitation consultants
4 pursuant to subsection (e) of this section.

5 (2) The sum of \$100,000.00 is appropriated to the Agency of Digital
6 Services from the General Fund in fiscal year 2026 to cover costs associated
7 with supporting the Task Force, or, if necessary, for the purposes of hiring one
8 or more consultants to provide support to the Task Force.

9 (3) The sum of \$10,000.00 is appropriated to the Agency of
10 Administration from the General Fund in fiscal year 2026 for per diem
11 compensation and reimbursement of expenses for nonlegislative members of
12 the Task Force.

13 (4) The sum of \$10,000.00 is appropriated to the General Assembly
14 from the General Fund in fiscal year 2026 for per diem compensation and
15 reimbursement of expenses for legislative members of the Task Force.

16 * * * School District Voting Ward Working Group * * *

17 Sec. 4. SCHOOL DISTRICT VOTING WARD WORKING GROUP;
18 REPORT; MAPS

19 (a) Creation. There is created the School District Voting Ward Working
20 Group to create voting district wards within the new school districts
21 contemplated by this act, to ensure school board membership is apportioned in

1 such a manner as to achieve substantially equal weighting of the votes of all
2 voters in the choice of school board members.

3 (b) Membership. The Working Group shall be composed of the following
4 members who shall have substantial understanding of Vermont geography,
5 trade, travel, social interaction, and Vermont's public education system:

6 (1) the Secretary of State or designee, who shall be the chair;

7 (2) three members, who shall be appointed by the Vermont Municipal
8 Clerk Treasurer Association;

9 (3) two members, appointed by the Vermont School Boards
10 Association; and

11 (4) the Director of the Vermont Center for Geographic Information or
12 designee.

13 (c) Powers and duties. On or before October 15, 2025, the Working Group
14 shall consult with the School District Redistricting Task Force created in Sec. 3
15 of this act to gain an understanding of the status of the work of the Task Force
16 and to determine whether the Task Force has one or more boundary proposals
17 ready for the Working Group to begin the work of creating voting wards.
18 Using the boundary proposals of the Task Force, the Working Group shall,
19 following the principles of apportionment followed by the legislative
20 apportionment board, make recommendations to the General Assembly to
21 achieve voting districts within each school district that are compact,

1 contiguous, and drawn to achieve substantially equal weighting of votes and
2 that meet the requirements of applicable State and federal law. If at any time
3 during the work of the Working Group, the General Assembly enacts new
4 school district boundaries, or it appears clear the General Assembly is focused
5 on only one proposal, the Working Group shall focus its work and
6 recommendations to align with the work of the General Assembly. The
7 Working Group's recommendations shall include:

8 (1) the optimal number of school board members per school board to
9 maximize public representation and democratic input while maintaining
10 effective school board size; and

11 (2) boundaries for school district voting wards within each school
12 district, with alternative options if necessary, including detailed maps clearly
13 and unambiguously delineating ward boundaries that respect current municipal
14 boundary lines.

15 (d) Assistance. The Working Group shall have the administrative,
16 technical, and legal assistance of the Secretary of State's office and the
17 technical assistance of the Agency of Digital Services, Vermont Center for
18 Geographic Information. The Working Group may contract for such expert
19 services as may be necessary to carry out its duties.

20 (e) Meetings.

1 (1) The Secretary of State shall call the first meeting of the Working
2 Group to occur on or before October 1, 2025.

3 (2) The Secretary of State shall be the chair.

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

5 (4) The Working Group shall cease to exist on June 30, 2026.

6 (f) Compensation and reimbursement. Members of the Working Group
7 shall be entitled to per diem compensation and reimbursement of expenses as
8 permitted under 32 V.S.A. § 1010 for not more than 10 meetings. These
9 payments shall be made from monies appropriated to the Secretary of State's
10 office.

11 (g) Appropriation for Working Group. The sum of \$15,000.00 is
12 appropriated to the Secretary of State's Office from the General Fund in fiscal
13 year 2026 for per diem compensation and reimbursement of expenses for
14 members of the Working Group.

15 (h) Appropriation for voting ward creation. The sum of \$200,000.00 is
16 appropriated from the General Fund to the Office of Legislative Counsel for
17 the contracting and software resources necessary to create school district
18 voting wards.

19 * * * Class Size Minimums * * *

20 Sec. 5. SCALE; INTENT

1 It is the intent of the General Assembly to transform education in Vermont
2 by leveraging attainable and research-based scale to increase equity of
3 opportunity and promote efficiency and affordability.

4 Sec. 6. 16 V.S.A. § 165 is amended to read:

5 § 165. EDUCATION QUALITY STANDARDS; EQUAL EDUCATIONAL
6 OPPORTUNITIES; INDEPENDENT SCHOOL MEETING
7 EDUCATION QUALITY STANDARDS

8 (a) In order to carry out Vermont's policy that all Vermont children will be
9 afforded educational opportunities that are substantially equal in quality, each
10 Vermont public school, including each career technical center, shall meet the
11 following education quality standards:

12 * * *

13 (9) The school complies with average class size minimum standards;
14 provided, however, that when class size minimums apply to content areas, an
15 individual class may be smaller than the minimum average. As used in this
16 subdivision, "content area" means a group of courses within a specific
17 licensing endorsement area.

18 (A) Class size standards.

19 (i) The average class size minimum for first-grade classes shall be
20 10 students.

1 (ii) The average class size minimum for grades two through five
2 shall be 12 students.

3 (iii) The average class size minimum for grades six through eight
4 in all required content areas shall be 15 students.

5 (iv) The average class size minimum for grades nine through 12 in
6 all required content area classes shall be 18 students.

7 (v) Multiage classrooms for grades kindergarten through eight
8 shall be limited to two grade levels per classroom.

9 (vi) Prekindergarten, kindergarten, career and technical education,
10 flexible pathways, terminal courses, advanced placement courses, courses that
11 require specialized equipment, and driver's education classes shall be excluded
12 from the class size minimum requirements in this subdivision (9). Small group
13 services for the purpose of providing special education, supplemental or
14 targeted academic intervention, or English learner instruction shall also be
15 excluded from the class size minimum requirements in this subdivision (9).

16 (vii) Class sizes shall not exceed the maximum occupancy limits
17 established by local and State fire codes, including egress and safety
18 requirements.

19 (B) Waivers. If a school board determines that it operates a school
20 that is unable to comply with the class size minimum standards due to
21 geographic isolation, or a school has developed an implementation plan to

1 meet the standards contained in this subdivision (9) that may include
2 consolidation or merger, the school board may ask the State Board of
3 Education to grant it waiver from this subdivision (9). The State Board shall
4 define what qualifies as geographic isolation in its rules adopted pursuant to
5 subdivision (a)(3) of this section. The State Board's decision shall be final.

6 (C) State Board action. If the Secretary determines that a school is
7 not meeting the class size minimum standards set forth in this subdivision (9)
8 over the course of three consecutive school years, the Secretary may
9 recommend to the State Board one or more of the actions listed in subsection
10 (b) of this section, regardless of whether the school is meeting all other
11 education quality standards. The State Board shall then follow the procedure
12 of subsection (c) of this section.

13 (b) Annually, the Secretary shall determine whether students in each
14 Vermont public school are provided educational opportunities substantially
15 equal to those provided in other public schools. If the Secretary determines
16 that a school is not meeting the education quality standards listed in subsection
17 (a) of this section or that the school is making insufficient progress in
18 improving student performance in relation to the standards for student
19 performance set forth in subdivision 164(9) of this title, ~~he or she~~ the Secretary
20 shall describe in writing actions that a district must take in order to meet either
21 or both sets of standards and shall provide technical assistance to the school. If

1 the school fails to meet the standards or make sufficient progress within two
2 years ~~of~~ following the determination, the Secretary shall recommend to the
3 State Board one or more of the following actions:

4 (1) the Agency continue to provide technical assistance for one more
5 cycle of review;

6 (2) the State Board adjust supervisory union boundaries or
7 responsibilities of the superintendency pursuant to section 261 of this title;

8 (3) the Secretary assume administrative control of an individual school,
9 school district, or supervisory union, including budgetary control to ensure
10 sound financial practices, only to the extent necessary to correct deficiencies;

11 (4) the State Board close an individual school or schools and require that
12 the school district pay tuition to another public school or an approved
13 independent school pursuant to chapter 21 of this title; or

14 (5) the State Board require two or more school districts to consolidate
15 their governance structures.

16 (c) The State Board, after offering the school board an opportunity for a
17 hearing, shall either dismiss the Secretary's recommendation or order that one
18 or more of the actions listed in subsection (b) of this section be taken. The
19 action ordered by the State Board shall be the least intrusive consistent with the
20 need to provide students attending the school substantially equal educational

1 opportunities. A school board aggrieved by an order of the State Board may
2 appeal the order in accordance with the Rules of Civil Procedure.

3 * * *

4 (e) If the Secretary determines at any time that the failure of a school to
5 meet the education quality standards listed in subsection (a) of this section is
6 severe or pervasive, potentially results in physical or emotional harm to
7 students or significant deprivation of equal education opportunities, and the
8 school has either unreasonably refused to remedy the problem or its efforts
9 have proved ineffective, ~~he or she~~ the Secretary may recommend to the State
10 Board one or more of the actions listed in subsection (b) of this section. The
11 State Board shall then follow the procedure of subsection (c) of this section.

12 * * *

13 Sec. 7. FAILURE TO COMPLY WITH EDUCATION QUALITY

14 STANDARDS; STATE BOARD ACTION

15 Notwithstanding 16 V.S.A. § 165(b)(4) and (5) and any other provision of
16 law to the contrary, the State Board shall be prohibited from ordering school
17 district consolidation or school consolidation if a school fails to comply with
18 class size minimum education quality standards and the resulting consolidation
19 would result in school construction costs in excess of the applicable district's
20 capital reserve account until the General Assembly establishes new school

1 district boundaries and takes further action regarding the consequences for
2 failure to meet education quality standards.

3 * * * Agency and State Board Rules and Reports * * *

4 Sec. 8. STATE BOARD OF EDUCATION; RULES; REPORT

5 (a) Rules.

6 (1) The State Board of Education shall initiate rulemaking to amend the
7 Education Quality Standards rule 2000 series, Agency of Education, Education
8 Quality Standards (22-000-003), pursuant to 3 V.S.A. chapter 25:

9 (A) on or before August 1, 2026, to ensure compliance with the class
10 size minimum standards set pursuant to 16 V.S.A. § 165(a)(9); and

11 (B) on or before July 1, 2027, to adopt standards for statewide
12 graduation requirements based on standards adopted by the State Board and
13 recommendations from the Agency of Education, which shall take effect
14 beginning in the 2027–2028 school year for the graduating class of 2031 and
15 every graduating class thereafter.

16 (2) On or before August 1, 2026, the State Board of Education shall
17 initiate rulemaking to amend the approved independent school rule 2200 series,
18 Agency of Education, Independent School Program Approval (22-000-004),
19 pursuant to 3 V.S.A. chapter 25, to require approved independent schools that
20 intend to accept public tuition to comply with the class size minimum
21 standards set pursuant to 16 V.S.A. § 165(a)(9). The amendments shall also

1 create a process for review by the State Board for failure to meet the class size
2 minimum requirements and the corresponding actions the Board may take for
3 such noncompliance; provided, however, that the Board shall provide an
4 approved independent school a substantially similar opportunity to come into
5 compliance with class size minimum standards that it would provide to a
6 public school.

7 (b) Report. On or before December 1, 2025, the State Board of Education
8 shall submit a written report to the House and Senate Committees on
9 Education with proposed standards for schools to be deemed “small by
10 necessity” or “sparse by necessity.”

11 Sec. 9. AGENCY OF EDUCATION; SCHOOL CALENDAR;

12 GRADUATION REQUIREMENTS; REPORT

13 (a) Statewide graduation requirements. On or before January 1, 2026, the
14 Agency of Education shall recommend to the State Board of Education
15 standards for statewide graduation requirements based on standards adopted by
16 the State Board.

17 (b) Statewide school calendar.

18 (1) On or before January 15, 2027, the Secretary of Education shall
19 develop and publish a statewide calendar for the public schools of the State,
20 including career and technical centers, that shall be in effect in the
21 2028–2029 academic year and after.

1 (2) On or before January 15, 2027, the Secretary shall present to the
2 House and Senate Committees on Education a list of the statutory amendments
3 necessary to effect the intent of this subsection.

4 (c) Report. On or before December 1, 2025, the Agency of Education shall
5 submit a written report and recommended legislative language, as applicable,
6 to the House and Senate Committees on Education with the following:

7 (1) In consultation with educators and administrators, a proposed
8 implementation plan for statewide financial data and student information
9 systems.

10 (2) Recommendations for a school construction division within the
11 Agency of Education, including position descriptions and job duties for each
12 position within the division, a detailed description of the assistance the division
13 would provide to the field, and the overall role the Agency would play within a
14 State aid to school construction program.

15 (3) A progress report regarding the development of clear, unambiguous
16 guidance that would be provided to school officials and school board members
17 regarding the business processes and transactions that would need to occur to
18 facilitate school district mergers into larger, consolidated school districts,
19 including the merging of data systems, asset and liability transfers, and how to
20 address collective bargaining agreements for both educators and staff. The
21 report shall include a detailed description of how the Agency will provide

1 support and consolidation assistance to the field in each of these areas and an
2 estimate of the costs associated with such work.

3 (4) In consultation with superintendents, directors of therapeutic
4 independent schools, special education directors, and, in the opinion of the
5 Agency, other experts, recommendations for the need for cooperative
6 education services and the oversight of therapeutic schools within the school
7 governance framework both at a State and local level.

8 Sec. 10. STATE BOARD OF EDUCATION; REVIEW OF RULES;

9 APPROPRIATION

10 (a) The State Board of Education shall review each rule series the State
11 Board is responsible for and make a determination as to the continuing need
12 for, appropriateness of, or need for updating of said rules. On or before
13 December 1, 2026, the State Board of Education shall submit a written report
14 to the House and Senate Committees on Education with its recommendation
15 for rules that are no longer needed and a plan to update rules that are still
16 necessary, including the order in which the Board proposes to update the rules
17 and any associated costs or staffing needs.

18 (b) The sum of \$200,000.00 is appropriated from the General Fund to the
19 Agency of Education in fiscal year 2026 to provide the State Board of
20 Education with the contracted resources necessary to review and update the
21 Board's rules.

1 Sec. 11. [Deleted.]

2 * * * State Aid to School Construction * * *

3 Sec. 12. 16 V.S.A. § 3440 is added to read:

4 § 3440. STATEMENT OF POLICY

5 It is the intent of this chapter to encourage the efficient use of public funds
6 to modernize school infrastructure in alignment with current educational needs.
7 School construction projects supported by this chapter should be developed
8 taking consideration of standards of quality for public schools under section
9 165 of this title and prioritizing cost, geographic accessibility, 21st century
10 education facilities standards, statewide enrollment trends, and capacity and
11 scale that support best educational practices. Further, it is the intent of this
12 chapter to encourage the use of existing infrastructure to meet the needs of
13 Vermont students. Joint construction projects between two or more school
14 districts and consolidation of buildings within a district where feasible and
15 educationally appropriate are encouraged.

16 Sec. 13. 16 V.S.A. § 3442 is added to read:

17 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

18 The Agency of Education shall be responsible for implementing the State
19 Aid for School Construction Program according to the provisions of this
20 chapter. The Agency shall be responsible for:

1 (1) reviewing all preliminary applications for State school construction
2 aid and issuing an approval or denial in accordance with section 3445 of this
3 chapter;

4 (2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school
5 construction and capital outlay, including rules to specify a point prioritization
6 methodology and a bonus incentive structure aligned with the legislative intent
7 expressed in section 3440 of this title;

8 (3) including as part of its budget submitted to the Governor pursuant to
9 subdivision 212(21) of this title its annual school construction funding request;

10 (4) developing a prequalification and review process for project delivery
11 consultants and architecture and engineering firms specializing in
12 prekindergarten through grade 12 school design, renovation, or construction
13 and maintaining a list of such prequalified firms and consultants;

14 (5) providing technical assistance and guidance to school districts and
15 supervisory unions on all phases of school capital projects;

16 (6) providing technical advice and assistance, training, and education to
17 school districts, supervisory unions, general contractors, subcontractors,
18 construction or project managers, designers, and other vendors in the planning,
19 maintenance, and establishment of school facility space;

1 (7) maintaining a current list of school construction projects that have
2 received preliminary approval, projects that have received final approval, and
3 the priority points awarded to each project;

4 (8) collecting, maintaining, and making publicly available quarterly
5 progress reports of all ongoing school construction projects that shall include,
6 at a minimum, the costs of the project and the time schedule of the project;

7 (9) recommending policies and procedures designed to reduce
8 borrowing for school construction programs at both State and local levels;

9 (10) conducting a needs survey at least every five years to ascertain the
10 capital construction, reconstruction, maintenance, and other capital needs for
11 all public schools and maintaining such data in a publicly accessible format;

12 (11) developing a formal enrollment projection model or using
13 projection models already available;

14 (12) encouraging school districts and supervisory unions to investigate
15 opportunities for the maximum utilization of space in and around the district or
16 supervisory union;

17 (13) collecting and maintaining a clearinghouse of prototypical school
18 plans, as appropriate, that may be consulted by eligible applicants;

19 (14) retaining the services of consultants, as necessary, to effectuate the
20 roles and responsibilities listed within this section; and

1 (15) notwithstanding 2 V.S.A. § 20(d), annually on or before December
2 15, submitting a written report to the General Assembly regarding the status
3 and implementation of the State Aid for School Construction Program,
4 including the data required to be collected pursuant to this section.

