

1 H.698

2 Introduced by Representatives Feltus of Lyndon, Branagan of Georgia, Burt
3 of Cabot, Dickinson of St. Albans Town, Gregoire of Fairfield,
4 Hango of Berkshire, Keyser of Rutland City, Nelson of Derby,
5 North of Ferrisburgh, Quimby of Lyndon, and Southworth of
6 Walden

7 Referred to Committee on

8 Date:

9 Subject: Education; school districts; class size minimums; tuition; education
10 finance; State funding of public education; pupil weighting;
11 foundation formula; taxation and finance; education property tax;
12 property tax classifications; grand tax lists

13 Statement of purpose of bill as introduced: This bill proposes to update
14 various education policies in 2025 Acts and Resolves No. 73 to (1) remove the
15 amendment to 16 V.S.A. § 823 that would allow a receiving school to charge a
16 sending school an additional fee for high school students; (2) remove all
17 references to class size minimums; and (3) revert any unused portion of the
18 appropriation made to the School District Voting Ward Working Group to the
19 General Fund upon passage. This bill also proposes to update the foundation
20 formula in 2025 Acts and Resolves No. 73 to add a secondary student weight.

1 Finally, this bill proposes to remove the amendments to Vermont's property
2 tax classification system added in 2025 Acts and Resolves No. 73.

3 An act relating to various changes to 2025 Acts and Resolves No. 73

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

5 * * * Education Policy * * *

6 Sec. 1. REPEALS; EDUCATION POLICY

7 2025 Acts and Resolves No. 73, Secs. 5 (scale; intent), 6 (16 V.S.A. § 165;
8 minimum class size standards), 7 (failure to comply with class size
9 minimums), and 27 (16 V.S.A. § 823) are repealed.

10 Sec. 2. 16 V.S.A. § 823 is amended to read:

11 § 823. ~~ELEMENTARY~~ TUITION

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

18 ~~If a payment made to a public elementary school is three percent more or less~~
19 ~~than the calculated net cost per elementary pupil in the receiving school district~~
20 ~~for the year of attendance, the district shall be reimbursed, credited, or~~

1 ~~refunded pursuant to section 836 of this title. Notwithstanding the provisions~~
2 ~~of this subsection or of subsection 825(b) of this title, the boards of both the~~
3 ~~receiving and sending districts may enter into tuition agreements with terms~~
4 ~~differing from the provisions of those subsections, provided that the receiving~~
5 ~~district must offer identical terms to all sending districts, and further provided~~
6 ~~that the statutory provisions apply to any sending district that declines the~~
7 ~~offered terms.~~

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

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

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

16 (3) ~~the average per pupil tuition the district pays for its other resident~~
17 ~~elementary students in the year in which the student is enrolled in the approved~~
18 ~~independent school. Notwithstanding subsection (a) of this section, or any other~~
19 ~~provision of law to the contrary, the district shall pay the full tuition charged its~~
20 ~~students attending an approved independent school in Vermont functioning as~~
21 ~~an approved area career and technical center.~~

1 Sec. 3. 2025 Acts and Resolves No. 73, Sec. 8 is amended to read:

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

3 (a) Rules.

4 (1) ~~The~~ On or before July 1, 2027, the State Board of Education shall
5 initiate rulemaking to amend the Education Quality Standards rule 2000 series,
6 Agency of Education, Education Quality Standards (22-000-003), pursuant to 3
7 V.S.A. chapter 25:

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

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

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

1 ~~minimum requirements and the corresponding actions the Board may take for~~
2 ~~such noncompliance; provided, however, that the Board shall provide an~~
3 ~~approved independent school a substantially similar opportunity to come into~~
4 ~~compliance with class size minimum standards that it would provide to a~~
5 ~~public school. [Repealed.]~~

6 * * *

7 Sec. 4. 16 V.S.A. § 828 is amended to read:

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

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

10 (1) a public school located in Vermont;

11 (2) an approved independent school that:

12 (A) is located in Vermont;

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

14 2025;

15 (C) is located within either:

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

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

20 and

1 To the extent that the funds appropriated in 2025 Acts and Resolves No. 73,
2 Sec. 4(h) have not been spent upon passage of this act, they shall revert to the
3 General Fund.

4 * * * Foundation Formula * * *

5 Sec. 6. REPEAL; PUPIL WEIGHTING

6 2025 Acts and Resolves No. 73, Sec. 35 (16 V.S.A. § 4010) is repealed.

