

1 H.955

2 An act relating to next steps in transforming Vermont's education system

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

4 * * * Legislative Intent * * *

5 Sec. 1. FINDINGS; LEGISLATIVE INTENT

6 (a) Findings. The General Assembly finds that:

7 (1) Implementation of school district consolidation under 2015 Acts and
8 Resolves No. 46 (Act 46) resulted in the creation of larger supervisory unions,
9 supervisory districts, and unified union school districts, which have achieved
10 measurable administrative efficiencies, including reductions in per-pupil
11 central office costs and the elimination of duplicative governance structures,
12 while maintaining or improving student opportunities in many regions.

13 (2) Regional high schools serving broader geographic areas provide
14 expanded and more equitable access to academic programming, career and
15 technical education, co-curricular opportunities, and specialized staff, which
16 are often not sustainable at smaller scales.

17 (3) Research demonstrates that closing small elementary schools often
18 yields limited or inconsistent cost savings once transportation, capital
19 adjustments, and community impacts are considered, and may negatively affect
20 student outcomes and family engagement, particularly in rural areas.

21 (4) In rural states, school district design must account not only for
22 enrollment but also for geographic size, as districts are often measured in

1 square miles. Larger geographic areas can present barriers to equitable access
2 to educational opportunity, requiring careful balancing of efficiency,
3 transportation time, community connection, and student access to high-quality
4 programming.

5 (5) Approximately 40 percent of Vermont high school graduates enroll
6 in a two- or four-year degree program. This outcome does not reflect a lack of
7 academic engagement but rather underscores the importance of ensuring that
8 all students graduate with a clear and supported pathway, including high-
9 quality career and technical education, workforce entry, or further education
10 aligned with individual goals and regional economic needs.

11 (b) Legislative intent.

12 (1) To ensure each student is provided substantially equal opportunities
13 for an excellent education that will prepare the student to thrive in a 21st-
14 century world, it is the intent of the General Assembly to work strategically,
15 intentionally, and thoughtfully to ensure that each incremental change made to
16 Vermont's public education system provides strength and support to its only
17 constitutionally required governmental service.

18 (2) The General Assembly recognizes that Vermont's schools anchor
19 local economies and community identity, connecting young persons to their
20 homes while supporting workforce development and long-term stability, and
21 that different regions of Vermont have different needs, challenges, and
22 opportunities. Further, it is the intent of the General Assembly to ensure that

1 local voice and community input retain an important role in Vermont's
2 evolving education landscape.

3 (3) It is the intent of the General Assembly to create a statewide
4 education system that encourages and supports local elementary schools,
5 central middle schools, and comprehensive, regional high schools that provide
6 each student with universal access to career technical education.

7 (4) It is the policy of the State to provide substantially equal educational
8 opportunities for all children in Vermont by authorizing two or more school
9 districts, including an existing union school district, to form a union school
10 district for the purpose of providing for the education of its resident students.
11 It is therefore the intent of the General Assembly that the formation of union
12 school districts shall be designed to encourage and support local decisions and
13 actions that provide substantial equity of educational opportunities statewide,
14 lead students to achieve or exceed the State's Education Quality Standards,
15 maximize operational efficiencies, promote transparency and accountability,
16 and be delivered at a cost that parents, voters, and taxpayers value.

17 (5) It is further the intent of the General Assembly in the upcoming
18 legislative sessions to leverage the insights of the foundation formula report
19 submitted pursuant to 2025 Acts and Resolves No. 73, Sec. 45a; the
20 prekindergarten education funding reports submitted pursuant to Sec. 21 of this
21 act; and the school transportation report submitted pursuant to Sec. 27b of this

1 act to update the foundation formula enacted in 2025 Acts and Resolves No. 73
2 to account for the funding of all components of Vermont's education system.

3 * * * Cooperative Educational Service Areas * * *

4 Sec. 2. 16 V.S.A. chapter 10 is amended to read:

5 CHAPTER 10. ~~BOARDS OF COOPERATIVE EDUCATION SERVICES~~

6 EDUCATIONAL SERVICE AREAS

7 § 601. POLICY

8 It is the policy of the State to ~~allow and encourage supervisory unions to~~
9 ~~create boards of cooperative education services~~ educational service areas to
10 provide shared programs and services on a regional and statewide level.
11 ~~Formation of a board of cooperative education services shall be designed to~~
12 ~~build upon the geographically focused cooperative regions used by Vermont~~
13 ~~superintendents as of July 1, 2024;~~ It is the intent of the General Assembly that
14 cooperative educational service areas are utilized by member supervisory
15 unions to maximize the impact of available dollars through collaborative
16 funding; reduce duplication of programs, personnel, and services; ensure every
17 middle and high school student has a genuine opportunity to participate fully in
18 and to benefit from career technical education; and contribute to ~~equalizing the~~
19 equalization of educational opportunities for all pupils.

20 § 602. DEFINITIONS

21 As used in this chapter:

22 (1) "Educator" means any:

1 (A) individual licensed under chapter 51 of this title, the majority of
2 whose employed time in a public school district, supervisory union, or ~~board of~~
3 cooperative ~~education services~~ educational service area is assigned to furnish
4 to students direct instructional or other educational services, as defined by rule
5 of the Standards Board, or who is otherwise subject to licensing as determined
6 by the Standards Board; or

7 * * *

8 (2) “Supervisory union” means an administrative, planning, and
9 educational service unit created by the State Board under section 261 of this
10 title that consists of two or more school districts. ~~This~~ As used in this chapter,
11 this term also means a supervisory district and a regional career technical
12 center school district formed pursuant to the provisions of chapter 37,
13 subchapter 5A of this title.

14 (3) “Cooperative educational service area” or “CESA” means an
15 association of supervisory unions created pursuant to this chapter to deliver
16 shared programs and services to complement the educational programs of
17 member supervisory unions in a cost-effective manner. A CESA shall be a
18 body politic and corporate with the powers and duties afforded it under this
19 chapter.

20 § 603. CREATION OF ~~BOARD OF COOPERATIVE EDUCATION~~

21 ~~SERVICES~~ EDUCATIONAL SERVICE AREAS;

22 ORGANIZATION; SECRETARY APPROVAL

1 (a) Establishment of ~~boards of cooperative education services~~ educational
2 service areas. ~~When the boards of two or more supervisory unions vote to~~
3 ~~explore the advisability of entering into a written agreement to provide shared~~
4 ~~programs and services, the interested boards shall meet and discuss the terms~~
5 ~~of any such agreement. At this meeting or a subsequent meeting, the~~
6 ~~participating boards may enter into a proposed agreement to form an~~
7 ~~association of supervisory unions to deliver shared programs and services to~~
8 ~~complement the educational programs of member supervisory unions in a cost-~~
9 ~~effective manner. An association formed pursuant to this chapter shall be~~
10 ~~known as a board of cooperative education services (BOCES) and shall be a~~
11 ~~body politic and corporate with the powers and duties afforded them under this~~
12 ~~chapter.~~ Supervisory unions are arranged into the following cooperative
13 educational service areas:

14 (1) The Champlain Valley North CESA is formed of the member
15 supervisory unions of:

16 (A) Franklin Northeast Supervisory Union, which is composed of the
17 member school districts of the Enosburgh-Richford Unified Union School
18 District and the Northern Mountain Valley Unified Union School District;

19 (B) Franklin West Supervisory Union, which is composed of the
20 member school districts of the Fairfax School District, the Fletcher School
21 District, and the Georgia School District;

1 (C) Grand Isle Supervisory Union, which is composed of the member
2 school districts of the Alburgh School District, the Champlain Islands Unified
3 Union School District, and the South Hero School District;

4 (D) Maple Run Unified Union Supervisory District;

5 (E) Milton Supervisory District; and

6 (F) Missisquoi Valley Supervisory District.

7 (2) The Chittenden Central CESA is formed of the member supervisory
8 unions of:

9 (A) Burlington Supervisory District;

10 (B) Colchester Supervisory District;

11 (C) Essex Westford Educational Community Unified Union
12 Supervisory District;

13 (D) South Burlington Supervisory District; and

14 (E) Winooski Supervisory District.

15 (3) The Champlain Valley South CESA is formed of the member
16 supervisory unions of:

17 (A) Addison Central Supervisory District;

18 (B) Addison Northwest Supervisory District;

19 (C) Champlain Valley Supervisory District;

20 (D) Lincoln Supervisory District;

21 (E) Mount Abraham Unified Supervisory District;

22 (F) Mount Mansfield Unified Union Supervisory District; and

1 (G) Patricia A. Hannaford Regional Technical School District.

2 (4) The Southwest CESA is formed of the member supervisory unions
3 of:

4 (A) Bennington Rutland Supervisory Union, which is composed of
5 the member school districts of the Mettawee School District, the Taconic and
6 Green Regional School District, and the Winhall School District;

7 (B) Greater Rutland County Supervisory Union, which is composed
8 of the member school districts of the Ira School District, the Quarry Valley
9 Unified Union School District, the Rutland Town School District, and the
10 Wells Spring Unified Union School District;

11 (C) Mill River Unified Union Supervisory District;

12 (D) Rutland City Supervisory District;

13 (E) Rutland Northeast Supervisory Union, which is composed of the
14 member school districts of the Barstow Unified Union School District and the
15 Otter Valley Unified Union School District;

16 (F) Slate Valley Unified Union Supervisory District;

17 (G) Southwest Regional Technical Center; and

18 (H) Southwest Vermont Supervisory Union, which is composed of
19 the member school districts of the Arlington School District, the Mount
20 Anthony Union High School District #14, the North Bennington Graded
21 School District, the Sandgate School District, and the Southwest Vermont
22 Union Elementary School District.

1 (5) The Vermont Learning Collaborative is formed of the member
2 supervisory unions of:

3 (A) Mountain Views Supervisory Union, which is composed of the
4 member school districts of the Pittsfield School District and the Mountain
5 Views School District;

6 (B) Springfield Supervisory District;

7 (C) Two Rivers Supervisory Union, which is composed of the
8 member school districts of the Green Mountain Unified School District and the
9 Ludlow-Mount Holly Unified Union School District;

10 (D) Windham Central Supervisory Union, which is composed of the
11 member school districts of the Marlboro School District, the River Valleys
12 Unified School District, the Stratton School District, the West River Modified
13 Union Education District, and the Windham School District;

14 (E) Windham Northeast Supervisory Union, which is composed of
15 the member school districts of the Bellows Falls Union High School District,
16 the Rockingham School District, the Athens Grafton School District, and the
17 Westminster School District;

18 (F) Windham Southeast Supervisory Union, which is composed of
19 the member school districts of the Vernon Town School District and the
20 Windham Southeast School District;

21 (G) Windham Southwest Supervisory Union, which is composed of
22 the member school districts of the Halifax School District, the Readsboro

1 School District, the Searsburg School District, the Somerset School District,
2 the Stamford School District, and the Twin Valley Unified School District; and

3 (H) Windsor Southeast Supervisory Union, which is composed of the
4 member school districts of the Hartland School District, the Mount Ascutney
5 School District, and the Weathersfield School District.