5 Sec. 14. 16 V.S.A. § 3443 is added to read:

6 § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

7 BOARD

8 (a) Creation. There is hereby created the State Aid for School Construction
9 Advisory Board, which shall advise the Agency on the implementation of the
10 State Aid for School Construction Program in accordance with the provisions
11 of this chapter, including the adoption of rules, setting of statewide priorities,
12 criteria for project approval, and recommendations for project approval and
13 prioritization.

14 (b) Membership.

15 (1) Composition. The Board shall be composed of the following eight
16 members:

17 (A) four members who shall serve as ex officio members:

18 (i) the State Treasurer or designee;

19 (ii) the Commissioner of Buildings and General Services or
20 designee;

1 (iii) the Executive Director of the Vermont Bond Bank or
2 designee; and

3 (iv) the Chair of the State Board of Education or designee; and

4 (B) four members, none of whom shall be a current member of the
5 General Assembly, who shall serve four-year terms as follows:

6 (i) two members, appointed by the Speaker of the House, each of
7 whom shall have expertise in education or construction, real estate, or finance
8 and one of whom shall represent a supervisory union; and

9 (ii) two members, appointed by the Committee on Committees,
10 each of whom shall have expertise in education or construction, real estate, or
11 finance and one of whom shall be an educator.

12 (2) Members with four-year terms.

13 (A) A member with a term limit shall serve a term of four years and
14 until a successor is appointed. A term shall begin on January 1 of the year of
15 appointment and run through December 31 of the last year of the term. Terms
16 of these members shall be staggered so that not all terms expire at the same
17 time.

18 (B) A vacancy created before the expiration of a term shall be filled
19 in the same manner as the original appointment for the unexpired portion of the
20 term.

1 (C) A member with a term limit shall not serve more than two
2 consecutive terms. A member appointed to fill a vacancy created before the
3 expiration of a term shall not be deemed to have served a term for the purpose
4 of this subdivision (C).

5 (c) Duties. The Board shall advise the Agency on the implementation of
6 the State Aid for School Construction Program in accordance with the
7 provisions of this chapter, including:

8 (1) rules pertaining to school construction and capital outlay;

9 (2) project priorities;

10 (3) proposed legislation the Board deems desirable or necessary related
11 to the State Aid for School Construction Program, the provisions of this
12 chapter, and any related laws;

13 (4) policies and procedures designed to reduce borrowing for school
14 construction programs at both State and local levels;

15 (5) development of a formal enrollment projection model or the
16 consideration of using projection models already available;

17 (6) processes and procedures necessary to apply for, receive, administer,
18 and comply with the conditions and requirements of any grant, gift,
19 appropriation of property, services, or monies;

1 (7) the collection and maintenance of a clearinghouse of prototypical
2 school plans that may be consulted by eligible applicants and recommended
3 incentives to utilize such prototypes;

4 (8) the determination of eligible cost components of projects for funding
5 or reimbursement, including partial or full eligibility for project components
6 for which the benefit is shared between the school and other municipal and
7 community entities;

8 (9) development of a long-term vision for a statewide capital plan in
9 accordance with needs and projected funding;

10 (10) collection and maintenance of data on all public school facilities in
11 the State, including information on size, usage, enrollment, available facility
12 space, and maintenance;

13 (11) advising districts on the use of a needs survey to ascertain the
14 capital construction, reconstruction, maintenance, and other capital needs for
15 schools across the State; and

16 (12) encouraging school districts and supervisory unions to investigate
17 opportunities for the maximum utilization of space in and around the district or
18 supervisory union.

19 (d) Meetings.

20 (1) The Chair of the State Board of Education shall call the first meeting
21 of the Board to occur on or before September 1, 2025.

1 (2) The Board shall select a chair from among its members at the first
2 meeting.

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

4 (4) The Board shall meet not more than six times per year.

5 (e) Assistance. The Board shall have the administrative, technical, and
6 legal assistance of the Agency of Education.

7 (f) Compensation and reimbursement. Members of the Board shall be
8 entitled to per diem compensation and reimbursement of expenses as permitted
9 under 32 V.S.A. § 1010 for not more than six meetings per year.

10 (g) Report. On or before December 15, 2025, the Board shall submit a
11 written report to the House Committees on Education and on Ways and Means
12 and the Senate Committees on Education and on Finance on recommendations
13 for addressing the transfer of any debt obligations from current school districts
14 to future school districts as contemplated by Vermont's education
15 transformation.

16 Sec. 15. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL

17 CONSTRUCTION ADVISORY BOARD

18 16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is
19 repealed on July 1, 2035.

20 Sec. 16. 16 V.S.A. § 3444 is added to read:

21 § 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

1 (a) Creation. There is created the School Construction Aid Special Fund,
2 to be administered by the Agency of Education. Monies in the Fund shall be
3 used for the purposes of:

4 (1) awarding aid to school construction projects under section 3445 of
5 this title;

6 (2) awarding grants through the Facilities Master Plan Grant Program
7 established in section 3441 of this title;

8 (3) funding administrative costs of the State Aid for School
9 Construction Program; and

10 (4) awarding emergency aid under section 3445 of this title.

11 (b) Funds. The Fund shall consist of:

12 (1) any amounts transferred or appropriated to it by the General
13 Assembly; and

14 (2) any interest earned by the Fund.

15 Sec. 17. 16 V.S.A. § 3445 is added to read:

16 § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION
17 PROJECTS

18 (a) Construction aid.

19 (1) Preliminary application for construction aid. A school district
20 eligible for assistance under section 3447 of this title that intends to construct
21 or purchase a new school, or make extensive additions or alterations to its

1 existing school, and desires to avail itself of State school construction aid shall
2 submit a written preliminary application to the Secretary. A preliminary
3 application shall include information required by the Agency by rule and shall
4 specify the need for and purpose of the project.

5 (2) Approval of preliminary application.

6 (A) When reviewing a preliminary application for approval, the
7 Secretary shall consider:

8 (i) regional educational opportunities and needs, including school
9 building capacities across school district boundaries, and available
10 infrastructure in neighboring communities;

11 (ii) economic efficiencies;

12 (iii) the suitability of an existing school building to continue to
13 meet educational needs; and

14 (iv) statewide educational initiatives.

15 (B) The Secretary may approve a preliminary application if:

16 (i)(I) the project or part of the project fulfills a need occasioned
17 by:

18 (aa) conditions that threaten the health or safety of students
19 or employees;

20 (bb) facilities that are inadequate to provide programs
21 required by State or federal law or regulation;

1 (cc) excessive energy use resulting from the design of a
2 building or reliance on fossil fuels or electric space heat; or

3 (dd) deterioration of an existing building; or

4 (II) the project results in consolidation of two or more school
5 buildings and will serve the educational needs of students in a more cost-
6 effective and educationally appropriate manner as compared to individual
7 projects constructed separately;

8 (ii) the need addressed by the project cannot reasonably be met by
9 another means;

10 (iii) the proposed type, kind, quality, size, and estimated cost of
11 the project are suitable for the proposed curriculum and meet all legal
12 standards;

13 (iv) the applicant achieves the level of “proficiency” in the school
14 district quality standards regarding facilities management adopted by rule by
15 the Agency; and

16 (v) the applicant has completed a facilities master planning
17 process that:

18 (I) engages robust community involvement;

19 (II) considers regional solutions;

20 (III) evaluates environmental contaminants; and

1 (IV) produces a facilities master plan that unites the applicant's
2 vision statement, educational needs, enrollment projections, renovation needs,
3 and construction projects.

4 (3) Priorities. Following approval of a preliminary application and
5 provided that the district has voted funds or authorized a bond for the total
6 estimated cost of a project, the Agency, with the advice of the State Aid for
7 School Construction Advisory Board, shall assign points to the project as
8 prescribed by rule of the Agency so that the project can be placed on a priority
9 list based on the number of points received.

10 (4) Request for legislative appropriation. The Agency shall submit its
11 annual school construction funding request to the Governor as part of its
12 budget pursuant to subdivision 212(21) of this title. Following submission of
13 the Governor's recommended budget to the General Assembly pursuant to
14 32 V.S.A. § 306, the House Committee on Education and the Senate
15 Committee on Education shall recommend a total school construction
16 appropriation for the next fiscal year to the General Assembly.

17 (5) Final approval for construction aid.

18 (A) Unless approved by the Secretary for good cause in advance of
19 commencement of construction, a school district shall not begin construction
20 before the Secretary approves a final application. A school district may submit

1 a written final application to the Secretary at any time following approval of a
2 preliminary application.

3 (B) The Secretary may approve a final application for a project
4 provided that:

5 (i) the project has received preliminary approval;

6 (ii) the district has voted funds or authorized a bond for the total
7 estimated cost of the project;

8 (iii) the district has made arrangements for project construction
9 supervision by persons competent in the building trades;

10 (iv) the district has provided for construction financing of the
11 project during a period prescribed by the Agency;

12 (v) the project has otherwise met the requirements of this chapter;

13 (vi) if the proposed project includes a playground, the project
14 includes a requirement that the design and construction of playground
15 equipment follow the guidelines set forth in the U.S. Consumer Product Safety
16 Commission Handbook for Public Playground Safety; and

17 (vii) if the total estimated cost of the proposed project is less than
18 \$50,000.00, no performance bond or irrevocable letter of credit shall be
19 required.

20 (C) The Secretary may provide that a grant for a high school project
21 is conditioned upon the agreement of the recipient to provide high school

1 instruction for any high school pupil living in an area prescribed by the Agency
2 who may elect to attend the school.

3 (D) A district may begin construction upon receipt of final approval.
4 However, a district shall not be reimbursed for debt incurred due to borrowing
5 of funds in anticipation of aid under this section.

6 (6) Award of construction aid.

7 (A) The base amount of an award shall be 20 percent of the eligible
8 debt service cost of a project. Projects are eligible for additional bonus
9 incentives as specified in rule for up to an additional 20 percent of the eligible
10 debt service cost. Amounts shall be awarded annually and are subject to an
11 annual appropriation for the purposes of the program.

12 (B) As used in subdivision (A) of this subdivision (6), “eligible debt
13 service cost” of a project means the product of the lifetime cost of the bond
14 authorized for the project and the ratio of the approved cost of a project to the
15 total cost of the project.

16 (b) Emergency aid. Notwithstanding any other provision of this section,
17 the Secretary may grant aid for a project the Secretary deems to be an
18 emergency in the amount of 30 percent of eligible project costs, up to a
19 maximum eligible total project cost of \$300,000.00.

20 Sec. 18. 16 V.S.A. § 3446 is added to read:

21 § 3446. APPEAL

1 Any municipal corporation as defined in section 3447 of this title aggrieved
2 by an order, allocation, or award of the Agency of Education may, within
3 30 days, appeal to the Superior Court in the county in which the project is
4 located.

5 Sec. 19. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF
6 RULES

7 (a) The statutory authority to adopt rules by the State Board of Education
8 pertaining to school construction and capital outlay adopted under 16 V.S.A.
9 § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of
10 Education to the Agency of Education.

11 (b) All rules pertaining to school construction and capital outlay adopted by
12 the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026
13 shall be deemed the rules of the Agency of Education and remain in effect until
14 amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter
15 25.

16 (c) The Agency of Education shall provide notice of the transfer to the
17 Secretary of State and the Legislative Committee on Administrative Rules in
18 accordance with 3 V.S.A. § 848(d)(2).

19 Sec. 20. REPEALS

20 (a) 16 V.S.A. § 3448 (approval of funding of school construction projects;
21 renewable energy) is repealed on July 1, 2026.

1 (b) 16 V.S.A. § 3448a (appeal) is repealed on July 1, 2026.

2 * * * Schools Eligible to Receive Public Tuition * * *

3 Sec. 21. 16 V.S.A. § 828 is amended to read:

4 § 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

5 (a) A school district shall not pay the tuition of a student except to:

6 (1) a public school; located in Vermont;

7 (2) an approved independent school; that:

8 (A) is located in Vermont;

9 (B) is approved under section 166 of this title on or before July 1,

10 2025;

11 (C) is located within either:

12 (i) a supervisory district that does not operate a public school for
13 some or all grades as of July 1, 2024; or

14 (ii) a supervisory union with one or more member school districts
15 that does not operate a public school for some or all grades as of July 1, 2024;

16 (D) had at least 25 percent of its student enrollment composed of
17 students attending on a district-funded tuition basis pursuant to chapter 21 of
18 this title during the 2023–2024 school year; and

19 (E) complies with the minimum class size requirements contained in
20 subdivision 165(a)(9) of this title and State Board rule; provided, however, that
21 if a school is unable to comply with the class size minimum standards due to

1 geographic isolation or a school has developed an implementation plan to meet
2 the class size minimum requirements, the school may ask the State Board to
3 grant it a waiver from this subdivision (E), which decision shall be final;

4 (3) an independent school meeting education quality standards;

5 (4) a tutorial program approved by the State Board;

6 (5) an approved education program;~~or;~~

7 ~~(6) an independent school in another state or country approved under the~~
8 ~~laws of that state or country, that complies with the reporting requirement~~
9 ~~under subsection 4010(e) of this title; a public school located in another state;~~

10 or

11 (7) a therapeutic approved independent school located in Vermont or
12 another state or country that is approved under the laws of that state or country.

13 ~~(b) nor shall payment~~ Payment of tuition on behalf of a person shall not be
14 denied on account of age.

15 (c) Unless otherwise provided, a person who is aggrieved by a decision of a
16 school board relating to eligibility for tuition payments, the amount of tuition
17 payable, or the school the person may attend, may appeal to the State Board
18 and its decision shall be final.

19 (d) As used in this section, “therapeutic approved independent school”
20 means an approved independent school that limits enrollment for publicly
21 funded students residing in Vermont to students who are on an individualized

1 education program or plan under Section 504 of the Rehabilitation Act of
2 1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement
3 between a local education agency and the school or pursuant to a court order.

4 Sec. 22. TUITION TRANSITION

5 A school district that pays tuition pursuant to the provisions of 16 V.S.A.
6 chapter 21 in effect on June 30, 2025 shall continue to pay tuition on behalf of
7 a resident student enrolled for the 2024–2025 school year in or who has been
8 accepted for enrollment for the 2025–2026 school year by an approved
9 independent school subject to the provisions of 16 V.S.A. § 828 in effect on
10 June 30, 2025, until such time as the student graduates from that school.

11 * * * State-Level Governance * * *

12 Sec. 23. STATE-LEVEL GOVERNANCE; INTENT

13 It is the intent of the General Assembly to consolidate structures and
14 systems that are foundational to the administration of education and to ensure
15 that the State Board of Education is the independent, transparent, and public
16 facing body for public education and to ensure the Board maintains its ability
17 to provide an important outlet for the public to engage in the rulemaking
18 process and regularly provide public comment regarding the state of
19 Vermont’s education system.

1 Sec. 24. 16 V.S.A. § 161 is amended to read:

2 § 161. STATE BOARD OF EDUCATION; APPOINTMENT OF
3 MEMBERS; TERM; VACANCY

4 The State Board shall consist of ~~ten~~ 10 members. Two of the members shall
5 be secondary students, one of whom shall be a full member and the other of
6 whom shall be a junior member who may not vote. ~~All~~ Eight members,
7 including the two student members, shall be appointed by the Governor with
8 the advice and consent of the Senate. One member shall be appointed by the
9 Speaker of the House and one member shall be appointed by the Senate
10 Committee on Committees. In the appointment of the nonstudent members,
11 priority shall be given to the selection of persons with a demonstrated
12 commitment to ensuring quality education for Vermont students. To the extent
13 possible, the members shall represent the State's geographic, gender, racial,
14 and ethnic diversity. The Secretary shall serve on the State Board as a
15 nonvoting member.

16 (1) Upon the expiration of the respective terms of those members of the
17 Board previously appointed, excluding the student members, the ~~Governor~~
18 appointing authority that made the initial appointment to the expired term
19 shall, biennially in the month of February with the advice and consent of the
20 Senate, as applicable, appoint members for terms of six years. The terms shall
21 begin March 1 of the year in which the appointments are made. A member

1 serving a term of six years shall not be eligible for reappointment for
2 successive terms.

3 (2) In the event of any vacancy occurring in the membership of the
4 Board, the ~~Governor~~ appointing authority that made the initial appointment to
5 the vacated term shall fill the vacancy with a qualified person whose
6 appointment shall be for the unexpired portion of the term.

7 (3) Biennially, the Board shall choose a member of the Board to be its
8 chair.

9 (4) Annually, using an application process that is open and accessible to
10 all eligible students, the Governor shall appoint a Vermont secondary school
11 student who will continue to be a secondary student for at least two years
12 following taking office, to serve on the State Board for two years, beginning on
13 July 1 of the year of appointment. The student member shall not vote during
14 the first year and shall be a full and voting member during the second year of
15 ~~his or her~~ the student's term.

16 Sec. 25. TRANSITION PERIOD APPOINTMENTS; STATE BOARD OF
17 EDUCATION

18 (a) Members currently serving on the State Board of Education may
19 continue to serve for the duration of the term to which they were appointed.

1 (b) Beginning on July 1, 2025, as terms of currently serving members
2 expire, appointments of successors shall be made in accordance with the
3 considerations and appointment authority contained in 16 V.S.A. § 161.