7 Sec. 7. 16 V.S.A. § 4010 is amended to read:

8 § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP

9 AND ~~PER PUPIL EDUCATION SPENDING~~ EDUCATIONAL

10 OPPORTUNITY PAYMENT

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

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

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

14 (3) “Weighting categories” means the categories listed under subsection

15 (b) of this section.

16 (4) “Child with a disability” means any child in Vermont eligible under

17 State rules to receive special education who is enrolled in any of kindergarten

18 through grade 12.

19 (5) “Disability” means any of the following:

20 (A) a specific learning disability or a speech or language impairment,

21 each of which is identified as “Category A”;

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

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

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

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

13 (b) Determination of average daily membership and weighting categories.
14 On or before the first day of December during each school year, the Secretary
15 shall determine the average daily membership, as defined in subdivision
16 4001(1) of this title, of each school district for the current school year and shall
17 ~~perform the following tasks:~~

18 ~~(1) Using~~ using average daily membership, list for each school district
19 the number of:

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

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

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

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

3 ~~(E)~~(5) pupils whose families are at or below 185 percent of FPL,
4 using the highest number of pupils in the district:

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

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

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

11 (A) Level 1;

12 (B) Level 2 or 3;

13 (C) Level 4; or

14 (D) Level 5 or 6;

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

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

17 (A) Category A;

18 (B) Category B; or

19 (C) Category C, provided that a child with multiple disabilities shall

20 be counted solely under this subdivision (C).

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

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

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

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

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

13 ~~(C) Using average daily membership, list for each school district that~~
14 ~~has low population density the number of pupils in each of subdivisions~~
15 ~~(A)(i)-(iii) of this subdivision (2).~~

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

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

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

20 ~~(B) As used in subdivision (A) of this subdivision (3), “average two-~~
21 ~~year enrollment” means the average enrollment of the two most recently~~

1 ~~completed school years, and “enrollment” means the number of pupils who are~~
2 ~~enrolled in a school operated by the district on October 1. A pupil shall be~~
3 ~~counted as one whether the pupil is enrolled as a full-time or part-time student.~~

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

7 (c) Reporting on weighting categories to the Agency of Education. Each
8 school district shall annually report to the Agency of Education by a date
9 established by the Agency the information needed in order for the Agency to
10 compute the weighting categories under subsection (b) of this section for that
11 district. In order to fulfill this obligation, a school district that pays public
12 tuition on behalf of a resident student (sending district) to a public school in
13 another school district, an approved independent school, or an out-of-state
14 school (each a receiving school) may request the receiving school to collect
15 this information on the sending district’s resident student, and if requested, the
16 receiving school shall provide this information to the sending district in a
17 timely manner.

18 (d) Determination of weighted long-term membership. For each weighting
19 category ~~except the small schools weighting category under subdivision (b)(3)~~
20 ~~of this section~~, the Secretary shall compute the weighting count by using the

1 long-term membership, as defined in subdivision 4001(7) of this title, in that
2 category.

3 (1) ~~The Secretary shall first apply grade level~~ Grade-level weights.

4 Each pupil included in long-term membership shall ~~count as one, multiplied by~~
5 ~~the following amounts~~ receive an additional weighting amount, based on the
6 pupil's grade level, of:

7 (A) ~~prekindergarten—negative 0.54, if the pupil is in~~
8 prekindergarten; and

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

10 (C) ~~0.125, if the pupil is in one of grades nine through 12—0.39.~~

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

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

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

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

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

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

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

9 ~~(A) 0.15, where the number of persons per square mile is fewer than~~
10 ~~36 persons;~~

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

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

15 ~~(5) The Secretary shall lastly apply a weight for pupils who attend a~~
16 ~~small school. If the number of persons per square mile residing within the land~~
17 ~~area of the geographic boundaries of a school district as of July 1 of the year of~~
18 ~~determination is 55 or fewer, then, for each pupil listed under subdivision~~
19 ~~(b)(3)(C) of this section (pupils who attend small schools) Special education~~
20 ~~weights. Each child with a disability included in long-term membership shall~~

1 receive an additional weighting amount, based on the categorization of the
2 child's disability, of:

3 (A) ~~where the school has fewer than 100 pupils in average two-year~~
4 ~~enrollment, the school district shall receive an additional weighting amount of~~
5 ~~0.21 for each pupil included in the small school's average two-year enrollment~~
6 0.79, if the disability is identified as Category A; or

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

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

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

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

19 (f) Determination of ~~per pupil education spending~~ educational opportunity
20 payment. ~~As soon as reasonably possible after a school district budget is~~
21 ~~approved by voters, the Secretary shall determine the per pupil education~~

1 ~~spending for the next fiscal year for the school district. Per pupil education~~
2 ~~spending shall equal a school district's education spending divided by its~~
3 ~~weighted long-term membership~~ The Secretary shall determine each school
4 district's educational opportunity payment by multiplying the school district's
5 weighted long-term membership determined under subsection (d) of this
6 section by the base amount.