6 (6) The Northeast CESA is formed of the member supervisory unions
7 of:

8 (A) Caledonia Central Supervisory Union, which is composed of the
9 member school districts of the Cabot School District, the Caledonia
10 Cooperative School District, the Danville School District, the Peacham School
11 District, and the Twinfield Union School District;

12 (B) Essex North Supervisory Union, which is composed of the
13 member school districts of the Canaan School District, the Essex North
14 Supervisory Union, and the NEK Choice School District;

15 (C) Hartford Supervisory District;

16 (D) Kingdom East Supervisory District;

17 (E) North Country Supervisory Union, which is composed of the
18 member school districts of the Brighton School District, the Charleston School
19 District, the Coventry School District, the Derby School District, the Holland
20 School District, the Jay School District, the Lowell School District, the
21 Morgan School District, the Newport City School District, the Newport Town
22 School District, the North Country Union High School District, the North

1 Country Union Junior High School Board, the Troy School District, and the
2 Westfield School District;

3 (F) Orange East Supervisory Union, which is composed of the
4 member school districts of the Blue Mountain Union School District, the
5 Oxbow Unified Union School District, the Thetford Town School District, and
6 the Waits River Valley Union School District #36;

7 (G) Orleans Central Supervisory Union, which is formed of the
8 member school districts of the Lake Region Union Elementary-Middle School
9 District and the Lake Region Union High School District;

10 (H) Rivendell Interstate Supervisory District;

11 (I) SAU 70; and

12 (J) St. Johnsbury Supervisory District.

13 (7) The Winooski Valley CESA is formed of the member supervisory
14 unions of:

15 (A) Barre Unified Union Supervisory District;

16 (B) Central Vermont Career Center;

17 (C) Central Vermont Supervisory Union, which is composed of the
18 member school districts of the Echo Valley Community School District and the
19 Paine Mountain School District;

1 (D) Harwood Unified Union Supervisory District;

2 (E) Lamoille North Supervisory Union, which is composed of the
3 member school districts of the Cambridge School District and the Lamoille
4 North Modified Unified Union School District;

5 (F) Lamoille South Supervisory Union, which is composed of the
6 Member School Districts of the Elmore-Morristown Unified Union School
7 District and the Stowe School District;

8 (G) Montpelier Roxbury Supervisory District;

9 (H) Orange Southwest Unified Union Supervisory District;

10 (I) Orleans Southwest Supervisory Union, which is composed of the
11 member school districts of the Craftsbury School District, the Hazen Union
12 School District, the Mountain View Union Elementary School District, the
13 Stannard Town School District, and the Wolcott School District;

14 (J) Washington Central Unified Union Supervisory District; and

15 (K) White River Valley Supervisory Union, which is composed of
16 the member school districts of the First Branch Unified School District, the
17 Granville-Hancock Unified District, the Rochester-Stockbridge Unified
18 District, the Sharon School District, the Strafford School District, and the
19 White River Unified District.

20 ~~(b) Articles of agreement Bylaws. Agreements to form a BOCES pursuant~~
21 ~~to this chapter shall take the form of articles of agreement and shall serve as~~
22 ~~the operating agreement for a BOCES. Agreements shall include a cost-~~

1 ~~benefit analysis outlining the projected financial savings or enhanced~~
2 ~~outcomes, or both, that the parties expect to realize through shared services or~~
3 ~~programs. No agreement or subsequent amendments shall take effect unless~~
4 ~~approved by the member supervisory union boards and the Secretary of~~
5 ~~Education. The Secretary shall approve articles of agreement if the Secretary~~
6 ~~finds that the formation of the proposed BOCES is in the best interests of the~~
7 ~~State, the students, and the member supervisory unions and aligns with the~~
8 ~~policy set forth in section 601 of this title, subject to the limitations of~~
9 ~~subsection (d) of this section. Each CESA shall establish bylaws to serve as~~
10 ~~the operating agreement of the CESA. At a minimum, the ~~articles of~~~~
11 ~~agreement bylaws shall state:~~

- 12 (1) the names of the participating supervisory unions;
- 13 (2) the mission, purpose, and focus of the ~~BOCES~~ CESA;
- 14 (3) the programs or services to be offered by the ~~BOCES~~ CESA;
- 15 (4) the financial terms and conditions of membership of the ~~BOCES~~
16 CESA, including any applicable membership fee, which shall be allocated
17 according to the aggregate average daily membership of each member
18 supervisory union;
- 19 (5) the service fees for member supervisory unions and the service fees
20 for nonmember supervisory unions, as applicable, which shall be based on the
21 amount of services actually provided to each supervisory union, as applicable;

1 (6) the detailed procedure for the preparation and adoption of an annual
2 budget with carryforward provisions;

3 (7) ~~the method of termination of the BOCES and the withdrawal of~~
4 ~~member supervisory unions, which shall include the apportionment of assets~~
5 ~~and liabilities; [Repealed.]~~

6 (8) the procedure for ~~admitting new members and for~~ amending the
7 ~~articles of agreement~~ bylaws;

8 (9) the powers and duties of the board of directors of the ~~BOCES~~ CESA
9 to operate and manage the association, including:

10 (A) board meeting attendance requirements;

11 (B) consequences for failure to attend a board meeting;

12 (C) a conflict-of-interest policy; and

13 (D) a policy regarding board member salaries or stipends; and

14 (10) any other matter not incompatible with law that the member
15 supervisory unions consider necessary ~~to the formation of the BOCES.~~

16 (c) Board of directors. A ~~BOCES~~ CESA shall be managed by a board of
17 directors, which shall be composed of one person appointed annually by each
18 member supervisory union board. Appointed persons shall be members of a
19 member supervisory union board or the superintendent or designee of the
20 member supervisory union. Each member of the ~~BOCES~~ CESA board of
21 directors shall be entitled to a vote. No member of the board of directors of a
22 ~~BOCES~~ CESA shall serve as a member of a board of directors or as an officer

1 or employee of any related for-profit or nonprofit organization. The board of
2 directors shall elect a chair from its members and provide for such other
3 officers as it may determine are necessary. The board of directors may also
4 establish subcommittees and create board policies and procedures as it may
5 determine are necessary. The board of directors shall meet not fewer than four
6 times annually. Each member of the board of directors shall provide updates
7 on the activities of the ~~BOCES~~ CESA on a quarterly basis to the member's
8 appointing supervisory union board at an open board meeting.

9 (d) ~~Number of BOCESs. There shall be not more than seven BOCESs~~
10 ~~statewide. Supervisory unions shall not be a member of more than one~~
11 ~~BOCES but may seek services as a nonmember from other BOCESs.~~

12 [Repealed.]

13 § 604. POWERS OF ~~BOARDS OF COOPERATIVE EDUCATION~~

14 SERVICES EDUCATIONAL SERVICE AREAS

15 (a) In addition to any other powers granted by law, a ~~BOCES~~ CESA shall
16 have the power to provide educational programs, services, facilities, and
17 professional and other staff that, in its discretion, best serve the needs of its
18 members, including professional development, curriculum coordination and
19 development, and transportation. A ~~BOCES~~ CESA shall follow all applicable
20 State and federal laws in its provision of services, including Section 504 of the
21 Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with
22 Disabilities Education Act, 20 U.S.C. §§ 1400–1482. At a minimum, a CESA

1 shall offer services in the following areas to its members, when requested and
2 when approved by the CESA board:

3 (1) special education, including implementation and maintenance of
4 tiered systems of support and the provision of low-incidence, high-cost
5 services;

6 (2) business, information technology, and administrative services; and

7 (3) union school district creation consultation and facilitation.

8 (b) A ~~BOCES~~ CESA shall employ an executive director who shall
9 serve under the general direction of the board and who shall be responsible for
10 the care and supervision of the ~~BOCES~~ CESA. The board shall annually
11 evaluate the executive director's performance and effectiveness in
12 implementing the programs, policies, and goals of the ~~BOCES~~ CESA. The
13 executive director shall not serve as a board member, officer, or employee of
14 any related for-profit or nonprofit organization.

15 (c) A ~~BOCES~~ CESA shall be a body politic and corporate and shall have
16 standing to sue and be sued to the same extent as a school district. A ~~BOCES~~
17 CESA may enter into contracts for the purchase of supplies, materials, and
18 services and for the purchase or leasing of land, buildings, and equipment as
19 considered necessary by the board of directors. Section 559 of this title shall
20 apply to the procurement of services or items with costs that exceed
21 \$40,000.00, as well as high-cost construction contracts, as defined by
22 subsection 559(b) of this title.

1 (d) The board of directors of a ~~BOCES~~ CESA may apply for State, federal,
2 or private grants, for which a ~~BOCES~~ CESA may be otherwise eligible, to
3 obtain funds necessary to carry out the purpose for which the ~~BOCES~~ CESA is
4 established. Nothing in this chapter is intended to create an entitlement to
5 federal funds distributed by the Agency of Education to local education
6 agencies.

7 § 605. FINANCING, BUDGETING, AND ACCOUNTING

8 (a) Education cooperative fund. A ~~BOCES~~ CESA shall establish and
9 manage a fund to be known as an education cooperative fund. All monies
10 contributed by the member school districts and all grants or gifts from the
11 federal government, State government, charitable foundations, private
12 corporations, or any other source shall be deposited into the fund.

13 (b) Treasurer.

14 (1) A ~~BOCES~~ CESA shall appoint a treasurer who may be a treasurer of
15 a member school district and who shall be sworn in before entering the duties
16 of the office.

17 (2) The treasurer may, subject to the direction of the board of directors,
18 receive and disburse all money belonging to the board without further
19 appropriation.

20 (3) The treasurer shall keep financial records of cash receipts and
21 disbursements and shall make those records available to the board of directors
22 upon request.

1 (4) The board of directors shall ensure that its blanket bond covers a
2 newly appointed treasurer before the treasurer enters upon the duties of the
3 office. In lieu of a blanket bond, a ~~BOCES~~ CESA may choose to provide
4 suitable crime insurance coverage. The board of directors may pay reasonable
5 compensation to the treasurer for services rendered and shall evaluate the
6 treasurer's performance annually.

7 (c) Financial accounting system. A ~~BOCES~~ CESA shall use the uniform
8 chart of accounts and financial reporting requirements used by supervisory
9 unions as its financial accounting system.