4 (1) The Speaker of the House shall make the first appointment to a
5 vacant or expired seat that occurs after July 1, 2025 and shall make any
6 subsequent appointments to fill the vacated or expired term for that same seat
7 after the initial transition period appointment.

8 (2) The Senate Committee on Committees shall make the second
9 appointment to a vacant or expired seat that occurs after July 1, 2025 and shall
10 make any subsequent appointments to fill the vacated or expired term for that
11 same seat after the initial transition period appointment.

12 (3) The Governor shall make the third appointment, with the advice and
13 consent of the Senate, to a vacant or expired seat that occurs after July 1, 2025
14 and shall make any subsequent appointments to fill the vacated or expired term
15 for that same seat after the initial transition period appointment.

16 (c) Once the first three appointments after July 1, 2025 are made in
17 accordance with subsection (b) of this section, the Governor shall make all
18 subsequent appointments for the remaining five nonstudent seats, with the
19 advice and consent of the Senate, in accordance with 16 V.S.A. § 161.

20 Sec. 26. 16 V.S.A. § 162 is amended to read:

21 § 162. REMOVAL OF BOARD MEMBERS

1 After notice and hearing, the Governor may remove a member of the State
2 Board for incompetency, failure to discharge ~~his or her~~ the member's duties,
3 malfeasance, illegal acts, or other cause inimical to the welfare of the public
4 schools; and in case of such removal, ~~he or she~~ the appointing authority that
5 made the initial appointment shall appoint a person to fill the unexpired term.

6 * * * Calculation of Tuition * * *

7 Sec. 27. 16 V.S.A. § 823 is amended to read:

8 § 823. ~~ELEMENTARY~~ TUITION

9 (a) Tuition for ~~elementary~~ students shall be paid by the district in which the
10 student is a resident. The district shall pay ~~the full tuition charged its students~~
11 ~~attending a public elementary school~~ to a receiving school for each resident
12 student attending the receiving school an amount equal to the base amount
13 contained in subdivision 4001(16) of this title multiplied by the sum of one and
14 any weights applicable to the resident student under section 4010 of this title.

15 ~~If a payment made to a public elementary school is three percent more or less~~
16 ~~than the calculated net cost per elementary pupil in the receiving school district~~
17 ~~for the year of attendance, the district shall be reimbursed, credited, or~~
18 ~~refunded pursuant to section 836 of this title. Notwithstanding the provisions~~
19 ~~of this subsection or of subsection 825(b) of this title, the boards of both the~~
20 ~~receiving and sending districts may enter into tuition agreements with terms~~
21 ~~differing from the provisions of those subsections, provided that the receiving~~

1 ~~district must offer identical terms to all sending districts, and further provided~~
2 ~~that the statutory provisions apply to any sending district that declines the~~
3 ~~offered terms.~~

4 (b) ~~Unless the electorate of a school district authorizes payment of a higher~~
5 ~~amount at an annual or special meeting warned for the purpose, the tuition paid~~
6 ~~to an approved independent elementary school or an independent school~~
7 ~~meeting education quality standards shall not exceed the least of:~~

8 ~~(1) the average announced tuition of Vermont union elementary schools~~
9 ~~for the year of attendance;~~

10 ~~(2) the tuition charged by the approved independent school for the year~~
11 ~~of attendance; or~~

12 ~~(3) the average per pupil tuition the district pays for its other resident~~
13 ~~elementary students in the year in which the student is enrolled in the approved~~
14 ~~independent school.~~ (1) In addition to the tuition amount calculated in
15 subsection (a) of this section, a receiving school may charge, and a sending
16 school shall be required to pay, an additional fee in the amount of the product
17 of the base amount and up to 0.05 for each student attending the receiving
18 school in grades nine through 12 only if the following conditions are met:

19 (A) the receiving school has received approval from the State Board
20 of Education to charge the additional fee under this subsection (b), which

1 approval shall be granted in accordance with rules adopted by the State Board;
2 and

3 (B) the electorate of each school district with at least one student
4 attending the receiving school has approved supplemental district spending, as
5 defined in 32 V.S.A. § 5401, for the purpose of this subsection and in an
6 amount sufficient to cover the additional fee authorized under this subsection
7 (b).

8 (2) For the purposes of this subsection, a receiving school shall not
9 include an approved independent school in Vermont functioning as an
10 approved area career and technical center.

11 (c) A receiving school that elects and is eligible to charge an additional fee
12 pursuant to subsection (b) of this section shall charge the same additional fee
13 for each student attending on a publicly funded tuition basis pursuant to
14 chapter 21 of this title. A receiving school is prohibited from charging
15 different fees pursuant to this section to different school districts.

16 (d) Notwithstanding subsections (a), (b), and (c) of this section, or any
17 other provision of law to the contrary, the district shall pay the full tuition
18 charged its students attending an approved independent school in Vermont
19 functioning as an approved area career and technical center.

1 Sec. 28. REPEALS

2 16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate;
3 calculated net cost per pupil defined), 826 (notice of tuition rates; special
4 education charges), and 836 (tuition overcharge or undercharge) are repealed
5 on July 1, 2029.

6 Sec. 28a. STATE BOARD OF EDUCATION; TUITION FEE RULES

7 On or before July 1, 2027, the State Board of Education shall adopt rules
8 pursuant to 3 V.S.A. chapter 25 to govern the approval process for a receiving
9 school to charge an additional fee pursuant to 16 V.S.A. § 823. The Board's
10 rules shall require a receiving school to demonstrate that an additional fee is
11 necessary to educate the specific students the fee is being applied to and that
12 the fee will be used to educate such students and not used to shift costs
13 elsewhere within the applicable school's budget.

14 * * * Special Education Delivery * * *

15 Sec. 29. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF
16 EDUCATION; REPORT

17 (a) On or before September 1, 2025, the Agency of Education shall submit
18 a written report to the House and Senate Committees on Education, the House
19 Committee on Ways and Means, and the Senate Committee on Finance
20 addressing the factors contributing to growth in extraordinary special education
21 reimbursement costs. The report shall include detailed information regarding

1 the current state of special education delivery in Vermont, including an update
2 on the implementation of special education changes enacted pursuant to 2018
3 Acts and Resolves No. 173 (Act 173). The report shall include a description of
4 the current state of support for students with disabilities in Vermont and
5 recommended changes to structure, practice, and law with the goal of:

6 (1) improving the delivery of special education services and managing
7 the rising extraordinary special education costs as Vermont's special education
8 finance system transitions from a census block grant to a weight for special
9 education costs;

10 (2) ensuring better, more inclusive services in the least restrictive
11 environment in a way that makes efficient and effective use of limited
12 resources while resulting in the best outcomes;

13 (3) responding to the challenges of fully implementing Act 173 and the
14 lessons learned from implementation efforts to date;

15 (4) ensuring that the delivery of special education is responsive to
16 student needs; and

17 (5) addressing drivers of growth of extraordinary expenditures in special
18 education.

19 (b) The report shall include:

20 (1) An analysis of the costs of and services provided for students with
21 extraordinary needs in specialized settings, separated by school-district-

1 operated specialized programs, independent nonprofit programs, and
2 independent for-profit programs. The report shall include a geographic map
3 with the location of all specialized programs within the State of Vermont, as
4 well as the following information for each individual specialized program:

5 (A) disability categories served;

6 (B) grade levels served;

7 (C) the number of students with IEPs and the average duration of
8 time each student spent in the program over the last 10 years;

9 (D) average cost per pupil, inclusive of extraordinary spending and
10 any costs in excess of general tuition rates;

11 (E) years of experience, training, and tenure of licensed special
12 education staff;

13 (F) a review of the findings of all investigations conducted by the
14 Agency of Education; and

15 (G) a review of the Agency's public assurance capabilities, with
16 respect to special education programs in all settings, and an analysis of the
17 effectiveness of current oversight or rule, and recommended changes if needed.

18 (2) An evaluation of the state of implementation of Act 173, including
19 examples of where implementation has been successful, where it has not, and
20 why.

1 (3) Identification of drivers of accelerating costs within the special
2 education system.

3 (4) Identification of barriers to the success of students with disabilities.

4 (5) A description of how specialized programs for students with
5 extraordinary needs operated by school districts, independent nonprofit
6 schools, and independent for-profit schools are funded, with an analysis of the
7 benefits and risks of each funding model.

8 (6) An assessment of whether Vermont's current special education laws
9 ensure equitable access for all students with disabilities to education alongside
10 their peers in a way that is consistent with the Vermont education quality
11 standards for public schools and the right to a free appropriate public education
12 (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C.
13 §§ 1400–1482.

14 (7) A review of the capacity of the Agency to support and guide school
15 districts on the effective support of students with disabilities, as well as
16 compliance with federal law, which shall include:

17 (A) a review of final reports of investigations conducted by the
18 Agency in school-district-operated specialized programs, independent
19 nonprofit programs, and independent for-profit programs in the previous
20 10 years and an evaluation of what practices could reduce adverse findings in
21 these settings;

1 (B) an assessment of the ability of the State to ensure State resources
2 are used in the most efficient and effective way possible to support the success
3 of students with disabilities and their access to a free and appropriate public
4 education;

5 (C) a review of any pending and recent federal findings against the
6 State or school districts, as well as progress on corrective actions;

7 (D) a review of the Agency's staffing and capacity to review and
8 conduct monitoring and visits to schools, especially independent settings;

9 (E) a description of the process and status of reviews and approvals
10 of approved independent schools that provide special education and therapeutic
11 schools; and

12 (F) recommendations for whether the Agency has capacity to ensure
13 timely review of approved independent schools and provide sufficient
14 oversight for specialized programs in nonprofit independent schools and for-
15 profit independent schools.

16 (8) Recommendations for needed capacity at the Agency to provide
17 technical assistance and support to school districts in the provision of special
18 education services.

19 (9) An analysis of whether more strategic support for better primary first
20 instruction and more successful implementation of Act 173 needs to be in
21 place for a weighted funding model for special education to succeed, including

1 a suggested transition timeline, with indicators, to be incorporated into the
2 Agency's strategic plan.

3 (10) If warranted, a review of options for changes to practice, structure,
4 and law that ensure students with disabilities are provided access to quality
5 education, in the least restrictive environment, in a cost-effective way that is
6 consistent with State and federal law, which may include a review of the
7 possible role of BOCES and the impact of larger districts on effective, high-
8 quality support for students with disabilities.

9 (11) Recommendations for reducing the growth in extraordinary special
10 education reimbursement costs, which shall include recommended legislative
11 language to accomplish any such recommendations.

12 Sec. 30. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF
13 EDUCATION

14 (a) Strategic plan. In consultation with the State Advisory Panel on Special
15 Education established under 16 V.S.A. § 2945, the Agency of Education shall
16 develop a three-year strategic plan for the delivery of special education
17 services in Vermont. The strategic plan shall include unambiguous measurable
18 outcomes and a timeline for implementation. The strategic plan shall be
19 informed by the analysis and findings of the report required of the Agency
20 under Sec. 29 of this act and be designed to ensure successful implementation
21 of 2018 Acts and Resolves No. 173 (Act 173) and provide the supports and

1 processes that need to be in place for the transition to a weighted funding
2 model for special education to succeed, including a suggested transition
3 timeline, with benchmarks for success. The strategic plan shall also include
4 contingency recommendations for special education funding in the event
5 federal special education funding under the Individuals with Disabilities
6 Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions
7 to a system that requires more planning and management on the part of the
8 State to ensure funds are distributed equitably.

9 (b) Reports.

10 (1) On or before December 1, 2025, the Agency shall submit the three-
11 year strategic plan created pursuant to subsection (a) of this section to the
12 House and Senate Committees on Education, the House Committee on Ways
13 and Means, and the Senate Committee on Finance.

14 (2) On or before December 1 of 2026, 2027, 2028, and 2029, the
15 Agency shall submit a written report to the House and Senate Committees on
16 Education, the House Committee on Ways and Means, and the Senate
17 Committee on Finance with a detailed update on the Agency's implementation
18 of its strategic plan and any recommendations for legislative changes needed to
19 ensure a successful transition to a weighted funding model and continued
20 successful implementation of Act 173.

1 Sec. 31. POSITION; AGENCY OF EDUCATION

2 (a) Establishment of one new permanent, classified position is authorized
3 in the Agency of Education in fiscal year 2026 to support development and
4 implementation of the three-year strategic plan required under Sec. 30 of this
5 act.

6 (b) The sum of \$150,000.00 is appropriated from the General Fund to the
7 Agency of Education's base budget in fiscal year 2026 for the purposes of
8 funding the position created in subsection (a) of this section. The Agency shall
9 include funding for this permanent position in their annual base budget request
10 in subsequent years.

11 * * * Agency of Education Transformation Support * * *

12 Sec. 32. AGENCY OF EDUCATION; TRANSFORMATION

13 APPROPRIATION

14 The sum of \$2,865,000.00 is appropriated from the General Fund to the
15 Agency of Education in fiscal year 2026 to support education transformation
16 work as follows:

17 (1) \$200,000.00 to support school boards transitioning to new
18 governance models as contemplated in this act;

19 (2) \$562,500.00 for positions established in Sec. 33 of this act; and

20 (3) \$2,102,500.00 for contracted services to support school districts with
21 administrative activities relating to consolidation, including accounting, budget

1 and operational practice, and to support education quality activities including
2 the alignment of curricula, instructional materials, and teaching activities.

3 Sec. 33. EDUCATION TRANSFORMATION; POOL POSITIONS

4 The General Fund appropriation in Sec. 32 of this act shall fund five limited
5 service classified positions taken from the position pool. The pool positions
6 shall be used to establish the following limited service classified positions at
7 the Agency of Education in fiscal year 2026 to support education
8 transformation work:

9 (1) one Business Operations Support Specialist;

10 (2) one Data Integration Support Specialist;

11 (3) one Curriculum and Education Quality Standards Integration

12 Specialist;

13 (4) one Learning and Teaching Integration Specialist; and

14 (5) one School Facilities Field Support Specialist.

15 * * * State Funding of Public Education * * *

16 Sec. 34. 16 V.S.A. § 4001 is amended to read:

17 § 4001. DEFINITIONS

18 As used in this chapter:

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

* * *

(6) ~~“Education spending” means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.~~

~~(A) [Repealed.]~~

~~(B) For all bonds approved by voters prior to July 1, 2024, voter-approved bond payments toward principal and interest shall not be included in “education spending” for purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12). [Repealed.]~~

* * *

(13) ~~“Base education~~ Categorical base amount” means a number used to calculate categorical grants awarded under this title that is equal to \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this title.

(14) ~~“Per pupil education spending” of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title. [Repealed.]~~

* * *

(16) “Base amount” means a per pupil cost-factor amount of \$15,033.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

(17) “Educational opportunity payment” means the base amount multiplied by the school district’s weighted long-term membership as determined under section 4010 of this title.

Sec. 35. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP

~~AND PER PUPIL EDUCATION SPENDING~~ EDUCATIONAL
OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

(1) “EL pupils” means pupils described under section 4013 of this title.

(2) “FPL” means the Federal Poverty Level.

1 (3) “Weighting categories” means the categories listed under subsection
2 (b) of this section.

3 (4) “Child with a disability” means any child in Vermont eligible under
4 State rules to receive special education who is enrolled in any of kindergarten
5 through grade 12.

6 (5) “Disability” means any of:

7 (A) a specific learning disability or a speech or language impairment,
8 each of which is identified as “Category A”;

9 (B) an emotional disturbance, intellectual disability, developmental
10 delay, or other health impairment, each of which is identified as “Category B”;
11 or

12 (C) autism spectrum disorder, deaf-blindness, hearing impairment,
13 orthopedic impairment, traumatic brain injury, or visual impairment, each of
14 which is identified as “Category C.”

15 (6) “English language proficiency level” means each of the English
16 language proficiency levels published as a standardized measure of academic
17 language proficiency in WIDA ACCESS for ELLs 2.0 and available to
18 members of the WIDA consortium of state departments of education.

19 (7) “Newcomer or SLIFE” means a pupil identified as a New American
20 or as a student with limited or interrupted formal education.

1 (b) Determination of average daily membership and weighting categories.
2 On or before the first day of December during each school year, the Secretary
3 shall determine the average daily membership, as defined in subdivision
4 4001(1) of this title, of each school district for the current school year and shall
5 ~~perform the following tasks:~~

6 ~~(1)~~ Using average daily membership, list for each school district
7 the number of:

8 ~~(A)~~(1) pupils in prekindergarten;

9 ~~(B)~~(2) pupils in kindergarten through grade five;

10 ~~(C)~~(3) pupils in grades six through eight;

11 ~~(D)~~(4) pupils in grades nine through 12;

12 ~~(E)~~(5) pupils whose families are at or below 185 percent of FPL,

13 using the highest number of pupils in the district:

14 ~~(i)~~(A) that meet this definition under the universal income
15 declaration form; or

16 ~~(ii)~~(B) who are directly certified for free and reduced-priced
17 meals; ~~and~~

18 ~~(F)~~(6) EL pupils who have been most recently assessed at an English
19 language proficiency level of:

20 (A) Level 1;

21 (B) Level 2 or 3;

1 (C) Level 4; or

2 (D) Level 5 or 6;

3 (7) EL pupils who are identified as Newcomer or SLIFE; and

4 (8) children with a disability whose disability is identified as:

5 (A) Category A;

6 (B) Category B; or

7 (C) Category C, provided that a child with multiple disabilities shall
8 be counted solely under this subdivision (C).