7 * * *

8 (h) Updates to weights, base amount, and transportation reimbursement.
9 On or before January 1, ~~2027~~ 2026, and on or before January 1 of every fifth
10 year thereafter, the Agency of Education and the Joint Fiscal Office shall
11 calculate, based on their consensus view and with the advice and consultation
12 of a professional judgment panel convened by the Agency, updates to the
13 weights and the base amount, including any inflationary measure, to account
14 for cost changes underlying those weights and shall issue a written report on
15 their work to the House and Senate Committees on Education, the House
16 Committee on Ways and Means, and the Senate Committee on Finance. The
17 General Assembly shall update the weights under this section, the base
18 amount, and transportation reimbursement under section 4016 of this title not
19 less than every five years and the implementation date for the updated weights
20 and transportation reimbursement shall be delayed by a year in order to
21 provide school districts with time to prepare their budgets. Updates to the

1 weights may include recalibration, recalculation, adding or eliminating
2 weights, or any combination of these actions.

3 Sec. 8. 2025 Acts and Resolves No. 73, Sec. 45a is amended to read:

4 Sec. 45a. FOUNDATION FORMULA; JOINT FISCAL OFFICE;

5 REPORT

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

15 (1) suitable geographic measures for determining sparsity within the
16 foundation formula;

17 (2) ~~whether it costs more to educate a secondary student than an~~
18 ~~elementary student in Vermont and, if so, an appropriate weight to capture the~~
19 ~~cost differential of educating secondary students; and [Repealed.]~~

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

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

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

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

13 * * * Property Tax Classifications * * *

14 Sec. 9. REPEALS; PROPERTY TAX CLASSIFICATIONS

15 2025 Acts and Resolves No. 73, Secs. 47 (32 V.S.A. § 5402), 60 (32 V.S.A.
16 § 4152), 61 (32 V.S.A. § 4152a), 61a (property tax classifications; transition;
17 data collection), 61c (tax classifications; rate multipliers; intent), and 61d
18 (prospective repeal of tax classifications) are repealed.

1 Sec. 10. 32 V.S.A. § 5402 is amended to read:

2 § 5402. EDUCATION PROPERTY TAX LIABILITY

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

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

7 ~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the~~
8 ~~education property tax spending adjustment for the municipality per \$100.00 of~~
9 ~~equalized education property value as most recently determined under section~~
10 ~~5405 of this title. The homestead property tax rate for each municipality that is~~
11 ~~a member of a union or unified union school district shall be calculated as~~
12 ~~required under subsection (e) of this section. a rate sufficient to cover~~
13 ~~expenditures from the Education Fund other than supplemental district~~
14 ~~spending, after accounting for forecasted nonproperty tax revenues and any~~
15 ~~funds unreserved in the Education Fund following the process under 16 V.S.A.~~
16 ~~§ 4032(c). It is the intention of the General Assembly that the statewide~~
17 ~~education tax rate under this section shall be adopted for each fiscal year by act~~
18 ~~of the General Assembly. If the General Assembly fails to adopt a statewide~~
19 ~~education tax rate for a fiscal year, the statewide education tax rate for the~~
20 ~~fiscal year shall equal the product of 110 percent and the 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 (18) Sec. 65 (inadvertently removed language);
 - 2 (19) Sec. 66 (minimum debt for tax sales);
 - 3 (20) Sec. 68 (property tax credit late fee); and
 - 4 (21) Sec. 69 (statewide adjustment correction).
- 5 (b) The following sections shall take effect on July 1, 2025:
- 6 (1) ~~Sec. 5 (scale; intent);~~ [Deleted.]
 - 7 (2) Sec. 8 (SBE rules; report);
 - 8 (3) Sec. 9 (AOE report; school calendar; graduation requirements);
 - 9 (4) Sec. 10 (SBE rule review; appropriation);
 - 10 (5) Sec. 14 (16 V.S.A. § 3443);
 - 11 (6) Sec. 15 (School Construction Advisory Board sunset);
 - 12 (7) Sec. 21 (16 V.S.A. § 828);
 - 13 (8) Sec. 22 (tuition transition);
 - 14 (9) Sec. 23 (state-level governance; intent);
 - 15 (10) Sec. 24 (16 V.S.A. § 161);
 - 16 (11) Sec. 25 (SBE appointments transition);
 - 17 (12) Sec. 26 (16 V.S.A. § 162);
 - 18 (13) Sec. 29 (special education report);
 - 19 (14) Sec. 30 (AOE special education strategic plan);
 - 20 (15) Sec. 31 (AOE position); and
 - 21 (16) Sec. 67 (PVR hearing officer pay).