10 (d) Audit. Annually, a ~~BOCES~~ CESA shall cause an independent audit to
11 be made of its financial statements consistent with generally accepted
12 governmental auditing standards and shall discuss and vote to accept the audit
13 report at an open meeting of the board. The board shall transmit a copy of
14 each audit to the boards of its member supervisory unions.

15 (e) Annual statement. Annually, a ~~BOCES~~ CESA shall prepare financial
16 statements, including:

17 (1) a statement of net assets; and

18 (2) a statement of revenues, expenditures, and changes in net assets.

19 (f) Budget. A ~~The board of cooperative education services~~ CESA shall
20 adopt a budget prior to the beginning of the fiscal year for which the budget is
21 adopted.

1 (g) Loans. A ~~BOCES~~ CESA may, upon approval of its members, negotiate
2 or contract with any person, corporation, association, or company for a loan
3 not to exceed the difference between the anticipated revenues for the current
4 fiscal year for the budget of the ~~BOCES~~ CESA and the amount credited to date
5 to said budget in order to pay current obligations. Such loan shall be liquidated
6 within six months thereafter from monies subsequently credited to said budget.
7 The total principal, interest, and fees to be paid on such loan shall not exceed
8 the total amount of the authorized budget for the same length of time.

9 § 606. ANNUAL REPORT; PUBLIC INFORMATION

10 (a) The board of a ~~BOCES~~ CESA shall prepare an annual report concerning
11 the affairs of the ~~BOCES~~ CESA and have it printed and distributed to the
12 boards of the member supervisory unions. The annual report shall include, at a
13 minimum:

14 (1) information on the programs and services offered by the ~~BOCES~~
15 CESA, including information on the cost-effectiveness of such programs and
16 services and progress made towards achieving the objectives and purposes set
17 forth in the articles of agreement; and

18 (2) audited financial statements and the independent auditor's report.

19 (b) A ~~BOCES~~ CESA shall maintain an internet website that makes the
20 following information available to the public at no cost:

- 1 (1) a list of the members of the board of directors of the ~~BOCES~~ CESA;
- 2 (2) copies of approved minutes of open meetings held by the board of
- 3 the ~~BOCES~~ CESA;
- 4 (3) a copy of the articles of agreement and any subsequent amendments;
- 5 and
- 6 (4) a copy of the annual report required under subsection (a) of this
- 7 section.

8 § 607. EMPLOYMENT

9 (a) A ~~BOCES~~ CESA shall be considered to be a public employer and may

10 employ personnel, including educators, to carry out the purposes and functions

11 of the board. Annually, the board of a ~~BOCES~~ CESA shall conduct an area

12 survey of the salaries of the educators and staff employed by the ~~BOCES~~'s

13 CESA's member supervisory unions and school districts.

14 (b) No person shall be eligible for employment by a ~~BOCES~~ CESA as an

15 educator unless the person is appropriately licensed by the Standards Board for

16 Professional Educators pursuant to chapter 51 of this title.

17 (c) A person employed by a ~~BOCES~~ CESA as an educator shall be a

18 participant in the Vermont State Teachers' Retirement System pursuant to

19 chapter 55 of this title.

20 (d) A person who is employed by a ~~BOCES~~ CESA and who is not an

21 educator shall be a participant in the Vermont Municipal Employees'

22 Retirement System pursuant to 24 V.S.A. chapter 125.

1 (e) Educators employed by a ~~BOCES~~ CESA shall be entitled to organize
2 pursuant to chapter 57 of this title.

3 (f) Employees employed by a ~~BOCES~~ CESA and who are not educators
4 shall be entitled to organize pursuant to 21 V.S.A. chapter 22.

5 (g) Educators and employees who are employed by a ~~BOCES~~ CESA shall
6 be provided health care benefits pursuant to chapter 61 of this title.

7 § 608. CESA MEMBERSHIP ADJUSTMENT PROPOSALS

8 (a) The board of a member supervisory union may propose to the General
9 Assembly to adjust the membership of the CESA it belongs to in accordance
10 with the following procedure:

11 (1) The board of a supervisory union may vote to propose withdrawal
12 from its current CESA in order to become a member of a different CESA.

13 (2) If a majority of the supervisory union board members vote in favor
14 of withdrawing from one CESA in order to join a different CESA, the
15 supervisory union board shall transmit the results of the membership
16 adjustment proposal vote to the boards of both applicable CESAs.

17 (3) The board of a supervisory union's current CESA and the board of
18 the CESA the supervisory union has voted to join shall hold separate advisory
19 votes to approve the membership adjustment proposal within 45 days after the
20 results of the supervisory union board vote held pursuant to subdivision (2) of
21 this subsection.

1 (4) The supervisory union board requesting the membership adjustment
2 shall submit the results of the advisory CESA board votes to the Secretary of
3 Education with the following information:

4 (A) the minutes recorded by the supervisory union board that detail
5 the origins and intent of the CESA membership adjustment proposal;

6 (B) copies of the warnings and published notices for any public
7 hearings held to discuss the membership adjustment proposal;

8 (C) the minutes recorded by the supervisory union board that detail
9 any public hearings held to discuss the membership adjustment proposal,
10 including minutes from the meeting at which the board voted in favor of the
11 CESA membership adjustment proposal; and

12 (D) the results of the advisory CESA board votes made pursuant to
13 subdivision (3) of this subsection (a).

14 (b) The Secretary of Education shall deliver copies of the information
15 required pursuant to subsection (a) of this section to the Clerk of the House, the
16 Secretary of the Senate, and the chairs of the committees concerned with
17 CESA membership of both houses of the General Assembly.

18 (c) The membership adjustment proposal shall become effective upon
19 affirmative enactment of the proposal, either as proposed or as amended by the
20 General Assembly.

1 Sec. 2a. 16 V.S.A. § 604(a) is amended to read:

2 (a) In addition to any other powers granted by law, a CESA shall have the
3 power to provide educational programs, services, facilities, and professional
4 and other staff that, in its discretion, best serve the needs of its members;
5 ~~including professional development, curriculum coordination and~~
6 ~~development, and transportation.~~ A CESA shall follow all applicable State and
7 federal laws in its provision of services, including Section 504 of the
8 Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with
9 Disabilities Education Act, 20 U.S.C. §§ 1400–1482. At a minimum, a CESA
10 shall offer services in the following areas to its members, when requested and
11 when approved by the CESA board:

12 (1) special education, including implementation and maintenance of
13 tiered systems of support and the provision of low-incidence, high-cost
14 services;

15 (2) business, information technology, and administrative services; ~~and~~

16 (3) union school district creation consultation and facilitation;

17 (4) professional development;

18 (5) curriculum coordination and development;

19 (6) transportation; and

20 (7) facilities master planning.

1 Sec. 2b. VERMONT LEARNING COLLABORATIVE AND RIVER

2 VALLEY TECHNICAL CENTER MEMBERSHIP

3 On or before December 15, 2027, the River Valley Technical Center School
4 District and Vermont Learning Collaborative shall propose a membership
5 adjustment pursuant to 16 V.S.A. § 608 to the General Assembly to formally
6 include the River Valley Technical Center as a member of the Vermont
7 Learning Collaborative. Prior to any such membership adjustment being
8 enacted, the Vermont Learning Collaborative shall offer services to the River
9 Valley Technical Center as requested.

10 Sec. 3. REPEAL

11 2024 Acts and Resolves No. 168, Sec. 3 (transition; report) is repealed.

12 Sec. 4. 2024 Acts and Resolves No. 168, Sec. 4, as amended by 2025 Acts and
13 Resolves No. 72, Sec. 7, is further amended to read:

14 Sec. 4. ~~BOCES~~ CESA GRANT PROGRAM; APPROPRIATION

15 (a) There is established the ~~Boards of Cooperative Education Services~~
16 Educational Service Area Start-up Grant Program, to be administered by the
17 Agency of Education, from funds appropriated for this purpose, to award
18 grants to ~~enable the formation of boards of cooperative education services~~
19 ~~(BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024~~ the
20 CESAs created in 16 V.S.A. § 603(a) to assist with start-up costs. Supervisory
21 unions CESAs shall be eligible for a single ~~\$10,000.00~~ \$15,000.00 grant after
22 ~~two or more boards vote to explore the advisability of forming a board of~~

1 ~~cooperative education services pursuant to 16 V.S.A. § 603(a).~~ Grants may be
2 used for start-up and formation costs, including the development of ~~proposed~~
3 ~~articles of agreement~~ bylaws. ~~Grants shall be awarded to only one supervisory~~
4 ~~union within each group of supervisory unions exploring the formation of a~~
5 ~~BOCES.~~

6 (b) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the
7 sum of \$70,000.00 is appropriated from the Education Fund to the Agency of
8 Education in fiscal year 2025 to fund the ~~Boards of Cooperative Education~~
9 ~~Services~~ Educational Service Area Start-up Grant Program created in
10 subsection (a) of this section. Unexpended appropriations shall carry forward
11 into the subsequent fiscal year and remain available for use for this purpose.

12 (c) Of the funds appropriated to the Agency of Education in 2025 Acts and
13 Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation
14 enacting the budget in fiscal year 2027, \$30,000.00 shall be used to provide
15 additional funding to the Cooperative Educational Service Area Start-up Grant
16 Program created in subsection (a) of this section.

17 Sec. 5. 16 V.S.A. § 261a is amended to read:

18 § 261a. DUTIES OF SUPERVISORY UNION BOARD

19 * * *

20 (b) Virtual merger. In order to maximize the impact of available funding
21 and resources, and to reduce duplication of educational programs, personnel,
22 and services, whenever legally permissible, supervisory unions are encouraged

1 to reach agreements with other supervisory unions jointly to provide any
2 service or perform any duty under this section pursuant to section 267 of this
3 title, or to form ~~boards of cooperative education services~~ educational service
4 areas pursuant to chapter 10 of this title. Agreements between supervisory
5 unions are not subject to the waiver requirement of subdivision (a)(8) of this
6 section. Agreements shall include a cost-benefit analysis outlining the
7 projected financial savings or enhanced outcomes, or both, that the parties
8 expect to realize through shared services or programs.

9 * * *

10 Sec. 6. 16 V.S.A. § 1691a is amended to read:

11 § 1691a. DEFINITIONS

12 As used in this chapter:

13 (1) “Administrator” means an individual licensed under this chapter the
14 majority of whose employed time in a public school, school district,
15 supervisory union, or ~~board of cooperative education services~~ educational
16 service area is assigned to developing and managing school curriculum,
17 evaluating and disciplining personnel, or supervising and managing a public
18 school system or public school program.