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

13 ~~(i) fewer than 36 persons per square mile;~~

14 ~~(ii) 36 or more persons per square mile but fewer than 55 persons~~
15 ~~per square mile; or~~

16 ~~(iii) 55 or more persons per square mile but fewer than 100~~
17 ~~persons per square mile.~~

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

1 ~~(C) Using average daily membership, list for each school district that~~
2 ~~has low population density the number of pupils in each of subdivisions~~

3 ~~(A)(i) (iii) of this subdivision (2).~~

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

6 ~~(i) fewer than 100 pupils; or~~

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

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

13 ~~(C) Using average two year enrollment, list for each school district~~
14 ~~that has a small school the number of pupils in each of subdivisions (A)(i) (ii)~~
15 ~~of this subdivision (3).~~

16 (c) Reporting on weighting categories to the Agency of Education. Each
17 school district shall annually report to the Agency of Education by a date
18 established by the Agency the information needed in order for the Agency to
19 compute the weighting categories under subsection (b) of this section for that
20 district. In order to fulfill this obligation, a school district that pays public
21 tuition on behalf of a resident student (sending district) to a public school in

1 another school district, an approved independent school, or an out-of-state
2 school (each a receiving school) may request the receiving school to collect
3 this information on the sending district's resident student, and if requested, the
4 receiving school shall provide this information to the sending district in a
5 timely manner.

6 (d) Determination of weighted long-term membership. For each weighting
7 category ~~except the small schools weighting category under subdivision (b)(3)~~
8 ~~of this section~~, the Secretary shall compute the weighting count by using the
9 long-term membership, as defined in subdivision 4001(7) of this title, in that
10 category.

11 (1) ~~The Secretary shall first apply grade level weights~~ Prekindergarten
12 weight. Each pupil included in long-term membership ~~shall count as one,~~
13 ~~multiplied by the following amounts:~~

14 (A) who is enrolled in prekindergarten— shall receive an additional
15 weighting amount of negative 0.54;

16 (B) ~~grades six through eight—0.36; and~~

17 (C) ~~grades nine through 12—0.39.~~

18 (2) ~~The Secretary shall next apply a~~ Economic disadvantage weight for
19 ~~pupils whose family is at or below 185 percent of FPL.~~ Each pupil included in
20 long-term membership whose family is at or below 185 percent of FPL shall
21 receive an additional weighting amount of ~~1.03~~ 1.02.

1 (3) ~~The Secretary shall next apply a weight for EL pupils~~ EL proficiency
2 weights. Each EL pupil included in long-term membership shall receive an
3 additional weighting amount, based on the EL pupil's English language
4 proficiency level, of ~~2.49~~:

5 (A) 2.11, if assessed as Level 1;

6 (B) 1.41, if assessed as Level 2 or 3;

7 (C) 1.20, if assessed as Level 4; or

8 (D) 0.12, if assessed as Level 5 or 6.

9 (4) ~~The Secretary shall then apply a weight for pupils living in low~~
10 ~~population density school districts~~ EL Newcomer/SLIFE weight. Each EL
11 pupil included in long-term membership ~~residing in a low population density~~
12 ~~school district, measured by the number of persons per square mile residing~~
13 ~~within the land area of the geographic boundaries of the district as of July 1 of~~
14 ~~the year of determination,~~ who is a Newcomer or SLIFE shall receive an
15 additional weighting amount of: 0.42

16 ~~(A) 0.15, where the number of persons per square mile is fewer than~~
17 ~~36 persons;~~

18 ~~(B) 0.12, where the number of persons per square mile is 36 or more~~
19 ~~but fewer than 55 persons; or~~

20 ~~(C) 0.07, where the number of persons per square mile is 55 or more~~
21 ~~but fewer than 100.~~

1 (5) ~~The Secretary shall lastly apply a weight for pupils who attend a~~
2 ~~small school. If the number of persons per square mile residing within the land~~
3 ~~area of the geographic boundaries of a school district as of July 1 of the year of~~
4 ~~determination is 55 or fewer, then, for each pupil listed under subdivision~~
5 ~~(b)(3)(C) of this section (pupils who attend small schools)~~ Special education
6 weights. Each child with a disability included in long-term membership shall
7 receive an additional weighting amount, based on the categorization of the
8 child's disability, of:

9 (A) ~~where the school has fewer than 100 pupils in average two-year~~
10 ~~enrollment, the school district shall receive an additional weighting amount of~~
11 ~~0.21 for each pupil included in the small school's average two-year enrollment~~
12 0.79, if the disability is identified as Category A; or

13 (B) ~~where the small school has 100 or more but fewer than 250~~
14 ~~pupils, the school district shall receive an additional weighting amount of 0.07~~
15 ~~for each pupil included in the small school's average two-year enrollment~~ 1.89,
16 if the disability is identified as Category B; or

17 (C) 2.49, if the disability is identified as Category C.

18 (6) A school district's weighted long-term membership shall equal long-
19 term membership plus the cumulation of the weights assigned by the Secretary
20 under this subsection.

1 (e) Hold harmless. A district's weighted long-term membership shall in no
2 case be less than 96 and one-half percent of its actual weighted long-term
3 membership the previous year prior to making any adjustment under this
4 subsection.

5 (f) Determination of ~~per pupil education spending~~ educational opportunity
6 payment. ~~As soon as reasonably possible after a school district budget is~~
7 ~~approved by voters, the Secretary shall determine the per pupil education~~
8 ~~spending for the next fiscal year for the school district. Per pupil education~~
9 ~~spending shall equal a school district's education spending divided by its~~
10 ~~weighted long-term membership~~ The Secretary shall determine each school
11 district's educational opportunity payment by multiplying the school district's
12 weighted long-term membership determined under subsection (d) of this
13 section by the base amount.

14 * * *

15 (h) Updates to weights, base amount, and transportation reimbursement.
16 On or before January 1, ~~2027~~ 2026 and on or before January 1 of every fifth
17 year thereafter, the Agency of Education and the Joint Fiscal Office shall
18 calculate, based on their consensus view and with the advice and consultation
19 of a professional judgment panel convened by the Agency, updates to the
20 weights and the base amount, including any inflationary measure, to account
21 for cost changes underlying those weights and shall issue a written report on

1 their work to the House and Senate Committees on Education, the House
2 Committee on Ways and Means, and the Senate Committee on Finance. The
3 General Assembly shall update the weights under this section, the base
4 amount, and transportation reimbursement under section 4016 of this title not
5 less than every five years and the implementation date for the updated weights
6 and transportation reimbursement shall be delayed by a year in order to
7 provide school districts with time to prepare their budgets. Updates to the
8 weights may include recalibration, recalculation, adding or eliminating
9 weights, or any combination of these actions.

10 Sec. 36. 16 V.S.A. § 4011 is amended to read:

11 § 4011. EDUCATION PAYMENTS

12 (a) Annually, the General Assembly shall appropriate funds to pay for
13 ~~statewide education spending~~ each school district's educational opportunity
14 payment and supplemental district spending, as defined in 32 V.S.A. § 5401,
15 the small schools and sparsity support grants under section 4019 of this
16 chapter, and a portion of a ~~base education~~ categorical base amount for each
17 adult education and secondary credential program student.

18 (b) For each fiscal year, the categorical ~~base education~~ amount shall be
19 \$6,800.00, which shall be adjusted for inflation annually on or before
20 November 15 by the Secretary of Education. As used in this subsection,
21 "adjusted for inflation" means adjusting the categorical base dollar amount by

1 the National Income and Product Accounts (NIPA) implicit price deflator for
2 state and local government consumption expenditures and gross investment
3 published by the U.S. Department of Commerce, Bureau of Economic
4 Analysis, from fiscal year 2005 through the fiscal year for which the amount is
5 being determined, and rounding upward to the nearest whole dollar amount.

6 (c) Annually, each school district shall receive ~~an education spending~~
7 ~~payment~~ for support of education costs its educational opportunity payment
8 determined pursuant to subsection 4010(f) of this chapter and a dollar amount
9 equal to its supplemental district spending, if applicable to that school district,
10 as defined in 32 V.S.A. § 5401. ~~An unorganized town or gore shall receive an~~
11 ~~amount equal to its per pupil education spending for that year for each student.~~
12 ~~No district shall receive more than its education spending amount.~~

13 (d) [Repealed.]

14 (e) [Repealed.]

15 (f) Annually, the Secretary shall pay to a local adult education and literacy
16 provider, as defined in section 942 of this title, that provides an adult education
17 and secondary credential program an amount equal to 26 percent of the
18 categorical base ~~education~~ amount for each student who completes the
19 diagnostic portions of the program, based on an average of the previous two
20 years; 40 percent of the payment required under this subsection shall be from
21 State funds appropriated from the Education Fund and 60 percent of the

1 payment required under this subsection shall be from State funds appropriated
2 from the General Fund.

3 * * *

4 (i) Annually, 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 per pupil education spending for the~~
8 ~~current fiscal year; and~~

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

11 Sec. 37. 16 V.S.A. § 4019 is added to read:

12 § 4019. SMALL SCHOOLS; SPARSE SCHOOLS; SUPPORT GRANTS

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

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

17 (2) “Small school” means a school that:

18 (A) has fewer than 100 pupils in two-year average enrollment; and

19 (B) has been determined by the State Board of Education, on an
20 annual basis, to be “small by necessity” under standards consistent with those
21 submitted to the General Assembly pursuant to Sec. 8(b) of this act.

1 (3) “Sparse area” means a city, town, or incorporated village where the
2 number of persons per square mile residing within the land area of the
3 geographic boundaries of the city, town, or incorporated village as of July 1 of
4 the year of determination is fewer than 55 persons.

5 (4) “Sparse school” means a school that:

6 (A) is within a sparse area; and

7 (B) has been determined by the State Board of Education, on an
8 annual basis, to be “sparse by necessity” under standards consistent with those
9 submitted to the General Assembly pursuant to Sec. 8(b) of this act.

10 (5) “Two-year average enrollment” means the average enrollment of the
11 two most recently completed school years.

12 (b) Small schools support grant. Annually, the Secretary shall pay a small
13 schools support grant to each school district for each small school within the
14 school district in an amount determined by multiplying the two-year average
15 enrollment in the small school by \$3,157.00.

16 (c) Sparse schools support grant. Annually, the Secretary shall pay a sparse
17 schools support grant to each school district for each sparse school within the
18 school district in an amount determined by multiplying the two-year average
19 enrollment in the sparse school by \$1,954.00.

20 (d) Inflationary adjustment. Each dollar amount under subsections (b) and
21 (c) of this section shall be adjusted for inflation annually on or before

1 November 15 by the Secretary. As used in this subsection, “adjusted for
2 inflation” means adjusting the dollar amount by the National Income and
3 Product Accounts (NIPA) implicit price deflator for state and local government
4 consumption expenditures and gross investment published by the U.S.
5 Department of Commerce, Bureau of Economic Analysis, from fiscal year
6 2025 through the fiscal year for which the amount is being determined, and
7 rounding upward to the nearest whole dollar amount.

8 Sec. 38. 16 V.S.A. § 4025 is amended to read:

9 § 4025. EDUCATION FUND

10 (a) The Education Fund is established to comprise the following:

11 (1) all revenue paid to the State from the statewide education tax on
12 nonhomestead and homestead property under 32 V.S.A. chapter 135;

13 (2) all revenue paid to the State from the supplemental district spending
14 tax imposed pursuant to 32 V.S.A. § 5402(f);

15 * * *

16 (b) Monies in the Education Fund shall be used for the following:

17 * * *

18 ~~(3) To make payments required under 32 V.S.A. § 6066(a)(1) and only~~
19 ~~that portion attributable to education taxes, as determined by the Commissioner~~
20 ~~of Taxes, of payments required under 32 V.S.A. § 6066(a)(3). The State~~
21 Treasurer shall withdraw funds from the Education Fund upon warrants issued

1 by the Commissioner of Finance and Management based on information
2 supplied by the Commissioner of Taxes. The Commissioner of Finance and
3 Management may draw warrants for disbursements from the Fund in
4 anticipation of receipts. All balances in the Fund at the end of any fiscal year
5 shall be carried forward and remain a part of the Fund. Interest accruing from
6 the Fund shall remain in the Fund.

7 * * *

8 Sec. 39. 16 V.S.A. § 4026 is amended to read:

9 § 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;

10 ~~CREATION AND PURPOSE~~

11 * * *

12 ~~(e) The enactment of this chapter and other provisions of the Equal~~
13 ~~Educational Opportunity Act of which it is a part have been premised upon~~
14 ~~estimates of balances of revenues to be raised and expenditures to be made~~
15 ~~under the act for such purposes as education spending payments, categorical~~
16 ~~State support grants, provisions for property tax income sensitivity, payments~~
17 ~~in lieu of taxes, current use value appraisals, tax stabilization agreements, the~~
18 ~~stabilization reserve established by this section, and for other purposes. If the~~
19 ~~stabilization reserve established under this section should in any fiscal year be~~
20 ~~less than 5.0 percent of the prior fiscal year's appropriations from the~~
21 ~~Education Fund, as defined in subsection (b) of this section, the Joint Fiscal~~

1 Committee shall review the information provided pursuant to 32 V.S.A.

2 § 5402b and provide the General Assembly its recommendations for change
3 necessary to restore the stabilization reserve to the statutory level provided in
4 subsection (b) of this section.

5 Sec. 40. 16 V.S.A. § 4028 is amended to read:

6 § 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

7 (a) On or before September 10, December 10, and April 30 of each school
8 year, one-third of ~~the education spending payment under section 4011 of this~~
9 ~~title~~ each school district's educational opportunity payment as determined
10 under subsection 4010(f) of this chapter and supplemental district spending, as
11 defined in 32 V.S.A. § 5401, shall become due to school districts, ~~except that~~
12 ~~districts that have not adopted a budget by 30 days before the date of payment~~
13 ~~under this subsection shall receive one quarter of the base education amount~~
14 ~~and upon adoption of a budget shall receive additional amounts due under this~~
15 ~~subsection.~~

16 (b) Payments made for special education under chapter 101 of this title, for
17 career technical education under chapter 37 of this title, and for other aid and
18 categorical grants paid for support of education shall also be from the
19 Education Fund.

20 (c)(1) ~~Any district that has adopted a school budget that includes high~~
21 ~~spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be~~

1 authorized to use a portion of its high spending penalty to reduce future
2 education spending;

3 ~~(A) by entering into a contract with an operational efficiency~~
4 ~~consultant or a financial systems consultant to examine issues such as~~
5 ~~transportation arrangements, administrative costs, staffing patterns, and the~~
6 ~~potential for collaboration with other districts;~~

7 ~~(B) by entering into a contract with an energy or facilities~~
8 ~~management consultant; or~~

9 ~~(C) by engaging in discussions with other school districts about~~
10 ~~reorganization or consolidation for better service delivery at a lower cost.~~

11 ~~(2) To the extent approved by the Secretary, the Agency shall pay the~~
12 ~~district from the property tax revenue to be generated by the high spending~~
13 ~~increase to the district's spending adjustment as estimated by the Secretary, up~~
14 ~~to a maximum of \$5,000.00. For the purposes of this subsection, "timely~~
15 ~~notice" means written notice from the district to the Secretary by September 30~~
16 ~~of the budget year. If the district enters into a contract with a consultant~~
17 ~~pursuant to this subsection, the consultant shall not be an employee of the~~
18 ~~district or of the Agency. A copy of the consultant's final recommendations or~~
19 ~~a copy of the district's recommendations regarding reorganization, as~~
20 ~~appropriate, shall be submitted to the Secretary, and each affected town shall~~
21 ~~include in its next town report an executive summary of the consultant's or~~

1 ~~district's final recommendations and notice of where a complete copy is~~
2 ~~available. No district is authorized to obtain funds under this section more than~~
3 ~~one time in every five years. [Repealed.]~~

4 * * *

5 Sec. 41. 16 V.S.A. § 563 is amended to read:

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

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

9 * * *

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

13 (B) [Repealed.]

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

20 The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days

1 before a sum of money is voted on by the electorate. Any proposed budget
2 shall show the following information in a format prescribed by the Secretary:

3 (i) all revenues from all sources, and expenses, including as
4 separate items any assessment for a supervisory union of which it is a member
5 and any tuition to be paid to a career technical center; and including the report
6 required in subdivision 242(4)(D) of this title itemizing the component costs of
7 the supervisory union assessment;

8 (ii) the specific amount of any deficit incurred in the most recently
9 closed fiscal year and how the deficit was or will be remedied;

10 (iii) the anticipated ~~homestead~~ statewide education tax rate and the
11 percentage of household income used to determine income sensitivity in the
12 district as a result of passage of the budget, including those portions of the tax
13 rate attributable to supervisory union assessments, as adjusted for each tax
14 classification pursuant to 32 V.S.A. § 5402; and

15 (iv) the definition of “~~education spending~~ supplemental district
16 spending,” the ~~number of pupils and number of equalized pupils in long-term~~
17 membership of the school district, and the district’s ~~education spending per~~
18 ~~equalized pupil~~ supplemental district spending in the proposed budget and in
19 each of the prior three years; and

20 (v) the supplemental district spending yield.

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

3 “Article #1 (School Budget):

4 Shall the voters of the school district approve the school board
5 to expend \$ _____, which is the amount the school board has determined to
6 be necessary in excess of the school district’s educational opportunity payment
7 for the ensuing fiscal year?