1 (c) The following sections shall take effect on July 1, 2026:

2 (1) ~~Sec. 6 (class size minimums);~~ [Deleted.]

3 (2) ~~Sec. 7 (failure to comply with class size minimums);~~ [Deleted.]

4 (3) Sec. 12 (school construction policy);

5 (4) Sec. 13 (16 V.S.A. § 3442);

6 (5) Sec. 16 (16 V.S.A. § 3444);

7 (6) Sec. 17 (16 V.S.A. § 3445);

8 (7) Sec. 18 (16 V.S.A. § 3446);

9 (8) Sec. 19 (transfer of rulemaking authority); and

10 (9) Sec. 20 (repeals).

11 (d) Sec. 48 (December 1 letter) shall take effect on July 1, 2027.

12 (e) ~~Sec. 61a shall take effect on January 1, 2027, provided that the General~~
13 ~~Assembly has enacted new school district boundaries between the enactment~~
14 ~~of this act and January 1, 2027.~~ [Deleted.]

15 (f) The following sections shall take effect on July 1, 2028, ~~provided that~~
16 ~~the new school districts contemplated by this act have assumed responsibility~~
17 ~~for the education of all resident students and that the expert tasked with~~
18 ~~developing a cost factor foundation formula has provided to the General~~
19 ~~Assembly the report pursuant to Sec. 45a to provide the General Assembly an~~
20 ~~opportunity to enact legislation in consideration of the report:~~

21 (1) ~~In Sec. 27, 16 V.S.A. § 823(a) and (d);~~ [Deleted.]

- 1 (2) Sec. 28 (tuition repeals);
- 2 (3) Secs. 34 and 36–43 (transition to cost-factor foundation formula);
- 3 (4) Sec. 45b (educational opportunity payment transition);
- 4 (5) Secs. 46, ~~47~~, 49, and 50 (statewide education tax; supplemental
5 district spending tax);
- 6 (6) Sec. 46a (supplemental district spending tax; cap; transition);
- 7 (7) Sec. 48a (tax rate transition);
- 8 (8) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of
9 homestead exemption);
- 10 (9) Sec. 57 (Education Fund Advisory Committee; review of foundation
11 formula); and
- 12 (10) ~~Secs. 60 and 61 (property tax classifications)~~. [Deleted.]
- 13 (g) ~~In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on July 1, 2028,~~
14 ~~provided that the new school districts contemplated by this act have assumed~~
15 ~~responsibility for the education of all resident students and that the cost-factor~~
16 ~~foundation formula report required pursuant to Sec. 45a contains evidence that~~
17 ~~it costs more to educate students in grades nine through 12 but the General~~
18 ~~Assembly has failed to enact legislation to add a secondary student weight.~~
19 [Deleted.]
- 20 (h) Sec. 62 (regional assessment districts) shall take effect on January 1,
21 2029.

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

(a) This section and Secs. 1 (repeals; education policy), 3 (2025 Acts and Resolves No. 73, Sec. 8(a)), 4 (16 V.S.A. § 828), 5 (voting ward appropriation reversion), 6 (repeal; pupil weighting), 8 (2025 Acts and Resolves No. 73, Sec. 45a(a)(2)), 9 (repeals; property tax classification), and 11 (2025 Acts and Resolves No. 73, Sec. 70) shall take effect on passage.

(b) Secs. 2 (16 V.S.A. § 823; tuition), 7 (16 V.S.A. § 4010; determination of weighted long-term membership and educational opportunity payment), and 10 (32 V.S.A. § 5402; education property tax liability) shall take effect on July 1, 2028.