19 * * *

20 (10) “Teacher” means an individual licensed under this chapter the
21 majority of whose employed time in a public school district, supervisory
22 union, or ~~board of cooperative education services~~ educational service area is

1 assigned to furnish to students direct instructional or other educational
2 services, as defined by rule of the Standards Board, or who is otherwise subject
3 to licensing as determined by the Standards Board.

4 Sec. 7. 16 V.S.A. § 1931(20) is amended to read:

5 (20) “Teacher” means any licensed teacher, principal, supervisor,
6 superintendent, or any professional licensed by the Vermont Standards Board
7 for Professional Educators who is regularly employed, or otherwise contracted
8 if following retirement, for the full normal working time for the teacher’s
9 position in a public day school or school district within the State, or in any
10 school or teacher-training institution located within the State, controlled by the
11 State Board of Education, and supported wholly by the State; or in certain
12 public independent schools designated for such purposes by the Board in
13 accordance with section 1935 of this title; or who is regularly employed by a
14 ~~board of cooperative education services~~ educational service area created in
15 accordance with chapter 10 of this title. In all cases of doubt, the Board shall
16 determine whether any person is a teacher as defined in this chapter. It does
17 not mean a person who is teaching with an emergency license.

18 Sec. 8. 24 V.S.A. § 5051(10) is amended to read:

19 (10) “Employee” means the following persons employed on a regular
20 basis by a school district, by a supervisory union, or by a ~~board of cooperative~~
21 ~~education services~~ educational service area for not fewer than 1,040 hours in a
22 year and for not fewer than 30 hours a week for the school year, as defined in

1 16 V.S.A. § 1071, or for not fewer than 1,040 hours in a year and for not fewer
2 than 24 hours a week year-round; provided, however, that if a person who was
3 employed on a regular basis by a school district as either a special education or
4 transportation employee and who was transferred to and is working in a
5 supervisory union or a ~~board of cooperative education services~~ educational
6 service area in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E)
7 and if that person is also employed on a regular basis by a school district
8 within the supervisory union, then the person is an “employee” if these criteria
9 are met by the combined hours worked for the supervisory union and school
10 district. The term also means persons employed on a regular basis by a
11 municipality other than a school district for not fewer than 1,040 hours in a
12 year and for not fewer than 24 hours per week, including persons employed in
13 a library at least one-half of whose operating expenses are met by municipal
14 funding:

15 * * *

16 Sec. 9. 16 V.S.A. § 1981 is amended to read:

17 § 1981. DEFINITIONS

18 As used in this chapter unless the context requires otherwise:

19 * * *

20 (8) “School board negotiations council” means, for a supervisory
21 district, its school board, and, for school districts within a supervisory union or
22 ~~board of a cooperative education services~~ educational service area, the body

1 comprising representatives designated by each school board within the
2 supervisory union or ~~board of cooperative education services~~ supervisory
3 union board within each cooperative educational service area and by the
4 supervisory union board or board of a cooperative ~~education services~~
5 educational service area to engage in professional negotiations with a teachers’
6 or administrators’ organization.

7 (9) “Teachers’ organization negotiations council” or “administrators’
8 organization negotiations council” means the body comprising representatives
9 designated by each teachers’ organization or administrators’ organization
10 within a supervisory district, supervisory union, or ~~board of cooperative~~
11 ~~education services~~ educational service area to act as its representative for
12 professional negotiations.

13 Sec. 10. 21 V.S.A. § 1722 is amended to read:

14 § 1722. DEFINITIONS

15 As used in this chapter:

16 * * *

17 (18) “School board negotiations council” means, for a supervisory
18 district, its school board, and, for school districts within a supervisory union or
19 ~~board of a cooperative education services~~ educational service area, the body
20 comprising representatives designated by each school board within the
21 supervisory union or ~~board of cooperative education services~~ supervisory
22 union board within a cooperative educational service area and by the

1 supervisory union board or ~~board of cooperative education services~~ educational
2 service area to engage in collective bargaining with their school employees’
3 negotiations council.

4 (19) “School employees’ negotiations council” means the body
5 comprising representatives designated by each exclusive bargaining agent
6 within a supervisory district, supervisory union, or ~~board of cooperative~~
7 ~~education services~~ educational service area to engage in collective bargaining
8 with its school board negotiations council.

9 * * *

10 (21) “Municipal school employee” means an employee of a supervisory
11 union, school district, or ~~board of cooperative education services~~ educational
12 service area who is not otherwise subject to 16 V.S.A. chapter 57 (labor
13 relations for teachers and administrators) and who is not otherwise excluded
14 pursuant to subdivision (12) of this section.

15 * * *

16 Sec. 11. 16 V.S.A. § 2101 is amended to read:

17 § 2101. DEFINITIONS

18 As used in this chapter:

19 * * *

20 (3) “School employer” means a supervisory union or school district as
21 those terms are defined in section 11 of this title, or a ~~board of cooperative~~

1 ~~education services~~ educational service area formed pursuant to chapter 10 of
2 this title.

3 Sec. 12. CESA TRANSITION

4 (a) Within 30 days following the passage of this act, each member
5 supervisory union board of each CESA created under 16 V.S.A. § 603(a) shall
6 appoint a person to serve on the board of directors of the applicable CESA
7 pursuant to 16 V.S.A. § 603(c).

8 (b) Within 45 days following the passage of this act, the superintendent of
9 the supervisory union with the highest aggregate average daily membership of
10 each CESA created under 16 V.S.A. § 603(a) shall call a meeting of the
11 directors of the CESA at which each CESA board shall elect a chair and other
12 necessary officers.

13 (c) The articles of agreement of the Vermont Learning Collaborative
14 (VTLC) in effect on June 30, 2026, shall serve as the operating agreement of
15 the VTLC unless and until amended.

16 * * * Union School District Exploration and Formation * * *

17 Sec. 13. UNION SCHOOL DISTRICT CREATION CONSULTATION AND
18 FACILITATION; MERGER COMMITTEES

19 (a) Facilitator. On or before September 1, 2026, the Vermont Learning
20 Collaborative (VTLC), a CESA formed pursuant to 16 V.S.A. chapter 10, shall
21 employ or contract for the services of seven union school district formation
22 facilitators (facilitators) who shall be responsible for organizing and facilitating

1 merger committees to study the advisability of forming a unified union school
2 district. The VTLC shall also hire one lead facilitator who, in addition to
3 facilitating merger committees as necessary, shall oversee the work of the
4 seven facilitators. A facilitator shall have knowledge of and experience
5 working in Vermont's public education system. The VTLC shall assign one
6 facilitator to each CESA membership region created pursuant to 16 V.S.A.
7 § 603(a)(1)–(7). Facilitators shall assist merger committees with strength-
8 based asset mapping and with developing and executing a public outreach plan
9 that maximizes public engagement for the merger committee process.

10 (b) Merger committees.

11 (1) On or before September 15, 2026, each school district shall identify
12 at least one current member of the board to participate in its assigned merger
13 committee, subject to the participation requirements contained in 16 V.S.A.
14 §§ 706 and 707. A merger committee member shall be a current member of a
15 school board participating in that particular merger committee. If the school
16 board member assigned to a merger committee is no longer a member of the
17 member's appointing school board for any reason, the school board shall
18 appoint a new member to the merger committee.

19 (2) On or before October 15, 2026:

20 (A) Each facilitator shall group school districts within the facilitator's
21 assigned CESA region's member supervisory unions together to form merger
22 committees to study the advisability of forming a unified union school district.

1 The facilitator shall consult with school district boards prior to finalizing
2 merger committee membership. Using the suggested school district groupings
3 contained in Sec. 14 of this act as guidance, and taking into consideration
4 grand list values, accounting for the homestead exemption and current
5 education spending, the facilitator shall group school districts together
6 according to the following criteria:

7 (i) the total average daily membership of school districts forming
8 a merger committee shall be a minimum of 2,000 students, as practical;

9 (ii) school districts shall be contiguous; and

10 (iii) school districts on the same merger committee may be
11 members of different supervisory unions.

12 (B) Each merger committee shall hold its first meeting.

13 (3) Notwithstanding any provision of law to the contrary, a school
14 district shall participate in good faith in the merger committee it is assigned to
15 by the facilitator.

16 (4) A merger committee formed pursuant to this section shall adhere to
17 the processes and requirements of 16 V.S.A. chapter 11, subchapter 2, as
18 amended by this section.

19 (A)(i) If a merger committee identifies a school district as necessary
20 that is not a member of the merger committee or that is not a member of the
21 CESA, or both, the merger committee shall work with the applicable facilitator
22 or facilitators to adjust merger committee membership as necessary.

1 (ii) A school district may join a different merger committee than
2 the one it was assigned to by a facilitator if a majority of the school board
3 members vote to leave the assigned merger committee and join a new merger
4 committee.

5 (B) Notwithstanding 16 V.S.A. § 706(b) as it applies to study
6 committee budgets and 16 V.S.A. § 707(a) and (b), a merger committee
7 formed pursuant to this section shall be funded through appropriations made by
8 the General Assembly for this purpose; provided, however, that if a merger
9 committee's needs exceed the appropriations provided, it may elect to increase
10 its budget according to the processes and procedures established in 16 V.S.A.
11 chapter 11.

12 (C) In addition to the requirements of 16 V.S.A. chapter 11,
13 subchapter 2, a merger committee shall also explore the advisability and
14 feasibility of a contemplated new unified union school district providing for
15 the education of its resident students through local elementary schools, central
16 middle schools, and comprehensive, regional high schools that provide each
17 student with universal access to career technical education.

18 (D) A merger committee formed pursuant to this section shall prepare
19 a report with its final recommendations as to whether it is advisable or
20 inadvisable to form a new unified union school district. In addition to the
21 report requirements in 16 V.S.A. § 708(c), the final report of each merger
22 committee formed pursuant to this section shall include the following:

1 (i) the names of the school districts participating in the merger
2 committee;

3 (ii) an analysis of the strengths and challenges of the current
4 structures of all “necessary” and “advisable” school districts;

5 (iii) the merger committee’s final recommendation as to whether it
6 is advisable or inadvisable to propose the formation of a new unified union
7 school district;

8 (iv) an analysis of how the final recommendation will enable the
9 merger committee member school districts to, under the foundation formula,
10 maximize operational efficiencies, promote transparency and accountability,
11 and encourage and support local decisions and actions that provide equal
12 opportunities for an excellent education, all at a cost that parents, voters, and
13 taxpayers value; and

14 (v) if the decision of the merger committee was not unanimous, an
15 analysis of the minority view of the committee, including an analysis of how
16 any school district participating in the merger committee but not recommended
17 to be part of the new unified union school district will, under the foundation
18 formula;

19 (I) provide excellent educational opportunities that allow
20 students to achieve or exceed the State’s Education Quality Standards;

21 (II) maximize operational efficiencies that allow the district to
22 meet or exceed the State’s District Quality Standards;

1 (III) provide resident students with a genuine opportunity to
2 participate fully and to benefit from career technical education; and

3 (IV) provide special education services.