8 The _____ District estimates that this proposed budget, if
9 approved, will result in per pupil ~~education~~ supplemental district spending of
10 \$_____, which is _____% higher/lower than per pupil ~~education~~
11 supplemental district spending for the current year, and a supplemental district
12 spending tax rate of _____ per \$100.00 of equalized education property
13 value.”

14 * * *

15 Sec. 42. REPEALS

16 (a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

17 (b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending
18 penalty, hold harmless provision, and ballot language requirement) is repealed.

19 (c) 16 V.S.A. § 2961 (census grant; special education) is repealed.

20 (d) 16 V.S.A. § 4013(d) (English learners services; State aid; categorical
21 aid) is repealed.

1 (e) 16 V.S.A. § 4015 (merger support for merged districts) is repealed.

2 Sec. 43. 16 V.S.A. § 4032 is added to read:

3 § 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

4 (a) There is hereby created the Supplemental District Spending Reserve
5 within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401,
6 paid to the Education Fund as part of the revenue from the supplemental
7 district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved
8 within the Supplemental District Spending Reserve.

9 (b) In any fiscal year in which the amounts raised through the supplemental
10 district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient
11 to cover payment to each school district of its supplemental district spending,
12 the Supplemental District Spending Reserve shall be used by the
13 Commissioner of Finance and Management to the extent necessary to offset
14 the deficit as determined by generally accepted accounting principles.

15 (c) Any funds remaining in the Supplemental District Spending Reserve at
16 the close of the fiscal year after accounting for the process under subsection (b)
17 of this section shall be unreserved in the Education Fund for the purpose of
18 decreasing the following year's statewide education property tax rate.

19 Sec. 44. AGENCY OF EDUCATION; TRANSPORTATION

20 REIMBURSEMENT GUIDELINES

1 On or before December 15, 2025, the Agency of Education shall submit a
2 written report to the House Committees on Ways and Means and on Education
3 and the Senate Committees on Finance and on Education on clear and
4 equitable guidelines for minimum transportation to be provided and covered by
5 transportation reimbursement grant under 16 V.S.A. § 4016 as part of
6 Vermont's education transformation.

7 Sec. 45. REPORT; JOINT FISCAL OFFICE; INFLATIONARY

8 MEASURES; PREKINDERGARTEN EDUCATION FUNDING

9 (a) On or before December 15, 2025, the Joint Fiscal Office shall submit a
10 report to the House Committees on Ways and Means and on Education and the
11 Senate Committees on Finance and on Education that analyzes the National
12 Income and Product Accounts (NIPA) implicit price deflator for state and local
13 government consumption expenditures and gross investment published by the
14 U.S. Department of Commerce, Bureau of Economic Analysis, and alternative
15 inflationary measures that may be applied to state education funding systems.
16 As part of the report, the Joint Fiscal Office shall analyze options and provide
17 considerations for selecting an inflationary measure appropriate to Vermont's
18 education funding system.

19 (b) On or before December 15, 2025, the Joint Fiscal Office shall submit a
20 report to the House Committee on Ways and Means, the Senate Committee on
21 Finance, and the House and Senate Committees on Education on the current

1 funding systems for prekindergarten education, the Child Care Financial
2 Assistance Program, or any other early care and learning systems. The report
3 shall review financial incentives in these existing early care and learning
4 systems. As part of the report, the Joint Fiscal Office shall provide
5 considerations for changing the funding streams associated with these early
6 care and learning systems to align with the education transformation initiatives
7 envisioned in this act.

8 Sec. 45a. FOUNDATION FORMULA; JOINT FISCAL OFFICE; REPORT

9 (a) The Joint Fiscal Office shall contract with one or more contractors with
10 expertise in Vermont's education funding system to recommend updates to the
11 cost-factor foundation formula created by this act to move from special
12 education weights based on disability categories to a reliance on the provision
13 of special education services and to update any other weights determined to be
14 empirically necessary for an adequate and equitable education, taking into
15 account the cost savings generated by new, larger consolidated school districts.
16 Additionally, the contractors shall make recommendations regarding the
17 following:

18 (1) suitable geographic measures for determining sparsity within the
19 foundation formula;

1 (2) whether it costs more to educate a secondary student than an
2 elementary student in Vermont and, if so, an appropriate weight to capture the
3 cost differential of educating secondary students; and

4 (3) how to account for the provision of career and technical education
5 within Vermont's foundation formula.

6 (b) The contractors shall submit the foundation formula, analysis of
7 geographic measures, and the other recommendations required under
8 subsection (a) of this section, along with a detailed analysis to support the
9 contractor's recommendations, to the House Committee on Ways and Means,
10 the Senate Committee on Finance, and the House and Senate Committees on
11 Education on or before December 1, 2026.

12 (c) The sum of \$400,000.00 is appropriated to the Joint Fiscal Office from
13 the General Fund in fiscal year 2026 to hire one or more contractors for the
14 purposes in subsection (a) of this section.

15 (d) The contractors shall be required to train the Joint Fiscal Office and the
16 Agency of Education in the methodologies needed to recalibrate and
17 recalculate the base and weights in accordance with 16 V.S.A. § 4010(f).

18 Sec. 45b. EDUCATIONAL OPPORTUNITY PAYMENTS; TUITION;

19 TRANSITION; FYS 2029–2032

20 (a) Notwithstanding 16 V.S.A. § 4001(17), in each of fiscal years 2029
21 through 2032, the educational opportunity payment for a school district shall

1 equal the educational opportunity payment for the school district as calculated
2 pursuant to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

3 (1) in fiscal year 2029, the transition gap multiplied by 0.80;

4 (2) in fiscal year 2030, the transition gap multiplied by 0.60;

5 (3) in fiscal year 2031, the transition gap multiplied by 0.40; and

6 (4) in fiscal year 2032, the transition gap multiplied by 0.20.

7 (b) Notwithstanding 16 V.S.A. § 823(a), in each of fiscal years 2029
8 through 2032, a school district shall pay as tuition to a receiving school for
9 each resident student attending the receiving school an amount equal to the
10 adjusted base multiplied by the sum of one and any weights applicable to the
11 resident student under section 16 V.S.A. § 4010.

12 (c) As used in this section:

13 (1) “Adjusted base” means the quotient resulting from dividing the
14 school district’s educational opportunity payment, as adjusted by the yearly
15 adjustment, by the school district’s weighted long-term membership as defined
16 in 16 V.S.A. § 4001.

17 (2) “Adjusted for inflation” means adjusting the school district’s
18 education spending by the National Income and Product Accounts (NIPA)
19 implicit price deflator for state and local government consumption
20 expenditures and gross investment published by the U.S. Department of

1 Commerce, Bureau of Economic Analysis, from fiscal year 2025 through fiscal
2 year 2029 and rounding upward to the nearest whole dollar amount.

3 (3) “Transition gap” means the amount, whether positive or negative,
4 that results from subtracting the school district’s educational opportunity
5 payment as calculated pursuant to 16 V.S.A. § 4010(f) for fiscal year 2029
6 from the school district’s education spending in fiscal year 2025, as adjusted
7 for inflation. The school district’s education spending shall be adjusted for
8 inflation on or before November 15 by the Secretary of Education.

9 Sec. 45c. 32 V.S.A. § 5414 is amended to read:

10 § 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

11 * * *

12 (e) Meetings.

13 (1) The Commissioner of Taxes shall call the first meeting of the
14 Committee to occur on or before July 15, ~~2025~~ 2026.

15 * * *

16 * * * Education Property Tax Rate Formula * * *

17 Sec. 46. 32 V.S.A. § 5401 is amended to read:

18 § 5401. DEFINITIONS

19 As used in this chapter:

20 * * *

* * *

* * *

(15) ~~“Property dollar equivalent yield” means the amount of per pupil education spending that would result in a district having a homestead tax rate of \$1.00 per \$100.00 of equalized education property value. [Repealed.]~~

(16) ~~“Income dollar equivalent yield” means the amount of per pupil education spending that would result in a district having an income percentage in subdivision 6066(a)(2) of this title of 2.0 percent. [Repealed.]~~

(17) “Statewide adjustment” means the ratio of the aggregate education property tax grand list of all municipalities to the aggregate value of the equalized education property tax grand list of all municipalities.

(18) “Adjusted equalized education property tax grand list” means the
equalized education property tax grand list after removing the value of

1 homestead property exempted from the statewide education property tax and
2 the supplemental district spending tax pursuant to section 6066 of this title.

3 (19) “Per pupil supplemental district spending” means the per pupil
4 amount of supplemental district spending resulting from dividing a school
5 district’s supplemental district spending by its long-term membership as
6 defined in 16 V.S.A. § 4001(7).

7 (20) “Recapture” means the amount of revenue raised through
8 imposition of the supplemental district spending tax pursuant to subsection
9 5402(f) of this chapter that is in excess of the school district’s supplemental
10 district spending.

11 (21) “School district with the lowest taxing capacity” means the school
12 district other than an interstate school district anticipated to have the lowest
13 aggregate adjusted equalized education property tax grand list of its municipal
14 members per long-term membership as defined in 16 V.S.A. § 4001(7) in the
15 following fiscal year.

16 (22) “Supplemental district spending” means the spending that the
17 voters of a school district approve in excess of the school district’s educational
18 opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year,
19 provided that the voters of a school district other than an interstate school
20 district shall not approve spending in excess of 5 percent of the product of the

1 base amount, as defined in 16 V.S.A. § 4001(16), and the school district's
2 long-term membership, as defined in 16 V.S.A. § 4001(7).

3 (23) "Supplemental district spending yield" means the amount of
4 property tax revenue per long-term membership as defined in 16 V.S.A.
5 § 4001(7) that would be raised in the school district with the lowest taxing
6 capacity using a supplemental district spending tax rate of \$1.00 per \$100.00
7 of equalized education property value multiplied by the statewide adjustment.

8 Sec. 46a. SUPPLEMENTAL DISTRICT SPENDING; CAP; TRANSITION;
9 FYS 2029–2037

10 Notwithstanding 32 V.S.A. § 5401(22), in each of fiscal years 2029 through
11 2037, the voters of a school district other than an interstate school district shall
12 not approve spending in excess of the following percentage of the product of
13 the base amount, as defined in 16 V.S.A. § 4001(16), and the school district's
14 long-term membership, as defined in 16 V.S.A. § 4001(7):

15 (1) in fiscal years 2029 through 2033, 10 percent;

16 (2) in fiscal year 2034, 9 percent;

17 (3) in fiscal year 2035, 8 percent;

18 (4) in fiscal year 2036, 7 percent; and

19 (5) in fiscal year 2037, 6 percent.

20 Sec. 47. 32 V.S.A. § 5402 is amended to read:

21 § 5402. EDUCATION PROPERTY TAX LIABILITY

1 (a) A statewide education tax is imposed on all nonhomestead and
2 homestead property at ~~the following rates:~~

3 (1) ~~The tax rate for nonhomestead property shall be \$1.59 per \$100.00~~
4 ~~divided by the statewide adjustment.~~

5 (2) ~~The tax rate for homestead property shall be \$1.00 multiplied by the~~
6 ~~education property tax spending adjustment for the municipality per \$100.00 of~~
7 ~~equalized education property value as most recently determined under section~~
8 ~~5405 of this title. The homestead property tax rate for each municipality that is~~
9 ~~a member of a union or unified union school district shall be calculated as~~
10 ~~required under subsection (e) of this section. a rate sufficient to cover~~
11 ~~expenditures from the Education Fund other than supplemental district~~
12 ~~spending, after accounting for forecasted non-property tax revenues and any~~
13 ~~funds unreserved in the Education Fund following the process under 16 V.S.A.~~
14 ~~§ 4032(c). It is the intention of the General Assembly that the statewide~~
15 ~~education tax rate under this section shall be adopted for each fiscal year by act~~
16 ~~of the General Assembly. If the General Assembly fails to adopt a statewide~~
17 ~~education tax rate for a fiscal year, the statewide education tax rate for the~~
18 ~~fiscal year shall equal the product of 110 percent and the statewide education~~
19 ~~tax rate for the preceding fiscal year. The statewide education tax rate shall be~~
20 ~~adjusted for homestead property and each general class of nonhomestead~~
21 ~~property provided under section 4152a of this title as follows:~~

1	<u>If the tax classification of the</u>	<u>then the statewide education tax rate</u>
2	<u>property subject to taxation is:</u>	<u>is multiplied by a factor of:</u>
3	<u>Homestead</u>	<u>1.0</u>
4	<u>Nonhomestead Nonresidential</u>	<u>1.0</u>
5	<u>Nonhomestead Residential</u>	<u>1.0</u>

6 (b) The statewide education tax shall be calculated as follows:

7 (1) The Commissioner of Taxes shall determine for each municipality
8 the education tax rates under subsection (a) of this section divided by the
9 number resulting from dividing the municipality's most recent common level
10 of appraisal by the statewide adjustment. The legislative body in each
11 municipality shall then bill each property taxpayer at the ~~homestead or~~
12 ~~nonhomestead~~ applicable rate determined by the Commissioner under this
13 subdivision, multiplied by the education property tax grand list value of the
14 property, properly classified as homestead or nonhomestead property and
15 without regard to any other tax classification of the property not authorized
16 under this chapter. Statewide education property tax bills shall show the tax
17 due and the calculation of the rate determined under subsection (a) of this
18 section, divided by the number resulting from dividing the municipality's most
19 recent common level of appraisal by the statewide adjustment, multiplied by
20 the current grand list value of the property to be taxed. Statewide education

1 property tax bills shall also include language provided by the Commissioner
2 pursuant to subsection 5405(g) of this title.

3 (2) Taxes assessed under this section shall be assessed and collected in
4 the same manner as taxes assessed under chapter 133 of this title with no tax
5 classification other than ~~as homestead or nonhomestead property~~ those
6 required by this section; provided, however, that the tax levied under this
7 chapter shall be billed to each taxpayer by the municipality in a manner that
8 clearly indicates the tax is separate from any other tax assessed and collected
9 under chapter 133, including an itemization of the separate taxes due. The bill
10 may be on a single sheet of paper with the statewide education tax and other
11 taxes presented separately and side by side.

12 (3) ~~If a district has not voted a budget by June 30, an interim homestead~~
13 ~~education tax shall be imposed at the base rate determined under subdivision~~
14 ~~(a)(2) of this section, divided by the number resulting from dividing the~~
15 ~~municipality's most recent common level of appraisal by the statewide~~
16 ~~adjustment, but without regard to any spending adjustment under subdivision~~
17 ~~5401(13) of this title. Within 30 days after a budget is adopted and the~~
18 ~~deadline for reconsideration has passed, the Commissioner shall determine the~~
19 ~~municipality's homestead tax rate as required under subdivision (1) of this~~
20 ~~subsection.~~ [Repealed.]

1 (c)(1) The treasurer of each municipality shall by December 1 of the year in
2 which the tax is levied and on June 1 of the following year pay to the State
3 Treasurer for deposit in the Education Fund one-half of the municipality's
4 statewide ~~nonhomestead tax and one-half of the municipality's homestead~~
5 education tax, as determined under subdivision (b)(1) of this section.

6 (2) The Secretary of Education shall determine each municipality's net
7 ~~nonhomestead education tax payment and its net homestead education tax~~
8 ~~payment~~ to the State based on grand list information received by the Secretary
9 not later than the March 15 prior to the June 1 net payment. Payment shall be
10 accompanied by a return prescribed by the Secretary of Education. Each
11 municipality may retain 0.225 of one percent of the total education tax
12 collected, only upon timely remittance of net payment to the State Treasurer or
13 to the applicable school district or districts. ~~Each municipality may also retain~~
14 ~~\$15.00 for each late property tax credit claim filed after April 15 and before~~
15 ~~September 2, as notified by the Department of Taxes, for the cost of issuing a~~
16 ~~new property tax bill.~~

17 (d) [Repealed.]

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

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

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

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

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

15 ~~(C) Determine a combined homestead tax rate by calculating the~~
16 ~~weighted average of the rates determined under subdivisions (A) and (B) of~~
17 ~~this subdivision (2), with weighting based upon the ratio of union school long-~~
18 ~~term membership, as defined in 16 V.S.A. § 4001(7), from the member~~
19 ~~municipality to total long term membership of the member municipality; and~~
20 ~~the ratio of long term membership attending a school other than the union~~
21 ~~school to total long term membership of the member municipality. Total long-~~

1 ~~term membership of the member municipality is based on the number of pupils~~
2 ~~who are legal residents of the municipality and attending school at public~~
3 ~~expense. If necessary, the Commissioner may adopt a rule to clarify and~~
4 ~~facilitate implementation of this subsection (e). [Repealed.]~~

5 (f)(1) A supplemental district spending tax is imposed on all homestead
6 and nonhomestead property in each member municipality of a school district
7 that approves spending pursuant to a budget presented to the voters of a school
8 district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine
9 the supplemental district spending tax rate for each school district by dividing
10 the school district's per pupil supplemental district spending as certified by the
11 Secretary of Education by the supplemental district spending yield. The
12 legislative body in each member municipality shall then bill each property
13 taxpayer at the rate determined by the Commissioner under this subsection,
14 divided by the number resulting from dividing the municipality's most recent
15 common level of appraisal by the statewide adjustment and multiplied by the
16 current grand list value of the property to be taxed. The bill shall show the tax
17 due and the calculation of the rate.