4 (E) Members of a merger committee that determines it is inadvisable
5 to propose the formation of a new unified union school district may form a
6 study committee or committees and may pursue any union school district
7 formation option available under 16 V.S.A. chapter 11 after the merger
8 committee members vote to dissolve the merger committee formed pursuant to
9 this section.

10 (F)(i) Each merger committee formed pursuant to this section shall
11 consult with area career technical education (CTE) directors and shall
12 document such consultation and any recommendations made by a CTE director
13 in the merger committee's final report issued pursuant to subdivision (D) of
14 this subdivision (b)(4). The final report shall also include an analysis of how
15 CTE access will be achieved for all students residing within the proposed new
16 unified union school district.

17 (ii) If a merger committee's member school districts send their
18 resident students to a regional career technical center school district (regional
19 CTE school district) formed pursuant to 16 V.S.A. chapter 37, subchapter 5A,
20 the final report shall include an analysis of whether the applicable regional
21 CTE school district shall dissolve, and the CTE center operated by the regional
22 CTE school district shall be operated by a new unified union school district

1 formed pursuant to this section. The analysis shall include the position of the
2 regional CTE school district.

3 (5) On or before September 1, 2027, each merger committee shall
4 complete its final report and transmit it, along with proposed articles of
5 agreement, as applicable, to the school board of each school district that the
6 report identifies as either “necessary” or “advisable” if the merger committee
7 determined it was advisable to form a new unified union school district, or to
8 the school board of each school district participating on the merger committee
9 if the merger committee determined it was inadvisable to form a new unified
10 union school district. The report shall be transmitted to the Secretary of
11 Education and the State Board of Education at the same time. If a merger
12 committee completes its work before September 1, 2027, the committee may
13 transmit its report to the applicable school boards, the Secretary of Education,
14 and the State Board of Education at any time the report is ready for review,
15 subject to the provisions of subsections (c) and (d) of this section.

16 (6) Facilitators shall monitor the work of the General Assembly related
17 to education transformation and share the most up-to-date fiscal modeling with
18 the merger committees.

19 (7) The Agency of Education shall make Agency staff available to assist
20 the facilitators by providing technical assistance to the merger committees, as
21 requested.

1 (8) Throughout the merger committee process, facilitators and members
2 of merger committees shall work together with their assigned school districts
3 to endeavor to prevent any school district with an average daily membership of
4 fewer than 750 students from becoming isolated by being left out of the
5 formation of a new unified union school district.

6 (c) Secretary review. The Secretary shall review the report and proposed
7 articles of agreement of any merger committee that determines it is advisable
8 to propose the formation of a new unified union school district and submit a
9 recommendation to the State Board. If the Secretary fails to submit the
10 Secretary’s recommendation to the State Board within 30 days following the
11 receipt of the report and proposed articles of agreement or on or before
12 December 1, 2027, whichever date shall occur first, the State Board shall take
13 action pursuant to 16 V.S.A. § 709(c) regardless of whether the Secretary
14 submits a recommendation regarding the proposed unified union school
15 district.

16 (d) State Board findings. The State Board shall issue the findings required
17 pursuant to 16 V.S.A. § 709(c)(2) on or before December 15, 2027.

18 (e) Vote to form a unified union school district. Notwithstanding
19 16 V.S.A. § 708(b)(2)(B) or any other provision of law to the contrary, if a
20 merger committee formed pursuant to this section determines that it is
21 advisable to propose the formation of a new unified union school district, the
22 voters of each school district that is identified as “necessary” or “advisable”

1 shall vote whether to form the proposed unified union school district, in
2 accordance with 16 V.S.A. § 710, on March 7, 2028.

3 (f) Merger committee status report. On or before February 1, 2027, the
4 lead facilitator, in consultation with the Agency of Education, shall submit a
5 written report to the House Committees on Education and on Ways and Means
6 and the Senate Committees on Education and on Finance and the Agency of
7 Education with information regarding the membership and status of each
8 merger committee formed pursuant to this section.

9 Sec. 13a. SCHOOL DISTRICT MERGER PROPOSAL; GENERAL
10 ASSEMBLY APPROVAL

11 (a) As used in this section, “eligible school district” means a school district
12 that has not successfully merged with a neighboring school district on or
13 before July 1, 2028, pursuant to Sec. 13 of this act.

14 (b) An eligible school district may propose to the General Assembly to
15 merge the school district with a unified union school district by majority vote
16 of the legal voters of the school district present and voting at any annual or
17 special meeting warned for that purpose in accordance with the following
18 procedure:

19 (1) The board of an eligible school district may propose a plan to merge
20 (a merger proposal) with a unified union school district created pursuant to
21 Sec. 13 of this act, or a unified union school district already in existence on
22 July 1, 2026, upon either a vote of the board of the eligible school district to

1 propose a merger plan or upon a petition to do so by at least five percent of the
2 voters of the eligible school district. An eligible school district shall only
3 propose a plan to merge with a unified union school district that is contiguous
4 to the eligible school district.

5 (2) A merger proposal shall include an analysis of the following:

6 (A) the educational advantages and disadvantages likely to result
7 from both the proposed merger of the eligible school district with the unified
8 union district and the eligible school district remaining a stand-alone school
9 district;

10 (B) the financial advantages and disadvantages under the foundation
11 formula likely to result from both the proposed merger and the eligible school
12 district remaining a stand-alone school district;

13 (C) the likely operational and financial viability and sustainability of
14 both the eligible school district remaining a stand-alone school district and the
15 unified union district if the merger plan is approved and the eligible district
16 ceases to exist as a stand-alone school district and becomes part of the unified
17 union school district; and

18 (D) any other advantages and disadvantages of the merger proposal,
19 including any advantages and disadvantages to the students and taxpayers of
20 the region and the State.

21 (3) Within 90 days following the board of an eligible school district
22 finalizing a merger proposal, the voters of the eligible school district shall vote

1 on whether to approve the proposed plan of merger. The question shall be
2 determined by Australian ballot and ballots shall be mailed to all active voters,
3 as applicable, not later than 43 days before the election.

4 (4) Within 45 days after the vote held pursuant to this subsection or 15
5 days after a vote to reconsider the original vote under 17 V.S.A. § 2661,
6 whichever is later, the clerk of the eligible school district shall certify the
7 results of the vote to the Secretary of State, who shall record the certificate and
8 give notice of the vote to the clerk of the unified union school district that the
9 eligible school district proposes to join and to the Secretary of Education.

10 (c) The Secretary of Education shall deliver copies of the certified voting
11 results and copies of the following documents to the Clerk of the House, the
12 Secretary of the Senate, and the chairs of the committees concerned with the
13 formation of union school districts of both houses of the General Assembly:

14 (1)(A) if the merger proposal was initiated by the board of the eligible
15 school district, the minutes recorded by the board that detail the origins of the
16 merger proposal;

17 (B) if the merger proposal was initiated by voter petition, the body of
18 the petition and evidence of the required number of petition signatures;

19 (2) the board's analysis required pursuant to this subsection;

20 (3) copies of the warnings, published notices, and minutes for each of
21 the public hearings held to discuss the merger proposal;

1 The report shall also identify foreseen challenges and any recommendations
2 for legislative action necessary to support the work of school district clerks.

3 Sec. 14. GUIDANCE FOR MERGER COMMITTEE GROUPINGS

4 Facilitators shall use the school district groupings contained in subdivisions
5 (1)–(20) of this section as guidance when forming merger committees pursuant
6 to Sec. 13 of this act. The facilitators shall include advisory representation
7 from the four regional career technical center school districts (CTE school
8 districts) formed pursuant to the provisions of 16 V.S.A. chapter 37,
9 subchapter 5a on any merger committee whose member school districts are
10 served by the CTE school districts. The advisory members appointed from the
11 CTE school districts shall be nonvoting members of the merger committee.
12 Facilitators may form merger committees that differ from the guidance
13 contained in this section; provided, however, that a facilitator shall transmit the
14 facilitator’s rationale for such choices to the lead facilitator for inclusion in the
15 report required pursuant to Sec. 15 of this act.

16 (1) Group one: Addison Central School District, Addison Northwest
17 School District, Lincoln School District, and Mount Abraham Unified School
18 District.

19 (2) Group two: Barstow Unified School District, Ira School District,
20 Mill River Unified Union School District, Otter Valley Unified Union School
21 District, Quarry Valley Unified Union School District, Rutland City School

1 District, Rutland Town School District, and Slate Valley Unified Union School
2 District.

3 (3) Group three: Mettawee School District, Stratton School District,
4 Taconic and Green Regional School District, Wells Spring Unified Union
5 School District, and Winhall School District.

6 (4) Group four: Arlington School District, Mount Anthony Union High
7 School District #14, North Bennington Graded School District, Sandgate
8 School District, and Southwest Vermont Union Elementary School District.

9 (5) Group five: Halifax School District, Readsboro School District,
10 Searsburg School District, Somerset School District, Stamford School District,
11 Twin Valley Unified School District, Vernon Town School District, and
12 Windham Southeast School District.

13 (6) Group six: Athens Grafton School District, Bellows Falls Union
14 High School District, Marlboro School District, River Valleys Unified School
15 District, Rockingham School District, West River Modified Union Education
16 District, Westminster School District, and Windham School District.

17 (7) Group seven: Green Mountain Unified School District, Ludlow-
18 Mount Holly Unified Union School District, and Springfield School District.

19 (8) Group eight: Hartford School District, Hartland School District,
20 Mount Ascutney School District, Mountain Views School District, Pittsfield
21 School District, and Weathersfield School District.

1 (9) Group nine: Echo Valley Community School District, First Branch
2 Unified School District, Granville-Hancock Unified District, Orange
3 Southwest Unified Union School District, Rochester-Stockbridge Unified
4 District, Sharon School District, Stafford School District, and White River
5 Unified District.

6 (10) Group 10: Blue Mountain Union School District, Cabot School
7 District, Caledonia Cooperative School District, Danville School District,
8 Peacham School District, Oxbow Unified Union School District, Thetford
9 Town School District, Twinfield Unified School District, and Waits River
10 Valley Union School District #36.

11 (11) Group 11: Canaan School District, Essex North Supervisory
12 Union, Kingdom East Unified Union School District, NEK Choice School
13 District, and St. Johnsbury School District.

14 (12) Group 12: Brighton School District, Charleston School District,
15 Coventry School District, Derby School District, Holland School District, Jay
16 School District, Lake Region Union Elementary-Middle School District, Lake
17 Region Union High School District, Lowell School District, Morgan School
18 District, Newport City School District, Newport Town School District, North
19 Country Union High School District, North Country Union Junior High School
20 Board, Troy School District, and Westfield School District.

21 (13) Group 13: Mount Mansfield Unified Union School District and
22 Champlain Valley School District.

1 (14) Group 14: Essex Westford Educational Community Unified Union
2 School District.

3 (15) Group 15: Cambridge School District, Craftsbury School District,
4 Elmore-Morristown Unified Union School District, Hazen Union School
5 District, Lamoille North Modified Unified Union School District, Mountain
6 View Union Elementary School District, Stannard Town School District,
7 Stowe School District, and Wolcott School District.

8 (16) Group 16: Enosburgh-Richford Unified Union School District,
9 Northern Mountain Valley Unified Union School District, and Missisquoi
10 Valley School District.

11 (17) Group 17: Fairfax School District, Fletcher School District,
12 Georgia School District, and Maple Run Unified School District.

13 (18) Group 18: Burlington School District, South Burlington School
14 District, and Winooski ID.

15 (19) Group 19: Alburgh School District, Champlain Islands Unified
16 Union School District, Colchester School District, Milton Town School
17 District, and South Hero School District.

18 (20) Group 20: Barre Unified Union School District, Harwood Unified
19 Union School District, Montpelier Roxbury School District, Paine Mountain
20 School District, and Washington Central Unified Union School District.

1 Sec. 14a. INTERIM MERGER COMMITTEE REPORTS

2 (a) On or before January 1, 2028, the lead facilitator employed or
3 contracted by the Vermont Learning Collaborative (VTLC) shall submit a
4 written report to the House and Senate Committees on Education with the final
5 recommendations of each merger committee formed pursuant to Sec. 13 of this
6 act.

7 (b) On or before January 1, 2028, the Agency of Education, in consultation
8 with the merger committees formed pursuant to this act and the State Board of
9 Education, shall submit a written interim report to the House and Senate
10 Committees on Education with preliminary recommendations for CESA
11 boundary adjustments that take into account the final recommendations of the
12 merger committees formed pursuant to Sec. 13 of this act.

13 Sec. 15. MERGER COMMITTEE RESULTS AND ANALYSIS;

14 FACILITATOR REPORT

15 On or before December 1, 2028, the lead facilitator employed or contracted
16 by the Vermont Learning Collaborative (VTLC) shall submit a written report
17 to the House and Senate Committees on Education with the following:

18 (1) a determination and identification of any school district that is a bad
19 faith participant in the merger committee process created pursuant to Sec. 13 of
20 this act;

21 (2) the results of each merger committee overseen by each facilitator
22 employed or contracted by the VTLC; and

1 (3) information regarding whether, and, if so, how, the following issues
2 impacted or influenced the final outcome for each merger committee overseen
3 by the facilitator, along with recommendations for legislative action needed to
4 remove identified barriers to the formation of new union school districts:

5 (A) differences in staffing costs and the costs associated with moving
6 from several different collectively bargained agreements to one collectively
7 bargained agreement for applicable staff in the new union school district;

8 (B) differences in operating structures;

9 (C) geographic and topographic barriers;

10 (D) enrollment patterns and projections; and

11 (E) any other factor the facilitator found to have influenced the final
12 decision of a merger committee.

13 Sec. 16. CESA BOUNDARIES; AGENCY OF EDUCATION REPORT

14 On or before December 1, 2028, the Agency of Education, in consultation
15 with the merger committees formed pursuant to this act and the State Board of
16 Education, shall submit a written report to the House and Senate Committees
17 on Education with recommendations for CESA boundary adjustments that take
18 into account the new union school districts formed or proposed to be formed
19 pursuant to this act.

1 applicable; provided, however, that no payment shall cause the total amount of
2 funds paid to a merger committee to exceed the \$10,000.00 limit.

3 (2) Of the funds appropriated to the Agency of Education in 2025 Acts
4 and Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation
5 enacting the budget in fiscal year 2027, \$210,000.00 shall be used for the
6 purpose of awarding study committee reimbursement grants to the merger
7 committees formed pursuant to Sec. 13 of this act in accordance with
8 subdivision (1) of this subsection.

9 (b) Facilitator appropriation; reports. Of the funds appropriated to the
10 Agency of Education in 2025 Acts and Resolves No. 73, Sec. 32(a)(1), as
11 amended by Sec. C.103 of legislation enacting the budget in fiscal year 2027,
12 \$442,000.00 shall be granted to the Vermont Learning Collaborative (VTLC)
13 within 45 days following the passage of this act for the purpose of hiring or
14 contracting for seven facilitators and one lead facilitator pursuant to Sec. 13(a)
15 of this act, as well as for administrative costs associated with contracting for
16 the facilitators. The VTLC may use up to \$32,000.00 of the funds
17 appropriated pursuant to this subsection for administrative costs.

18 (c) CESA executive director grant; appropriation.

19 (1) From funds appropriated to the Agency of Education for this
20 purpose, the Agency shall award a grant in the amount of \$50,000.00 to each
21 CESA created in 16 V.S.A. § 603(a) to be used by the CESA to hire an

1 executive director; provided, however, that the VTLC shall not be eligible for a
2 grant under this subsection.

3 (2) Of the funds appropriated to the Agency of Education in 2025 Acts
4 and Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation
5 enacting the budget in fiscal year 2027, \$300,000.00 shall be used for the
6 purpose of awarding CESA executive director grants in accordance with
7 subdivision (1) of this subsection

8 * * * 2025 Acts and Resolves No. 73 * * *

9 Sec. 18. 2025 Acts and Resolves No. 73, Sec. 70 is amended to read:

10 Sec. 70. EFFECTIVE DATES

11 * * *

12 (d) Sec. 48 (December 1 letter) shall take effect on July 1, ~~2027~~ 2028.

13 * * *

14 (f)(1) The ~~following~~ sections enumerated in subdivision (2) of this
15 subsection shall take effect on July 1, ~~2028~~ 2029, provided that the ~~new school~~
16 ~~districts contemplated by this act have assumed responsibility for the education~~
17 ~~of all resident students and that the expert tasked with developing a cost factor~~
18 ~~foundation formula has provided to the General Assembly the report pursuant~~
19 ~~to Sec. 45a to provide the General Assembly an opportunity to enact legislation~~
20 in consideration of the report following conditions have been met:

1 (A) the General Assembly has received the following reports:

2 (i) the foundation formula report submitted pursuant to Sec. 45a of
3 this act; and

4 (ii) the facilitator report on the results of the merger committee
5 process submitted pursuant to Sec. 15 of legislation enacted by the General
6 Assembly in 2026 that requires each school board to participate in a merger
7 committee to study the advisability of forming a unified union school district;
8 and

9 (B) legislation has been enacted that expresses clear legislative intent
10 to satisfy this condition by addressing:

11 (i) each of the following components of the report submitted
12 pursuant to Sec. 45a of this act: CTE, special education funding, sparsity
13 measures, empirically supported secondary student weighting, and geographic
14 cost differences;

15 (ii) the implementation of a pre-K funding mechanism; and

16 (iii) measures for satisfying legacy collective bargaining
17 agreements and capital indebtedness held by school districts.

18 ~~(1)~~(2)(A) In Sec. 27, 16 V.S.A. § 823(a) and (d);

19 ~~(2)~~(B) Sec. 28 (tuition repeals);

20 ~~(3)~~(C) Secs. 34–40, 42, and 43 (transition to cost-factor foundation
21 formula);

1 ~~(4)(D) Sec. 45b (educational opportunity payment transition); [Deleted.]~~

2 ~~(5)(E) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental~~
3 ~~district spending tax); and~~

4 ~~(6)(F) Sec. 46a (supplemental district spending tax; cap; transition);~~
5 ~~[Deleted.]~~

6 ~~(7)(G) Sec. 48a (tax rate transition); [Deleted.]~~

7 ~~(8)(H) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of~~
8 ~~homestead exemption);~~

9 ~~(9)(I) Sec. 57 (Education Fund Advisory Committee; review of~~
10 ~~foundation formula); and [Deleted.]~~

11 ~~(10)(J) Secs. 60 and 61 (property tax classifications). [Deleted.]~~

12 (g) In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on ~~July 1, 2028~~
13 July 1, 2029, provided that the ~~new school districts contemplated by this act~~
14 ~~have assumed responsibility for the education of all resident students~~ General
15 Assembly receives the facilitator report on the results of the merger committee
16 process submitted pursuant to Sec. 15 of legislation enacted by the General
17 Assembly in 2026 that requires each school board to participate in a merger
18 committee to study the advisability of forming a unified union school district
19 and that the cost-factor foundation formula report required pursuant to Sec. 45a
20 of this act contains evidence that it costs more to educate students in grades
21 nine through 12 but the General Assembly has failed to enact legislation to add
22 a secondary student weight.

1 (h) ~~Sec. 62 (regional assessment districts) shall take effect on January 1,~~
2 ~~2029.~~ [Deleted.]

3 Sec. 18a. [Deleted.]

4 * * * Prekindergarten Education * * *

5 Sec. 19. PREKINDERGARTEN EDUCATION; FINDINGS

6 The General Assembly finds that:

7 (1) despite being colloquially known as the “universal prekindergarten
8 program,” not all children three and four years of age in the State have equal
9 access to a prequalified prekindergarten provider;

10 (2) Vermont ranks second in the country with regard to access to
11 prekindergarten education by children who are four years of age, with
12 76 percent of eligible children four years of age receiving prekindergarten
13 education, and Vermont is one of two states in which more than 70 percent of
14 children who are four years of age receive prekindergarten services;

15 (3) only 11 percent of eligible children are enrolled in prekindergarten
16 services in Essex County;

17 (4) there is considerable geographic disparity in the State with regard to
18 the number of prekindergarten slots available, and as a result, 95 percent of
19 eligible children in Windsor and Windham Counties and 93 percent of eligible
20 children in Chittenden County have access to a prequalified prekindergarten
21 provider as compared to 55 percent in Franklin County and 61 percent in
22 Grand Isle County; and

1 (5) while a substantial portion of states provide a full school day of four
2 or more hours of prekindergarten education daily, less than five percent of
3 Vermont's prequalified prekindergarten providers provide a full day of four or
4 more hours of prekindergarten education.