18 (2) The supplemental district spending tax assessed under this
19 subsection shall be assessed and collected in the same manner as taxes
20 assessed under chapter 133 of this title with no tax classification other than as
21 homestead or nonhomestead property; provided, however, that the tax levied

1 under this chapter shall be billed to each taxpayer by the municipality in a
2 manner that clearly indicates the tax is separate from any other tax assessed
3 and collected under chapter 133 of this title and the statewide education
4 property tax under this section, including an itemization of the separate taxes
5 due. The bill may be on a single sheet of paper with the supplemental district
6 spending tax, the statewide education tax, and other taxes presented separately
7 and side by side.

8 (3) The treasurer of each municipality shall on or before December 1 of
9 the year in which the tax is levied and on or before June 1 of the following year
10 pay to the State Treasurer for deposit in the Education Fund one-half of the
11 municipality's supplemental district spending tax as determined under
12 subdivision (1) of this subsection.

13 (4) The Secretary of Education shall determine each municipality's net
14 supplemental district spending tax payment to the State based on grand list
15 information received by the Secretary not later than the March 15 prior to the
16 June 1 net payment. Payment shall be accompanied by a return prescribed by
17 the Secretary of Education. Each municipality may retain 0.225 of one percent
18 of the total supplemental district spending tax collected, only upon timely
19 remittance of net payment to the State Treasurer or to the applicable school
20 district.

1 Sec. 48. 32 V.S.A. § 5402b is amended to read:

2 § 5402b. STATEWIDE EDUCATION TAX ~~YIELDS RATE~~;

3 SUPPLEMENTAL DISTRICT SPENDING YIELD;

4 RECOMMENDATION OF THE COMMISSIONER

5 (a) Annually, not later than December 1, the Commissioner of Taxes, after
6 consultation with the Secretary of Education, the Secretary of Administration,
7 and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar~~
8 ~~equivalent yield, an income dollar equivalent yield, and a nonhomestead~~
9 ~~property tax rate~~ the statewide education property tax rate pursuant to
10 subsection 5402(a) of this chapter and the supplemental district spending yield
11 for the following fiscal year. In making these calculations, the Commissioner
12 shall assume: the statutory reserves are maintained at five percent pursuant to
13 16 V.S.A. § 4026, the amounts in the Supplemental District Spending Reserve
14 are unavailable for any purpose other than that specified in 16 V.S.A.
15 § 4032(b), and the statewide education property tax rate is divided by the
16 statewide adjustment

17 ~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is~~
18 ~~\$1.00 per \$100.00 of equalized education property value;~~

19 ~~(2) the applicable percentage in subdivision 6066(a)(2) of this title is 2.0;~~

20 ~~(3) the statutory reserves under 16 V.S.A. § 4026 and this section were~~
21 ~~maintained at five percent;~~

* * *

1 submit a written report to the House Committee on Ways and Means and the
2 Senate Committee on Finance with recommendations and an implementation
3 plan to ensure that education property tax rates do not increase as part of the
4 transition to the new foundation formula.

5 * * * Conforming Revisions; Statewide Property Tax Rate * * *

6 Sec. 49. 32 V.S.A. § 5404a(b)(1) is amended to read:

7 (b)(1) An agreement affecting the education property tax grand list defined
8 under subsection (a) of this section shall reduce the municipality's education
9 property tax liability under this chapter for the duration of the agreement or
10 exemption without extension or renewal, and for a maximum of 10 years. A
11 municipality's property tax liability under this chapter shall be reduced by any
12 difference between the amount of the education property taxes collected on the
13 subject property and the amount of education property taxes that would have
14 been collected on such property if its fair market value were taxed at the
15 equalized ~~nonhomestead~~ rate for the tax year.

16 Sec. 50. 32 V.S.A. § 5405(g) is amended to read:

17 (g) The Commissioner shall provide to municipalities for the front of
18 property tax bills the ~~district homestead property~~ statewide education tax rate
19 before equalization, ~~the nonresidential tax rate before equalization,~~ and the
20 calculation process that creates the equalized homestead and nonhomestead tax
21 rates. The Commissioner shall further provide to municipalities for the back of

1 property tax bills an explanation of the common level of appraisal, including
2 its origin and purpose.

3 * * * Statewide Property Tax Credit Repeal; Homestead Exemption

4 Created * * *

5 Sec. 51. 32 V.S.A. § 5400 is amended to read:

6 § 5400. STATUTORY PURPOSES

7 * * *

8 (c) The statutory purpose of the exemption for qualified housing in
9 subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-
10 restricted housing provided to Vermonters of low and moderate income are
11 more equivalent to property taxed ~~using the State~~ as a homestead rate property
12 and to adjust the costs of investment in rent-restricted housing to reflect more
13 accurately the revenue potential of such property.

14 * * *

15 (j) The statutory purpose of the homestead property tax exemption in
16 subdivision 6066(a)(1) of this title is to reduce the property tax liability for
17 Vermont households with low and moderate household income.

18 Sec. 52. 32 V.S.A. chapter 154 is amended to read:

19 CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION,

20 MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

21 § 6061. DEFINITIONS

1 As used in this chapter ~~unless the context requires otherwise:~~

2 (1) ~~“Property~~ Municipal property tax credit” means a credit of the prior
3 tax year’s ~~statewide or municipal property tax liability or a homestead owner~~
4 ~~credit,~~ as authorized under ~~section~~ subdivision 6066(a)(2) of this title, ~~as the~~
5 ~~context requires~~ chapter.

6 * * *

7 (8) ~~“Annual tax levy” means the property taxes levied on property~~
8 ~~taxable on April 1 and without regard to the year in which those taxes are due~~
9 ~~or paid.~~ [Repealed.]

10 (9) “Taxable year” means the calendar year preceding the year in which
11 the claim is filed.

12 (10) [Repealed.]

13 (11) “Housesite” means that portion of a homestead, as defined under
14 subdivision 5401(7) of this title but not under subdivision 5401(7)(G) of this
15 title, that includes as much of the land owned by the claimant surrounding the
16 dwelling as is reasonably necessary for use of the dwelling as a home, but in
17 no event more than two acres per dwelling unit, and, in the case of multiple
18 dwelling units, not more than two acres per dwelling unit up to a maximum of
19 10 acres per parcel.

20 (12) “Claim year” means the year in which a claim is filed under this
21 chapter.

~~(14) “Statewide education tax rate” means the homestead education property tax rate multiplied by the municipality’s education spending adjustment under subdivision 5402(a)(2) of this title and used to calculate taxes assessed in the municipal fiscal year that began in the taxable year. [Repealed.]~~

(21) “Homestead property tax exemption” means a reduction in the amount of housesite value subject to the statewide education tax and the supplemental district spending tax in the claim year as authorized under sections 6066 and 6066a of this chapter.

* * *

* * *

1 § 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT
2 AT TIME OF TRANSFER

3 (a) The right to file a claim under this chapter is personal to the claimant
4 and shall not survive ~~his or her~~ the claimant's death, but the right may be
5 exercised on behalf of a claimant by ~~his or her~~ the claimant's legal guardian or
6 attorney-in-fact. When a claimant dies after having filed a timely claim, the
7 municipal property tax credit and the homestead exemption amount shall be
8 ~~credited~~ applied to the ~~homestead~~ property tax liability of the claimant's estate
9 as provided in section 6066a of this title.

10 (b) In case of sale or transfer of a residence; after April 1 of the claim year:

11 (1) any municipal property tax credit ~~amounts~~ amount related to that
12 residence shall be allocated to the ~~seller~~ transferor at closing unless the parties
13 otherwise agree;

14 (2) any homestead property tax exemption related to that residence
15 based on the transferor's household income under subdivision 6066(a)(1) of
16 this chapter shall cease to be in effect upon transfer; and

17 (3) a transferee who is eligible to declare the residence as a homestead
18 but for the requirement to own the residence on April 1 of the claim year shall,
19 notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be
20 eligible to apply for a homestead property tax exemption in the claim year
21 when the transfer occurs by filing with the Commissioner of Taxes a

1 homestead declaration pursuant to section 5410 of this title and a claim for
2 exemption on or before the due date prescribed under section 6068 of this
3 chapter.

4 * * *

5 § 6065. FORMS; TABLES; NOTICES

6 (a) In administering this chapter, the Commissioner shall provide suitable
7 claim forms with tables of allowable claims, instructions, and worksheets for
8 claiming a homestead property tax exemption and municipal property tax
9 credit.

10 (b) Prior to June 1, the Commissioner shall also prepare and supply to each
11 town in the State notices describing the homestead property tax exemption and
12 municipal property tax credit for inclusion in property tax bills. The notice
13 shall be in simple, plain language and shall explain how to file for a homestead
14 property tax exemption and a municipal property tax credit, where to find
15 assistance filing for a credit or an exemption, or both, and any other related
16 information as determined by the Commissioner. The notice shall direct
17 taxpayers to a resource where they can find versions of the notice translated
18 into the five most common non-English languages in the State. A town shall
19 include such notice in each tax bill and notice of delinquent taxes that it mails
20 to taxpayers who own in that town a residential property, without regard for

whether the property was declared a homestead pursuant to subdivision
5401(7) of this title.

(c) Notwithstanding the provisions of subsection (b) of this section, towns
that use envelopes or mailers not able to accommodate notices describing the
homestead property tax exemption and municipal property tax credit may
distribute such notices in an alternative manner.

§ 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX

EXEMPTION, MUNICIPAL PROPERTY TAX CREDIT, AND
RENTER CREDIT

(a) ~~An eligible claimant who owned the homestead on April 1 of the year in
which the claim is filed shall be entitled to a credit for the prior year's
homestead property tax liability amount determined as follows:~~

~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

~~(i) the statewide education tax rate, multiplied by the equalized
value of the housesite in the taxable year;~~

~~(ii) minus (if less) the sum of:~~

~~(I) the income percentage of household income for the taxable
year; plus~~

~~(II) the statewide education tax rate, multiplied by the equalized
value of the housesite in the taxable year in excess of \$225,000.00.~~

1 ~~(B) For a claimant with household income of less than \$90,000.00 but~~
2 ~~more than \$47,000.00, the statewide education tax rate, multiplied by the~~
3 ~~equalized value of the housesite in the taxable year, minus (if less) the sum of:~~

4 ~~(i) the income percentage of household income for the taxable~~
5 ~~year; plus~~

6 ~~(ii) the statewide education tax rate, multiplied by the equalized~~
7 ~~value of the housesite in the taxable year in excess of \$400,000.00.~~

8 ~~(C) For a claimant whose household income does not exceed~~
9 ~~\$47,000.00, the statewide education tax rate, multiplied by the equalized value~~
10 ~~of the housesite in the taxable year, minus the lesser of:~~

11 ~~(i) the sum of the income percentage of household income for the~~
12 ~~taxable year plus the statewide education tax rate, multiplied by the equalized~~
13 ~~value of the housesite in the taxable year in excess of \$400,000.00; or~~

14 ~~(ii) the statewide education tax rate, multiplied by the equalized~~
15 ~~value of the housesite in the taxable year reduced by \$15,000.00.~~

16 ~~(2) “Income percentage” in this section means two percent, multiplied by~~
17 ~~the education income tax spending adjustment under subdivision 5401(13)(B)~~
18 ~~of this title for the property tax year that begins in the claim year for the~~
19 ~~municipality in which the homestead residence is located.~~

20 (1) An eligible claimant who owned the homestead on April 1 of the
21 claim year and whose household income does not exceed \$115,000.00 shall be

entitled to a homestead property tax exemption in the claim year in an amount
determined as follows:

<u>If household income (rounded</u>	<u>then the claimant is entitled to a</u>
<u>to the nearest dollar) is:</u>	<u>homestead property tax</u>
	<u>exemption against the first</u>
	<u>\$425,000.00 in housesite value</u>
	<u>of this percent:</u>
<u>\$0.00 — 25,000.00</u>	<u>95.00</u>
<u>\$25,001.00 — 40,000.00</u>	<u>90.00</u>
<u>\$40,001.00 — 50,000.00</u>	<u>80.00</u>
<u>\$50,001.00 — 60,000.00</u>	<u>70.00</u>
<u>\$60,001.00 — 70,000.00</u>	<u>60.00</u>
<u>\$70,001.00 — 80,000.00</u>	<u>50.00</u>
<u>\$80,001.00 — 90,000.00</u>	<u>40.00</u>
<u>\$90,001.00 — 100,000.00</u>	<u>30.00</u>
<u>\$100,001.00 — 110,000.00</u>	<u>20.00</u>
<u>\$110,001.00 — 115,000.00</u>	<u>10.00</u>

~~(3)(2)~~ A An eligible claimant who owned the homestead on April 1 of
the claim year and whose household income does not exceed \$47,000.00 shall
also be entitled to ~~an additional~~ a credit amount from ~~against~~ the claimant's
municipal taxes for the upcoming fiscal year that is equal to the amount by

1 which the municipal property taxes for the municipal fiscal year that began in
2 the taxable year upon the claimant's housesite exceeds a percentage of the
3 claimant's household income for the taxable year as follows:

4	If household income (rounded	then the taxpayer is entitled to
5	to the nearest dollar) is:	credit for the reduced property
6		tax in excess of this percent of
7		that income:

8	\$0.00 — 9,999.00	1.50
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9	\$10,000.00 — 47,000.00	3.00
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10 ~~(4) A claimant whose household income does not exceed \$47,000.00~~
11 ~~shall also be entitled to an additional credit amount from the claimant's~~
12 ~~statewide education tax for the upcoming fiscal year that is equal to the amount~~
13 ~~by which the education property tax for the municipal fiscal year that began in~~
14 ~~the taxable year upon the claimant's housesite, reduced by the credit amount~~
15 ~~determined under subdivisions (1) and (2) of this subsection, exceeds a~~
16 ~~percentage of the claimant's household income for the taxable year as follows:~~

17	If household income (rounded	then the taxpayer is entitled to
18	to the nearest dollar) is:	credit for the reduced property tax
19		in excess of this percent of that
20		income:

21	\$0.00 — 9,999.00	0.5
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1 \$10,000.00 — 24,999.00 1.5

2 \$25,000.00 — 47,000.00 2.0

3 ~~(5)~~(3) In no event shall the homestead property tax exemption provided
4 for in subdivision (1) of this subsection reduce the housesite value below zero.

5 In no event shall the municipal property tax credit provided for in subdivision
6 ~~(3) or (4)~~(2) of this subsection exceed the amount of the reduced municipal
7 property tax. ~~The credits under subdivision (4) of this subsection shall be~~
8 ~~calculated considering only the tax due on the first \$400,000.00 in equalized~~
9 ~~housesite value.~~

10 (4) Each dollar amount in subdivision (1) of this subsection shall be
11 adjusted for inflation annually on or before November 15 by the Commissioner
12 of Taxes. As used in this subdivision, “adjusted for inflation” means adjusting
13 the dollar amount by the National Income and Product Accounts (NIPA)
14 implicit price deflator for state and local government consumption
15 expenditures and gross investment published by the U.S. Department of
16 Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the
17 fiscal year for which the amount is being determined, and rounding upward to
18 the nearest whole dollar amount.

19 (b)(1) An eligible claimant who rented the homestead shall be entitled to a
20 credit for the taxable year in an amount not to exceed \$2,500.00, to be
21 calculated as follows:

* * *

(c) To be eligible for an ~~adjustment~~ exemption or credit under this chapter,
the claimant:

(1) must have been domiciled in this State during the entire taxable year;

(2) may not be a person claimed as a dependent by any taxpayer under
the federal Internal Revenue Code during the taxable year; and

(3) in the case of a renter, shall have rented property for at least six
calendar months, which need not be consecutive, during the taxable year.

(d) The owner of a mobile home that is sited on a lot not owned by the
homeowner may include an amount determined under subdivision 6061(7) of
this title as allocable rent paid on the lot with the amount of property taxes paid
by the homeowner on the home for the purpose of computation of ~~credits~~ the
municipal property tax credit under subdivision (a)(~~3~~)(2) of this section, unless
the homeowner has included in the claim an amount of property tax on
common land under the provisions of subsection (e) of this section.

(e) Property taxes paid by a cooperative, not including a mobile home park
cooperative, allocable to property used as a homestead shall be attributable to
the co-op member for the purpose of computing the ~~credit~~ of property tax
liability of the co-op member under this section. Property owned by a
cooperative declared as a homestead may only include the homestead and a pro
rata share of any common land owned or leased by the cooperative, not to

1 exceed the two-acre housesite limitation. The share of the cooperative's
2 assessed value attributable to the housesite shall be determined by the
3 cooperative and specified annually in a notice to the co-op member. Property
4 taxes paid by a mobile home park cooperative, allocable to property used as a
5 housesite, shall be attributed to the owner of the housesite for the purpose of
6 computing the ~~credit~~ of property tax liability of the housesite owner under this
7 section. Property owned by the mobile home park cooperative and declared as
8 a housesite may only include common property of the cooperative contiguous
9 with at least one mobile home lot in the park, not to exceed the two-acre
10 housesite limitation. The share attributable to any mobile home lot shall be
11 determined by the cooperative and specified in the cooperative agreement. A
12 co-op member who is the housesite owner shall be entitled to a property tax
13 credit in an amount determined by multiplying the property taxes allocated
14 under this subsection by the percentage of the exemption for which the
15 housesite owner's household income qualifies under subdivision (a)(1) of this
16 section.

17 (f) [Repealed.]