5 Sec. 20. LEGISLATIVE INTENT

6 It is the intent of the General Assembly to:

7 (1) ensure that prekindergarten education is included as an integral part
8 of Vermont's education system, as the right to education is fundamental for the
9 success of Vermont's children in all grades, prekindergarten through grade 12;

10 (2) determine a locus of responsibility to ensure there is access to
11 prekindergarten education within all school districts;

12 (3) provide access to licensed teachers in the classroom of both
13 prequalified public and private providers, including access to support and
14 provisional status; and

15 (4) equalize financial resources for all prequalified providers of
16 prekindergarten education.

17 Sec. 21. PREKINDERGARTEN EDUCATION FUNDING; REPORTS;

18 APPROPRIATION

19 (a) Legislative intent. It is the intent of the General Assembly to, in the
20 2027 legislative session, establish a funding structure for prekindergarten
21 education that:

1 (1) supports achieving access for every prekindergarten child, as that
2 term is defined in 16 V.S.A. § 829, with equitable payments and equitable
3 educational standards for public and private providers;

4 (2) ensures the cost of prekindergarten education is included in the full
5 cost of education;

6 (3) increases access and participation in areas of the State where access
7 or participation is limited; and

8 (4) continues to support a mixed delivery system.

9 (b) Data and reports.

10 (1) The Agency of Education, Department for Children and Families,
11 and Building Bright Futures (BBF) shall establish a system to jointly monitor
12 and evaluate prekindergarten education programs to promote optimal results
13 for children that support the relevant population-level outcomes set forth in
14 3 V.S.A. § 2311 and to collect data that will inform future decisions. BBF, in
15 consultation with the Agency of Education and the Department for Children
16 and Families, shall be required to report annually to the General Assembly in
17 January.

18 (2)(A) On or before December 1, 2026, BBF, in consultation with the
19 Agency of Education and the Department for Children and Families, shall
20 submit a written report to the House Committees on Education, on Human
21 Services, and on Ways and Means and the Senate Committees on Education,
22 on Health and Welfare, and on Finance with the following information:

1 (i) the status of BBF’s work under the federal Preschool

2 Development Grant and data collection;

3 (ii) the initial or updated data findings, including prekindergarten

4 student demographics and number of hours by prekindergarten program by

5 district;

6 (iii) outstanding questions or gaps in data; and

7 (iv) recommendations for legislative action and other

8 considerations.

9 (B) BBF shall also provide an update on the progress of its work

10 under the federal Preschool Development Grant to the Joint Fiscal Committee

11 on or before October 1, 2026.

12 (3)(A) The Joint Fiscal Office shall contract with a contractor with

13 expertise in Vermont’s education funding system to conduct an updated cost of

14 care analysis to account for the provision of prekindergarten education within

15 Vermont’s education finance system. The contractor shall utilize the results of

16 recent cost modeling studies, including the Vermont Early Care and Education

17 Financing Study conducted pursuant to 2021 Acts and Resolves No. 45, Sec.

18 14; the 2026 Vermont Cost Modeling Report issued by First Children’s

19 Finance; and the statewide tuition rate for prekindergarten education, and

20 collaborate with the Child Development Division, Agency of Education, and

21 BBF to ensure necessary data and appropriate factors are included in financial

22 modeling. This study shall provide estimates for the current full cost of

1 providing prekindergarten education for children three, four, and five years of
2 age, not yet eligible to enroll in kindergarten.

3 (B) The sum of \$75,000.00 is appropriated to the Joint Fiscal Office
4 from the General Fund in fiscal year 2027 to hire a contractor to make
5 recommendations in accordance with subdivision (A) of this subdivision
6 (b)(3).

7 (4) The Joint Fiscal Office shall provide the General Assembly with
8 considerations on or before December 15, 2026, regarding different funding
9 mechanisms that may be used to distribute funds for education costs within the
10 new financing formula, including grants, inclusion within the Education
11 Opportunity Payment, and different forms of categorical aid.

12 Sec. 21a. 16 V.S.A. § 829 is amended to read:

13 § 829. PREKINDERGARTEN EDUCATION

14 * * *

15 (d) Tuition, budgets, and average daily membership.

16 * * *

17 (5) As part of the data reporting process required pursuant to subsection
18 4010(c) of this title, a district of residence shall also report annually to the
19 Agency of Education the number of hours of prekindergarten education
20 received by each prekindergarten child for whom it has provided
21 prekindergarten education or on whose behalf it has paid tuition pursuant to
22 this section.

1 (e) Rules. The Secretary of Education and the Commissioner for Children
2 and Families shall jointly develop and agree to rules and present them to the
3 State Board for adoption under 3 V.S.A. chapter 25 as follows:

4 * * *

5 (10) To establish a system by which the Agency of Education ~~and~~
6 Department for Children and Families, and Building Bright Futures shall
7 jointly monitor and evaluate prekindergarten education programs to promote
8 optimal results for children that support the relevant population-level outcomes
9 set forth in 3 V.S.A. § 2311 and to collect data that will inform future
10 decisions. The Agency and Department shall be required to report annually to
11 the General Assembly in January. At a minimum, the system shall monitor
12 and evaluate:

13 * * *

14 * * * Data Collection * * *

15 Sec. 22. 16 V.S.A. § 4010(c) is amended to read:

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, for all resident students in prekindergarten through grade 12. In order
21 to fulfill this obligation, a school district that pays public tuition on behalf of a
22 resident student (sending district) to a public school in another school district,

1 an approved independent school, ~~or an out-of-state school, or a prequalified~~
2 private prekindergarten education provider (each a receiving school) ~~may~~
3 ~~request the receiving school to collect this information on the sending district's~~
4 ~~resident student, and if requested, the receiving school shall provide this~~
5 ~~information to the sending district in a timely manner~~ shall require each
6 resident student in prekindergarten through grade 12 on whose behalf the
7 district pays tuition to complete a form or forms developed by the Agency of
8 Education in order to obtain the information needed in order for the Agency to
9 compute the weighting categories under subsection (b) of this section for all
10 students residing in that district, including students that are educated by a
11 receiving school. The form shall be included with any residency verification
12 forms and requests for public tuition funding forms required by a school
13 district.

14 * * * Special Education Funding * * *

15 Sec. 23. SPECIAL EDUCATION FUNDING SAFEGUARDS;

16 LEGISLATIVE INTENT

17 (a) Maintenance of effort. It is the intent of the General Assembly to
18 ensure that Vermont complies with federal maintenance of effort requirements
19 in any education funding reform. Nothing in 2025 Acts and Resolves No. 73
20 (Act 73), nor the implementation of Act 73, shall be construed to permit a
21 reduction in State or local funding for special education and related services in

1 a manner that would violate the maintenance of effort requirements of the
2 Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1485.

3 (b) Separate and supplemental funding structure. It is the intent of the
4 General Assembly that the State shall maintain an education funding structure
5 in which:

6 (1) general education is funded through a formula-based mechanism
7 established by law; and

8 (2) special education is funded through a supplemental reimbursement,
9 weighted student count, or grant model that reflects eligible special education
10 costs and preserves compliance with federal maintenance of effort
11 requirements.

12 (c) Protection of educational rights. It is the intent of the General
13 Assembly that implementation of Act 73 or any future education funding
14 reform shall not limit the right of students with disabilities to a Free
15 Appropriate Public Education (FAPE), including access to individualized
16 services in the least restrictive environment as required by federal and State
17 law.

18 (d) Proportional effects. A school district shall not implement
19 programmatic reductions, staffing changes, or budgetary actions that
20 disproportionately affect students with disabilities or impair the district's
21 ability to meet its obligations to provide FAPE.

1 (2) information regarding fees charged by approved independent schools
2 that are eligible to receive public tuition to students attending the school on
3 public tuition; and

4 (3) recommendations for any guardrails necessary on a school's ability
5 to charge fees to a publicly funded student under the foundation formula.

6 * * * Union School District Study Committee Budgets * * *

7 Sec. 25. 16 V.S.A. § 707 is amended to read:

8 § 707. APPROVAL OF STUDY BUDGET; APPOINTMENT OF STUDY
9 COMMITTEE; PARTICIPATION

10 (a) Proposed budget exceeding ~~\$50,000.00~~ \$500,000.00.

11 (1) If the proposed budget established in section 706 of this chapter
12 exceeds ~~\$50,000.00~~ \$500,000.00, then subject to the provisions of that section
13 the board of each potentially participating school district shall warn the
14 district's voters to meet at an annual or special school district meeting to vote
15 whether to appropriate funds necessary to support the district's financial share
16 of a study committee's costs. The meeting in each school district shall be
17 warned for the same date. The warning in each school district shall contain an
18 identical article in substantially the following form:

19 “Shall the school district of _____

20 appropriate funds necessary to support the school district's financial share of a
21 study to determine the advisability of forming a union school district with
22 some or all of the following school districts:

1 _____,
2 _____, and
3 _____? It is estimated that the
4 _____ school district's share, if all
5 of the identified school districts vote to participate, will be
6 \$_____. The total proposed budget,
7 to be shared by all participating school districts is
8 \$_____."

9 (2) If the vote in subdivision (1) of this subsection is in the affirmative
10 in two or more school districts, then the boards of the affirming school districts
11 shall appoint a study committee consisting of the number of persons
12 determined pursuant to section 706 (proposed study committee budget and
13 membership) of this chapter. At least one current board member from each
14 participating school district shall be appointed to the study committee. The
15 board of a school district appointing more than one person to the study
16 committee may appoint residents of the school district who are not members of
17 the board to any of the remaining seats.

18 (3) The sums expended for study purposes under this section shall be
19 considered part of the approved cost of any project in which the union school
20 district, if created, participates pursuant to chapter 123 of this title.

1 (b) Proposed budget not exceeding ~~\$50,000.00~~ \$500,000.00.

2 (1) If the proposed budget established in section 706 of this chapter does
3 not exceed ~~\$50,000.00~~ \$500,000.00, then the boards of the participating school
4 districts shall appoint a study committee consisting of the number of persons
5 determined under that section. At least one current board member from each
6 participating school district shall be appointed to the study committee. The
7 board of a school district appointing more than one person to the study
8 committee may appoint residents of the school district who are not members of
9 the board to any of the remaining seats.

10 (2) The sums expended for study purposes under this section shall be
11 considered part of the approved cost of any project in which the union school
12 district, if created, participates pursuant to chapter 123 of this title.

13 (c) Additional costs.

14 (1) If the voters approve a budget that exceeds ~~\$50,000.00~~ \$500,000.00
15 but the study committee later determines that its budget is likely to exceed the
16 projected, voter-approved amount, then the boards of all participating school
17 districts shall obtain voter approval for the amounts exceeding the previously
18 approved budget in the manner set forth in subdivision (a)(1) of this section
19 before the study committee obligates or expends sums in excess of the initial
20 voter-approved amount.