18 (g) Notwithstanding subsection (d) of this section, if the land surrounding a
19 homestead is owned by a nonprofit corporation or community land trust with
20 tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an
21 allocated amount as property tax paid on the land with the amount of property

1 taxes paid by the homeowner on the home for the purposes of computation of
2 ~~the credit~~ property tax liability under this section. The allocated amount shall
3 be determined by the nonprofit corporation or community land trust on a
4 proportional basis. The nonprofit corporation or community land trust shall
5 provide to that homeowner, by January 31, a certificate specifying the
6 allocated amount. The certificate shall indicate the proportion of total property
7 tax on the parcel that was assessed for municipal property tax and for statewide
8 property tax and the proportion of total value of the parcel. A homeowner
9 under this subsection shall be entitled to a property tax credit in an amount
10 determined by multiplying the property taxes allocated under this subsection
11 by the percentage of the exemption for which the homeowner's household
12 income qualifies under subdivision (a)(1) of this section.

13 (h) A homestead owner shall be entitled to an additional property tax credit
14 amount equal to one percent of the amount of income tax refund that the
15 claimant elects to allocate to payment of ~~homestead~~ statewide education
16 property tax under section 6068 of this title.

17 (i) ~~Adjustments~~ The homestead property tax exemption and the municipal
18 property tax credit under subsection (a) of this section shall be calculated
19 without regard to any exemption under subdivision 3802(11) of this title.

20 § 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX

21 EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

1 (a) Annually, the Commissioner shall determine the homestead property
2 tax exemption and the municipal property tax credit amount under section
3 6066 of this title, related to a homestead owned by the claimant, based on the
4 prior taxable year's income and for the municipal property tax credit, crediting
5 property taxes paid in the prior year, and for the homestead property tax
6 exemption, exempting the housesite value in the claim year. The
7 Commissioner shall notify the municipality in which the housesite is located of
8 the amount of the homestead property tax exemption and municipal property
9 tax credit for the claimant for ~~homestead~~ property tax liabilities on a monthly
10 basis. The municipal property tax credit of a claimant who was assessed
11 property tax by a town that revised the dates of its fiscal year, however, is the
12 excess of the property tax that was assessed in the last 12 months of the revised
13 fiscal year, over the adjusted property tax of the claimant for the revised fiscal
14 year, as determined under section 6066 of this title, related to a homestead
15 owned by the claimant.

16 (b) The Commissioner shall include in the total homestead property tax
17 exemption and municipal property tax credit amount determined under
18 subsection (a) of this section, for credit to the taxpayer for ~~homestead~~ statewide
19 education property tax and supplemental district spending tax liabilities, any
20 income tax overpayment remaining after allocation under section 3112 of this

1 title and setoff under section 5934 of this title, which the taxpayer has directed
2 to be used for payment of property taxes.

3 (c) The Commissioner shall notify the municipality of any claim and
4 refund amounts unresolved by November 1 at the time of final resolution,
5 including adjudication, if any; provided, however, that towns will not be
6 notified of any additional credit amounts after November 1 of the claim year,
7 and such amounts shall be paid to the claimant by the Commissioner.

8 (d) [Repealed.]

9 (e) At the time of notice to the municipality, the Commissioner shall notify
10 the taxpayer of the homestead property tax ~~credit exemption~~ amount
11 determined under subdivision 6066(a)(1) of this title, ~~the amount determined~~
12 ~~under subdivision 6066(a)(3) of this title;~~ any additional municipal property
13 ~~credit amounts~~ amount due the homestead owner under ~~section~~ subdivision
14 6066(a)(2) of this title; the amount of income tax refund, if any, allocated to
15 payment of ~~homestead~~ statewide education property tax liabilities; and any
16 late-claim reduction amount.

17 (f)(1) For taxpayers and amounts stated in the notice to towns on or before
18 July 1, municipalities shall create and send to taxpayers a ~~homestead~~ property
19 tax bill, instead of the bill required under subdivision 5402(b)(1) of this title,
20 providing the total amount allocated to payment of ~~homestead~~ statewide
21 education property tax liabilities and notice of the balance due. Municipalities

1 shall apply the amount of the homestead property tax exemption allocated
2 under this chapter to current year property taxes in equal amounts to each of
3 the taxpayers' property tax installments that include education taxes and the
4 amount of the municipal property tax credit allocated under this chapter to
5 current year municipal property taxes in equal amounts to each of the
6 taxpayers' property tax installments that include municipal taxes.

7 Notwithstanding section 4772 of this title, if a town issues a corrected bill as a
8 result of the notice sent by the Commissioner under subsection (a) of this
9 section, issuance of the corrected new bill does not extend the time for
10 payment of the original bill nor relieve the taxpayer of any interest or penalties
11 associated with the original bill. If the corrected bill is less than the original
12 bill, and there are also no unpaid current year taxes, interest, or penalties, and
13 no past year delinquent taxes or penalties and interest charges, any
14 overpayment shall be reflected on the corrected tax bill and refunded to the
15 taxpayer.

16 (2) For homestead property tax exemption and municipal property tax
17 credit amounts for which municipalities receive notice after November 1,
18 municipalities shall issue a new ~~homestead~~ property tax bill with notice to the
19 taxpayer of the total amount allocated to payment of ~~homestead~~ property tax
20 liabilities and notice of the balance due.

1 (3) The homestead property tax exemption and municipal property tax
2 credit amount determined for the taxpayer shall be allocated first to current
3 year housesite value and property tax on the homestead parcel, next to current-
4 year homestead parcel penalties and interest, next to any prior year homestead
5 parcel penalties and interest, and last to any prior year housesite value and
6 property tax on the homestead parcel. No homestead property tax exemption
7 or municipal credit shall be allocated to a housesite value or property tax
8 liability for any year after the year for which the claim or refund allocation was
9 filed. No municipal tax-reduction incentive for early payment of taxes shall
10 apply to any amount allocated to the property tax bill under this chapter.

11 (4) If the homestead property tax exemption or the municipal property
12 tax credit amount as described in subsection (e) of this section exceeds the
13 property tax, penalties, and interest due for the current and all prior years, the
14 municipality shall refund the excess to the taxpayer, without interest, within 20
15 days of the first date upon which taxes become due and payable or 20 days
16 after notification of the exemption or credit amount by the Commissioner of
17 Taxes, whichever is later.

18 (g) The Commissioner of Taxes shall pay monthly to each municipality the
19 amount of municipal property tax credit of which the municipality was last
20 notified related to municipal property tax on homesteads within that
21 municipality, as determined by the Commissioner of Taxes.

1 § 6067. ~~CREDIT~~ CLAIM LIMITATIONS

2 (a) Claimant. Only one individual per household per taxable year shall be
3 entitled to a homestead exemption claim or property tax credit claim, or both,
4 under this chapter.

5 (b) Other states. An individual who received a homestead exemption or
6 credit with respect to property taxes assessed by another state for the taxable
7 year shall not be entitled to receive a credit under this chapter.

8 (c) Dollar amount. No ~~taxpayer~~ claimant shall receive a renter credit under
9 subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer~~ claimant
10 shall receive a municipal property tax credit under subdivision 6066(a)(3)(2) of
11 this title greater than \$2,400.00 ~~or cumulative credit under subdivisions~~
12 ~~6066(a)(1)-(2) and (4) of this title greater than \$5,600.00.~~

13 § 6068. APPLICATION AND TIME FOR FILING

14 (a) A homestead property tax exemption or municipal property tax credit
15 claim or request for allocation of an income tax refund to ~~homestead~~ statewide
16 education property tax payment shall be filed with the Commissioner on or
17 before the due date for filing the Vermont income tax return, without
18 extension, and shall describe the school district in which the homestead
19 property is located and shall particularly describe the homestead property for
20 which the exemption or credit ~~or allocation~~ is sought, including the school
21 parcel account number prescribed in subsection 5404(b) of this title. A renter

1 credit claim shall be filed with the Commissioner on or before the due date for
2 filing the Vermont income tax return, without extension.

3 (b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after
4 October 15 but on or before March 15 of the following calendar year, the
5 municipal property tax credit under this chapter:

6 ~~(1)(A)~~ shall be reduced in amount by \$150.00, but not below \$0.00;

7 ~~(2)(B)~~ shall be issued directly to the claimant; and

8 ~~(3)(C)~~ shall not require the municipality where the claimant's property
9 is located to issue an adjusted ~~homestead~~ property tax bill.

10 (2) If a claimant files a homestead property tax exemption claim under
11 this chapter after October 15 but on or before March 15 of the following
12 calendar year, the claimant shall pay a penalty of \$150.00 and the municipality
13 where the claimant's property is located shall not be required to issue an
14 adjusted property tax bill.

15 (c) No request for allocation of an income tax refund or for a renter credit
16 claim may be made after October 15. No homestead property tax exemption or
17 municipal property tax credit claim may be made after March 15 of the
18 calendar year following the due date under subsection (a) of this section.

19 * * *

1 § 6070. DISALLOWED CLAIMS

2 A claim shall be disallowed if the claimant received title to ~~his or her~~ the
3 claimant's homestead primarily for the purpose of receiving benefits under this
4 chapter.

5 § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

6 (a) In any case in which it is determined under the provisions of this title
7 that a claim is or was excessive and was filed with fraudulent intent, the claim
8 shall be disallowed in full and the Commissioner may impose a penalty equal
9 to the amount claimed. A disallowed claim may be recovered by assessment
10 as income taxes are assessed. The assessment, including assessment of
11 penalty, shall bear interest from the date the claim was credited against
12 property tax or income tax or paid by the State until repaid by the claimant at
13 the rate per annum established from time to time by the Commissioner
14 pursuant to section 3108 of this title. The claimant in that case, and any person
15 who assisted in the preparation of filing of such excessive claim or supplied
16 information upon which the excessive claim was prepared, with fraudulent
17 intent, shall be fined not more than \$1,000.00 or be imprisoned not more than
18 one year, or both.

19 (b) In any case in which it is determined that a claim is or was excessive,
20 the Commissioner may impose a 10 percent penalty on such excess, and if the
21 claim has been paid or credited against property tax or income tax otherwise

1 payable, the municipal property tax credit or homestead exemption shall be
2 reduced or canceled and the proper portion of any amount paid shall be
3 similarly recovered by assessment as income taxes are assessed, and such
4 assessment shall bear interest at the rate per annum established from time to
5 time by the Commissioner pursuant to section 3108 of this title from the date
6 of payment or, in the case of credit of a municipal property tax bill under
7 section 6066a of this title, from December 1 of the year in which the claim is
8 filed until refunded or paid.

9 * * *

10 § 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

11 The Commissioner may, from time to time, ~~issue~~ adopt, amend, and
12 withdraw ~~regulations~~ rules interpreting and implementing this chapter.

13 § 6074. AMENDMENT OF CERTAIN CLAIMS

14 At any time within three years after the date for filing claims under
15 subsection 6068(a) of this chapter, a claimant who filed a claim by October 15
16 may file to amend that claim with regard to housesite value, ~~housesite~~
17 ~~education tax~~, housesite municipal tax, and ownership percentage or to correct
18 the amount of household income reported on that claim.

19 Sec. 53. DEPARTMENT OF TAXES; HOMESTEAD EXEMPTION;

20 REPORT

1 (a) It is the intent of the General Assembly to transition the way income-
2 based property tax relief is provided to homestead property owners from the
3 existing credit system towards an income-based homestead exemption.

4 (b) On or before December 15, 2026, the Department of Taxes, in
5 consultation with the Joint Fiscal Office, shall submit a proposal to the House
6 Committee on Ways and Means and the Senate Committee on Finance
7 designing a homestead exemption structure that minimizes the:

8 (1) property tax impacts for homestead property owners under the new
9 education tax structure established in this act; and

10 (2) benefit cliffs compared to those in the existing credit system.

11 (c) The Department of Taxes shall additionally include with its proposal:

12 (1) recommendations for an inflationary adjustment measure suited to
13 the income sensitivity and housesite value measures of the proposed
14 homestead exemption;

15 (2) an analysis of the implications of moving to income sensitivity
16 measures that provide benefits to households with household income of up to
17 \$175,000.00 a year; and

18 (3) updates to the homestead declaration under 32 V.S.A. § 5410 to
19 address the implementation of the proposed homestead exemption, which may
20 be provided as a sample form.

* * * Conforming Revisions; Property Tax Credit Repeal * * *

Sec. 54. 11 V.S.A. § 1608 is amended to read:

§ 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

Members of cooperative housing corporations shall be eligible to apply for and receive a homestead property tax ~~adjustment~~ exemption and municipal property tax credit under 32 V.S.A. § 6066, subject to the conditions of eligibility set forth therein.

Sec. 55. 32 V.S.A. § 3102(j) is amended to read:

(j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this title showing only the amount of total tax due shall not be considered confidential return information under this section. For the purposes of calculating ~~credits~~ the homestead property tax exemption and the municipal property tax credit under chapter 154 of this title, information provided by the Commissioner to a municipality under subsection 6066a(a) of this title and information provided by the municipality to a taxpayer under subsection 6066a(f) shall be considered confidential return information under this section.

Sec. 56. 32 V.S.A. § 3206(b) is amended to read:

(b) As used in this section, “extraordinary relief” means a remedy that is within the power of the Commissioner to grant under this title, a remedy that compensates for the result of inaccurate classification of property as homestead or nonhomestead pursuant to section 5410 of this title through no fault of the

1 taxpayer, or a remedy that makes changes to a taxpayer's homestead property
2 tax exemption, municipal property tax credit, or renter credit claim necessary
3 to remedy the problem identified by the Taxpayer Advocate.

4 * * * Education Fund Advisory Committee * * *

5 Sec. 57. 32 V.S.A. § 5414 is amended to read:

6 § 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

7 (a) Creation. There is created the Education Fund Advisory Committee to
8 monitor Vermont's education financing system, conduct analyses, assist with
9 the transformation of Vermont's education finance system, and perform the
10 duties under subsection (c) of this section.

11 * * *

12 (c) Powers and duties.

13 (1) Annually, on or before December 15, the Committee shall make
14 recommendations to the General Assembly regarding:

15 (A) updating the weighting factors using the weighting model and
16 methodology used to arrive at the weights enacted ~~under 2022 Acts and~~
17 ~~Resolves No. 127~~ for the foundation formula, which may include recalibration,
18 recalculation, adding or eliminating weights, or any combination of these
19 actions, as necessary;

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

- 1 (C) changes to income levels eligible for a ~~property tax credit~~
2 homestead exemption under section 6066 of this title;
- 3 (D) means to adjust the revenue sources for the Education Fund;
- 4 (E) means to improve equity, transparency, and efficiency in
5 education funding statewide;
- 6 (F) the amount of the Education Fund stabilization reserve;
- 7 (G) school district use of reserve fund accounts; ~~and~~
- 8 (H) national best practices for addressing intra-school district effects
9 of a foundation formula, including through the use of weighting factors;
- 10 (I) how to maintain intra-district equity under Vermont's foundation
11 formula;
- 12 (J) whether weighted foundation formula payments lead to improved
13 outcomes across all populations; and
- 14 (K) any other topic, factor, or issue the Committee deems relevant to
15 its work and recommendations.

16 * * *

17 Sec. 58. [Deleted.]

18 Sec. 59. [Deleted.]

19 * * * Property Classification * * *

20 Sec. 60. 32 V.S.A. § 4152 is amended to read:

21 § 4152. CONTENTS

1 (a) When completed, the grand list of a town shall be in such form as the
2 Director prescribes and shall contain such information as the Director
3 prescribes, including:

4 (1) In alphabetical order, the name of each real property owner and each
5 owner of taxable personal property.

6 (2) The last known mailing address of all such owners.

7 (3) A brief description of each parcel of taxable real estate in the town,
8 including a classification assigned pursuant to section 4152a of this title.

9 ~~“Parcel”~~ As used in this subdivision, “parcel” means a separate and sellable lot
10 or piece of real estate. Parcels may be combined to represent all contiguous
11 land in the same ownership, together with all improvements thereon.

12 * * *

13 Sec. 61. 32 V.S.A. § 4152a is added to read:

14 § 4152a. PROPERTY TAX CLASSIFICATIONS

15 (a) The grand list of a town shall include one or more tax classifications for
16 each parcel of real estate. A parcel shall be classified using one of the general
17 classes of real estate listed under subsection (b) of this section and based on the
18 considerations set forth in this section and by guidance provided by the
19 Division of Property Valuation and Review. The listers and assessors shall
20 annually update the grand list to include a tax classification not later than June
21 1 of every year, using information submitted to the Department of Taxes

1 pursuant to this section. The tax classification may be updated after June 1
2 when a taxpayer files, or corrects an erroneously filed, homestead declaration
3 after June 1.

4 (b) A parcel shall be assigned one or more of the following general classes:

5 (1) Homestead;

6 (2) Nonhomestead nonresidential; and

7 (3) Nonhomestead residential.

8 (c) As used in this section:

9 (1) “Homestead” means a parcel, or portion of a parcel, declared as a
10 homestead on or before October 15 in accordance with section 5410 of this
11 title for the current year.

12 (2) “Nonhomestead nonresidential” means a parcel, or portion of a
13 parcel, that does not qualify as “homestead,” or “nonhomestead residential”
14 under this section.

15 (3) “Nonhomestead residential” means a parcel, or portion of a parcel,
16 for which a homestead was not declared in accordance with section 5410 of
17 this title for the current year and that has a residential property, as defined by
18 the Commissioner by rule.

19 (d) A parcel with two or more portions qualifying for different tax
20 classifications under this section shall be classified proportionally based on the
21 percentage of floor space used.

1 (1) In the case of a homestead with 25 percent or less of floor space used
2 for a business purpose, the parcel shall be classified as a homestead pursuant to
3 subdivision 5401(a)(7)(F) of this title.

4 (2) If a portion of floor space is used for more than one purpose, the use
5 in which the floor space is most often used shall be considered the primary use
6 and the floor space shall be dedicated to that use for purposes of tax
7 classification.

8 (e) The Commissioner shall amend existing forms, and publish new forms,
9 as needed to gather the necessary attestations and declarations required under
10 this section.

11 (f) Nothing in this section shall be construed to alter the tax treatment or
12 enrollment eligibility of property as it relates to use value appraisal under
13 chapter 124 of this title.

14 (g) Persons aggrieved by a decision to classify property for taxation
15 purposes under this section may appeal in the manner provided for property
16 valuation appeals under this title.

17 Sec. 61a. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA
18 COLLECTION

19 For calendar year 2027, the Commissioner of Taxes shall amend and create
20 forms so that taxpayers report information on the use of their property for such
21 property to be classified as homestead, nonhomestead residential,

1 nonhomestead nonresidential, or a proportional classification of those uses.

2 The information collected, and classifications determined, shall align with the
3 definitions and requirements of Sec. 61 of this act. The Commissioner shall
4 use the information to determine and assign a tax classification for every grand
5 list parcel and, on or before October 1, 2027, the Commissioner shall provide
6 that information to the Joint Fiscal Office.

7 Sec. 61b. PROPERTY TAX CLASSIFICATIONS IMPLEMENTATION
8 REPORT

9 (a) The Commissioner of Taxes shall study the implementation of new
10 property tax classifications under this act and identify any further actions
11 required by the Department of Taxes, Vermont municipalities, and the General
12 Assembly to successfully implement the new tax classification system on the
13 timeline established by this act. The issues considered by the Commissioner
14 shall include any adjustments to the statutory definitions, any needed changes
15 to existing forms, whether new forms or taxpayer filings are needed, and how
16 the Department could identify parcels with dwelling units that do not have an
17 affiliated homestead declaration or landlord certificate on file.

18 (b) The Commissioner shall additionally recommend sets of tax rate
19 multipliers to be applied under 32 V.S.A. § 5402(a) as amended by this act.

20 (1) The Commissioner shall recommend a multiplier set that would
21 ensure any new revenue derived from the nonhomestead residential

1 classification would cover the cost to the Education Fund caused by the
2 homestead property tax exemption under 32 V.S.A. § 6066(a) as amended by
3 this act.

4 (2) The Commissioner shall recommend a different multiplier set that
5 would ensure that any new revenue derived from the nonhomestead residential
6 classification would mitigate forecasted property tax increases on homestead
7 property taxpayers caused by the implementation of this act.

8 (c) On or before December 15, 2025, the Commissioner of Taxes shall
9 submit a study report detailing the Commissioner's findings under this section
10 to the House Committee on Ways and Means and the Senate Committee on
11 Finance.

12 Sec. 61c. TAX CLASSIFICATIONS; RATE MULTIPLIERS; INTENT

13 It is the intent of the General Assembly that the creation of a tax
14 classification system, and the specific tax classifications to be used by that
15 system, will be reevaluated at the same time as any further amendment of the
16 tax rate multipliers created under 32 V.S.A. § 6066(a) as amended by this act.

17 Sec. 61d. PROSPECTIVE REPEAL OF TAX CLASSIFICATIONS

18 In order to ensure successful implementation of education finance reform as
19 set forth in this act, in the absence of legislative action on or before July 1,
20 2028 that creates a new tax rate multiplier to be used in a tax classification
21 system, subdivision (f)(10) of Sec. 70 of this act is repealed on July 1, 2028.

* * * Regional Assessment Districts * * *

Sec. 62. 32 V.S.A. chapter 121, subchapter 1A is added to read:

Subchapter 1A. Statewide and Regional Property Assessment

§ 3415. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create regional assessment districts so that:

(1) properties on grand lists are regularly reappraised;

(2) property data collection is consistent and standardized across the State; and

(3) property valuation is conducted by trained and certified individuals and firms.

§ 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

(a) There are hereby established 12 regional assessment districts, whose member municipalities shall fully and jointly reappraise their grand lists every six years pursuant to subsection 3417(b) of this subchapter. Member municipalities shall contract jointly with one or more third parties to conduct reappraisals.

(b) Each county shall constitute one regional assessment district, except that Franklin and Grand Isle Counties shall constitute one district and Essex and Orleans Counties shall constitute one district.

1 § 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

2 (a) The Director of Property Valuation and Review shall establish standard
3 guidelines and procedures, and may adopt rules, for regional assessment
4 districts, including:

5 (1) guidelines for contracting with third parties to conduct or assist with
6 reappraisals, including standard reappraisal contract terms;

7 (2) standards for the collection and recordation of parcel data;

8 (3) requirements relating to information technology, including standards
9 for data software contracts and computer-assisted mass appraisal systems; and

10 (4) standardized practices for a full reappraisal, including cases in which
11 physical inspections are unnecessary and how technology is to be utilized.

12 (b) The Director of Property Valuation and Review shall establish a
13 schedule for each regional assessment district to fully reappraise every six
14 years. The Director, at the Director's discretion, may alter the reappraisal
15 schedule for a regional assessment district or for one or more of a regional
16 assessment district's member municipalities.

17 * * * Transition to Regional Assessment Districts * * *

18 Sec. 63. TRANSITION; ANNUAL PROGRESS REPORT

19 (a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the
20 contrary:

1 (1) the Director of Property Valuation and Review shall not order any
2 new municipal reappraisals of grand list properties that is not part of a
3 regionalized reappraisal system on and after January 1, 2027;

4 (2) a reappraisal order for which a municipality does not have a contract
5 in place before January 1, 2030 shall no longer have the force and effect of law
6 on and after January 1, 2030, except for those that are part of a regionalized
7 reappraisal system; and

8 (3) a municipality shall not enter into a new reappraisal contract on or
9 after January 1, 2027, except for those that are part of a regionalized
10 reappraisal system.

11 (b) On or before every January 15 from January 15, 2027 to January 15,
12 2030, the Commissioner of Taxes shall submit a report to the House
13 Committee on Ways and Means and the Senate Committee on Finance relating
14 to the progress made in preparing for the implementation of regional
15 assessment districts pursuant to this act.

16 Sec. 64. REGIONAL ASSESSMENT DISTRICT STAKEHOLDER
17 WORKING GROUP

18 On or before January 15, 2026, the Department of Taxes, in consultation
19 with relevant stakeholders, shall submit recommendations to the House
20 Committee on Ways and Means and the Senate Committee on Finance
21 advising on the implementation of regional assessment districts and on the

1 development of guidelines, procedures, and rules needed to effectuate a
2 regionalized reappraisal system. The recommendations will include an
3 analysis of the advantages and disadvantages of having the State take full
4 responsibility for regionalized appraisals. In making its recommendation, the
5 Department of Taxes shall provide suggestions for legislative language that
6 address:

7 (1) the authority or authorities who will contract for and conduct
8 reappraisals;

9 (2) the authority or authorities who will hear and decide property
10 valuation appeals;

11 (3) amendments necessary to conform statute to the change from an
12 April 1 to January 1 grand list assessment date; and

13 (4) any other recommended revisions to achieve a regionalized
14 reappraisal system.

15 * * * Miscellaneous Tax * * *

16 Sec. 65. 32 V.S.A. § 6066a(f)(1) is amended to read:

17 (f)(1) For taxpayers and amounts stated in the notice to towns on or before
18 July 1, municipalities shall create and send to taxpayers a homestead property
19 tax bill, instead of the bill required under subdivision 5402(b)(1) of this title,
20 providing the total amount allocated to payment of homestead education
21 property tax liabilities and notice of the balance due. Nothing in this

1 subdivision, however, shall be interpreted as altering the requirement under
2 subdivision 5402(b)(2) of this title that the statewide education homestead tax
3 be billed in a manner that is stated clearly and separately from any other tax.

4 Municipalities shall apply the amount allocated under this chapter to current
5 year property taxes in equal amounts to each of the taxpayers' property tax
6 installments that include education taxes. Notwithstanding section 4772 of this
7 title, if a town issues a corrected bill as a result of the notice sent by the
8 Commissioner under subsection (a) of this section, issuance of the corrected
9 new bill does not extend the time for payment of the original bill nor relieve
10 the taxpayer of any interest or penalties associated with the original bill. If the
11 corrected bill is less than the original bill, and there are also no unpaid current
12 year taxes, interest, or penalties, and no past year delinquent taxes or penalties
13 and interest charges, any overpayment shall be reflected on the corrected tax
14 bill and refunded to the taxpayer.

15 Sec. 66. 32 V.S.A. § 5252 is amended to read:

16 § 5252. LEVY AND NOTICE OF SALE; SECURING PROPERTY

17 (a) When the collector of taxes of a town or of a municipality within it has
18 for collection a tax assessed against real estate in the town and the taxpayer
19 owes a minimum of \$1,500.00 and is delinquent for a period longer than one
20 year, the collector may extend a warrant on such land. However, no warrant
21 shall be extended until a delinquent taxpayer is given an opportunity to enter a

1 written reasonable repayment plan pursuant to subsection (c) of this section. If
2 a collector receives notice from a mobile home park owner pursuant to 10
3 V.S.A. § 6248(b), the collector shall, within 15 days after the notice,
4 commence tax sale proceedings to hold a tax sale within 60 days after the
5 notice. If the collector fails to initiate such proceedings, the town may initiate
6 tax sale proceedings only after complying with 10 V.S.A. § 6249(f). If the tax
7 collector extends the warrant, the collector shall:

8 * * *

9 Sec. 67. 32 V.S.A. § 4465 is amended to read:

10 § 4465. APPOINTMENT OF PROPERTY VALUATION HEARING

11 OFFICER; OATH; PAY

12 When an appeal to the Director is not withdrawn or forwarded by the
13 Director to Superior Court pursuant to subsection 4461(a) of this title, the
14 Director shall refer the appeal in writing to a person not employed by the
15 Director, appointed by the Director as hearing officer. The Director shall have
16 the right to remove a hearing officer for inefficiency, malfeasance in office, or
17 other cause. In like manner, the Director shall appoint a hearing officer to fill
18 any vacancy created by resignation, removal, or other cause. Before entering
19 into their duties, persons appointed as hearing officers shall take and subscribe
20 the oath of the office prescribed in the Constitution, which oath shall be filed
21 with the Director. The ~~Director~~ Commissioner of Taxes shall pay each hearing

1 officer ~~a sum not to exceed \$150.00 per diem for each day wherein hearings~~
2 ~~are held~~ \$38.00 per hour plus a cost-of-living adjustment in an amount equal to
3 any adjustment approved for exempt employees by the Secretary of
4 Administration, together with reasonable expenses as the ~~Director~~
5 Commissioner may determine. A hearing officer may subpoena witnesses,
6 records, and documents in the manner provided by law for serving subpoenas
7 in civil actions and may administer oaths to witnesses.

8 Sec. 68. 32 V.S.A. § 5402(c)(2) is amended to read:

9 (2) The Secretary of Education shall determine each municipality's net
10 nonhomestead education tax payment and its net homestead education tax
11 payment to the State based on grand list information received by the Secretary
12 not later than the March 15 prior to the June 1 net payment. Payment shall be
13 accompanied by a return prescribed by the Secretary of Education. Each
14 municipality may retain 0.225 of one percent of the total education tax
15 collected, only upon timely remittance of net payment to the State Treasurer or
16 to the applicable school district or districts. ~~Each municipality may also retain~~
17 ~~\$15.00 for each late property tax credit claim filed after April 15 and before~~
18 ~~September 2, as notified by the Department of Taxes, for the cost of issuing a~~
19 ~~new property tax bill.~~

1 Sec. 69. 32 V.S.A. § 5401(13) is amended to read:

2 (13)(A) “Education property tax spending adjustment” means the
3 greater of one or a fraction in which:

4 (i) the numerator is the district’s per pupil education spending plus
5 excess spending for the school year, and

6 (ii) the denominator is the property dollar equivalent yield for the
7 school year, as defined in subdivision (15) of this section, ~~multiplied by the~~
8 ~~statewide adjustment.~~

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 for the school year, and the denominator is the
12 income dollar equivalent yield for the school year, as defined in subdivision
13 (16) of this section.

14 * * * Effective Dates * * *

15 Sec. 70. EFFECTIVE DATES

16 (a) This section and the following sections shall take effect on passage:

17 (1) Sec. 1 (findings; intent; plan);

18 (2) Sec. 2 (Commission on the Future of Public Education);

19 (3) Sec. 3 (School District Redistricting Task Force);

20 (4) Sec. 4 (School District Voting Ward Working Group);

21 (5) Sec. 28a (State Board of Education tuition fee rules);

- 1 (6) Sec. 32 (Agency of Education transformation support);
- 2 (7) Sec. 33 (Agency of Education positions);
- 3 (8) Sec. 44 (transportation reimbursement guidelines);
- 4 (9) Sec. 45 (inflationary measures; prekindergarten; reports);
- 5 (10) Sec. 45a (foundation formula report);
- 6 (11) Sec. 45c (Education Fund Advisory Committee; delay);
- 7 (12) Sec. 53 (homestead exemption report);
- 8 (13) Sec. 61b (property tax classifications implementation report);
- 9 (14) Sec. 61c (tax classifications intent);
- 10 (15) Sec. 61d (prospective repeal);
- 11 (16) Sec. 63 (regional assessment district transition; progress report);
- 12 (17) Sec. 64 (RAD stakeholder working group);
- 13 (18) Sec. 65 (inadvertently removed language);
- 14 (19) Sec. 66 (minimum debt for tax sales);
- 15 (20) Sec. 68 (property tax credit late fee); and
- 16 (21) Sec. 69 (statewide adjustment correction).
- 17 (b) The following sections shall take effect on July 1, 2025:
- 18 (1) Sec. 5 (scale; intent);
- 19 (2) Sec. 8 (SBE rules; report);
- 20 (3) Sec. 9 (AOE report; school calendar; graduation requirements);
- 21 (4) Sec. 10 (SBE rule review; appropriation);

- 1 (5) Sec. 14 (16 V.S.A. § 3443);
- 2 (6) Sec. 15 (School Construction Advisory Board sunset);
- 3 (7) Sec. 21 (16 V.S.A. § 828);
- 4 (8) Sec. 22 (tuition transition);
- 5 (9) Sec. 23 (state-level governance; intent);
- 6 (10) Sec. 24 (16 V.S.A. § 161);
- 7 (11) Sec. 25 (SBE appointments transition);
- 8 (12) Sec. 26 (16 V.S.A. § 162);
- 9 (13) Sec. 29 (special education report);
- 10 (14) Sec. 30 (AOE special education strategic plan);
- 11 (15) Sec. 31 (AOE position); and
- 12 (16) Sec. 67 (PVR hearing officer pay).
- 13 (c) The following sections shall take effect on July 1, 2026:
- 14 (1) Sec. 6 (class size minimums);
- 15 (2) Sec. 7 (failure to comply with class size minimums);
- 16 (3) Sec. 12 (school construction policy);
- 17 (4) Sec. 13 (16 V.S.A. § 3442);
- 18 (5) Sec. 16 (16 V.S.A. § 3444);
- 19 (6) Sec. 17 (16 V.S.A. § 3445);
- 20 (7) Sec. 18 (16 V.S.A. § 3446);
- 21 (8) Sec. 19 (transfer of rulemaking authority); and

1 (9) Sec. 20 (repeals).

2 (d) Sec. 48 (December 1 letter) shall take effect on July 1, 2027.

3 (e) Sec. 61a shall take effect on January 1, 2027, provided that the General
4 Assembly has enacted new school district boundaries between the enactment
5 of this act and January 1, 2027.

6 (f) The following sections shall take effect on July 1, 2028, provided that
7 the new school districts contemplated by this act have assumed responsibility
8 for the education of all resident students and that the expert tasked with
9 developing a cost-factor foundation formula has provided to the General
10 Assembly the report pursuant to Sec. 45a to provide the General Assembly an
11 opportunity to enact legislation in consideration of the report:

12 (1) In Sec. 27, 16 V.S.A. § 823(a) and (d);

13 (2) Sec. 28 (tuition repeals);

14 (3) Secs. 34–43 (transition to cost-factor foundation formula);

15 (4) Sec. 45b (educational opportunity payment transition);

16 (5) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental
17 district spending tax);

18 (6) Sec. 46a (supplemental district spending tax; cap; transition);

19 (7) Sec. 48a (tax rate transition);

20 (8) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of
21 homestead exemption);

1 (9) Sec. 57 (Education Fund Advisory Committee; review of foundation
2 formula); and

3 (10) Secs. 60 and 61 (property tax classifications).

4 (g) In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on July 1, 2028,
5 provided that the new school districts contemplated by this act have assumed
6 responsibility for the education of all resident students and that the cost-factor
7 foundation formula report required pursuant to Sec. 45a contains evidence that
8 it costs more to educate students in grades nine through 12 but the General
9 Assembly has failed to enact legislation to add a secondary student weight.
10 (h) Sec. 62 (regional assessment districts) shall take effect on January 1,
11 2029.