21 (2) If a proposed budget does not exceed ~~\$50,000.00~~ \$500,000.00 at the
22 time the school boards appoint members to the study committee, but the study

1 committee later determines that its total budget is likely to exceed ~~\$50,000.00~~
2 \$500,000.00, then the boards of all participating school districts shall obtain
3 voter approval for the amounts exceeding ~~\$50,000.00~~ \$500,000.00 in the
4 manner set forth in subdivision (a)(1) of this section before the study
5 committee obligates or expends funds in excess of ~~\$50,000.00~~ \$500,000.00.

6 (d) Grants. Costs to be paid by State, federal, or private grants shall not be
7 included when calculating whether a study committee's budget or proposed
8 budget exceeds ~~\$50,000.00~~ \$500,000.00.

9 * * *

10 * * * Rulemaking, Forms, and Reports * * *

11 Sec. 26. SMALL AND SPARSE SCHOOLS; STATE BOARD OF
12 EDUCATION; EDUCATION QUALITY STANDARDS;
13 RULEMAKING

14 The State Board of Education shall, unless extended by the Legislative
15 Committee on Administrative Rules, adopt updates to Agency of Education,
16 State Board Rule 2000 Education Quality Standards (CVR 22-000-003) to
17 establish criteria for identifying schools as small by necessity or sparse by
18 necessity, or both, pursuant to 3 V.S.A. § 843 on or before March 31, 2027.
19 Such rules shall be consistent with the work of the Small and Sparse School
20 Committee of the State Board of Education and the recommendations of the
21 Committee dated December 17, 2025.

1 Sec. 27. INTRADISTRICT BUDGETING; AGENCY OF EDUCATION;
2 DISTRICT QUALITY STANDARDS; RULEMAKING

3 The Agency of Education shall, unless extended by the Legislative
4 Committee on Administrative Rules, adopt updates to the district quality
5 standards contained in Agency of Education, District Quality Standards (CVR
6 22-000-039) to establish criteria for intradistrict budgeting under the
7 foundation formula, pursuant to 3 V.S.A. § 843 on or before June 1, 2028. The
8 criteria shall provide guidelines for intradistrict budgeting that ensure resources
9 are allocated across schools within each district in a way that supports the
10 State's goal that all Vermont children will be afforded opportunities and
11 excellent education that are substantially equal in quality and enable them to
12 achieve or exceed the education quality standards approved by the State Board
13 of Education.

14 Sec. 27a. 2024 Acts and Resolves No. 183, Sec. 7 is amended to read:

15 Sec. 7. RESERVE FUND ACCOUNT STANDARDS; DISTRICT
16 QUALITY STANDARDS; RULEMAKING

17 On or before ~~January 1, 2025~~ March 31, 2027, the Agency of Education, in
18 collaboration with the Vermont Association of School Business Officials, the
19 Vermont Superintendents Association, and the Vermont School Boards
20 Association, shall ~~initiate~~ complete rulemaking pursuant to 3 V.S.A. chapter 25
21 to update the District Quality Standards rules contained in Agency of
22 Education, District Quality Standards (CVR 23-020), to include recommended

1 reserve fund account standards. ~~Prior to initiating rulemaking, the Agency~~
2 ~~shall consult with local school officials.~~ The Agency shall specifically adopt
3 rules to:

4 (1) prescribe minimum and maximum balance levels for a reserve fund,
5 taking into consideration revenue predictability and expenditure volatility,
6 exposure to significant one-time expenses, and impact on credit ratings;

7 (2) specify acceptable conditions that warrant use of the reserve fund
8 and the period within which funds may be used;

9 (3) establish best practices for replenishing a depleted reserve fund,
10 including the period over which the reserve fund should be replenished;

11 (4) define appropriate accounting terms to facilitate data consistency and
12 improve data quality across the State; and

13 (5) identify conditions that may justify deviation from any broadly
14 applicable standards adopted pursuant to this section.

15 Sec. 27b. SCHOOL TRANSPORTATION GRANTS; REPORT

16 On or before December 1, 2026, the Agency of Education shall submit a
17 written report to the House Committees on Education, on Transportation, and
18 on Ways and Means and the Senate Committees on Education, on
19 Transportation, and on Finance regarding school transportation. School
20 districts shall comply with requests from the Agency to assist data collections
21 necessary to complete the reporting requirements in this section.

1 (1) The report shall include information on the following:

2 (A) the current landscape of education transportation for each school
3 district, including:

4 (i) the grades operated by the school district;

5 (ii) the grades for which the school district provides
6 transportation;

7 (iii) whether the vehicles used to provide students with
8 transportation are owned or leased by the school district;

9 (iv) whether the school district relies on public transportation to
10 provide education transportation to its resident students and, if so, associated
11 costs borne by all parties;

12 (v) the method by which resident students arrive to and leave from
13 each school a resident student attends, regardless of whether it is a school
14 operated by the school district or a receiving school not operated by the school
15 district, such as whether students rely on school-district-provided
16 transportation, receiving-school-provided transportation, or transportation
17 provided or arranged by a resident family, as well as whether there is any
18 district reimbursement to resident families for privately incurred expenses
19 related to student transportation; and

20 (vi) bus driver pay and benefits; and

21 (B) the aggregate cost of the current education transportation system,
22 on a per-school-district basis, including:

- 1 (i) the total transportation grant award from the State;
2 (ii) the total local funds spent on transportation;
3 (iii) per-mile expenditures for transportation to and from career
4 technical education programming;
5 (iv) transportation costs associated with the requirements of the
6 McKinney-Vento Homeless Assistance Act, 42 U.S.C. § 11431–11435;
7 (v) transportation costs associated with extraordinary special
8 education expenditures; and
9 (vi) transportation costs associated with individualized education
10 programs.
11 (2) The report shall also include recommendations regarding:
12 (A) the geographic radius around a school within which a school
13 district shall not be required to provide transportation, for both urban and rural
14 schools;
15 (B) definitions for the terms “distant students” and “safe walking
16 routes”;
17 (C) how regionalized transportation services may work under a
18 cooperative educational service area (CESA) model, including with a CESA
19 servicing as the fiscal agent for contracts, as well as information regarding the
20 availability of transportation vendors in the CESA regions created in this act;

1 (D) how cocurricular and afterschool travel could be included in a
2 district’s transportation services and what consistent standards should be
3 proposed for such services statewide;

4 (E) whether a weighted sparsity categorical grant or a per-mile
5 reimbursement model would be more beneficial to districts or CESAs under a
6 foundation formula, and what the approximate difference in cost would be as
7 compared to the current funding system;

8 (F) legislative updates to 16 V.S.A. § 4016 (reimbursement for
9 transportation expenditures) and any related rules; and

10 (G) how to ensure a student who attends a career technical education
11 (CTE) center other than the student’s assigned regional CTE center, due to
12 enrollment constraints, program availability, or some other barrier, has access
13 to transportation to the same extent as students attending an assigned CTE
14 center as provided pursuant to 16 V.S.A. § 1541a(a)(2), and the costs
15 associated with any such recommendations.

16 Sec. 27c. STUDENT PROFILE FORM

17 On or before September 1, 2026, the Agency of Education, in consultation
18 with school business officials, shall develop a student profile form to be used
19 by school districts to collect the information necessary in order for the Agency
20 to compute the weighting categories under 16 V.S.A. § 4010(b) for students in
21 prekindergarten through grade 12 on whose behalf a school district pays

1 tuition. The student profile form shall be fully accessible to all Vermont
2 families both in paper form and electronically.

3 Sec. 27d. LENGTH OF SCHOOL DAY; RULEMAKING

4 The State Board of Education shall, unless extended by the Legislative
5 Committee on Administrative Rules, adopt updates to Agency of Education,
6 2300 Length of School Day and Year—Specific Program Requirements for
7 Public Schools (CVR 22-000-005) to update the criteria for the length of a
8 school day for each grade, prekindergarten through grade 12, consistent with
9 the definition of school day contained in 16 V.S.A. § 11(41), pursuant to
10 3 V.S.A. § 843 on or before March 31, 2027.

11 * * * Small and Sparse Schools * * *

12 Sec. 28. REPEAL

13 2025 Acts and Resolves No. 73, Sec. 37 (16 V.S.A. § 4019) is repealed.

14 Sec. 29. 16 V.S.A. § 4019 is added to read:

15 § 4019. SMALL SCHOOLS; SPARSE SCHOOLS; SUPPORT GRANTS

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

17 (1) “Average grade size” means the quotient resulting from dividing a
18 school’s two-year average enrollment by the number of grades above
19 prekindergarten operated by the school, rounded downward.

20 (2) “Enrollment” means the number of students in kindergarten through
21 grade 12 who are enrolled in a school operated by the school district on

1 October 1. A student shall be counted as one whether the student is enrolled as
2 a full-time or part-time student.

3 (3) “Small school” means a public school that:

4 (A) has an average grade size of fewer than 12 students; and

5 (B) has been determined by the Agency of Education, on an annual
6 basis, to be “small by necessity” under standards consistent with State Board of
7 Education rule.

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

12 (5) “Sparse school” means a public school that:

13 (A) is within a sparse area; and

14 (B) has been determined by the Agency of Education, on an annual
15 basis, to be “sparse by necessity” under standards consistent with State Board
16 of Education rule.

17 (6) “Two-year average enrollment” means the average enrollment of the
18 two most recently completed school years.

19 (b) Small schools support grant. Annually, the Secretary shall pay a small
20 schools support grant to each school district for each small school operated by
21 the school district in an amount determined by multiplying the two-year
22 average enrollment in the small school by \$3,157.00.

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

5 (d) Inflationary adjustment. Each dollar amount under subsections (b) and
6 (c) of this section shall be adjusted for inflation annually on or before
7 November 15 by the Secretary. As used in this subsection, “adjusted for
8 inflation” means adjusting the dollar amount by the National Income and
9 Product Accounts (NIPA) implicit price deflator for state and local government
10 consumption expenditures and gross investment published by the U.S.
11 Department of Commerce, Bureau of Economic Analysis, from fiscal year
12 2025 through the fiscal year for which the amount is being determined, and
13 rounding upward to the nearest whole dollar amount.

14 * * * Class Size Minimums * * *

15 Sec. 29a. 2025 Acts and Resolves No. 73, Sec. 7 is amended to read:

16 Sec. 7. FAILURE TO COMPLY WITH EDUCATION QUALITY
17 STANDARDS; STATE BOARD ACTION

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

1 capital reserve account until the General Assembly establishes new school
2 district boundaries and takes further action regarding the consequences for
3 failure to meet education quality standards.

4 (b) Notwithstanding 16 V.S.A. § 165(a)(9)(C) and (b), a school's failure to
5 comply with the class size minimum requirements contained in 16 V.S.A.
6 § 165(a)(9) shall not count towards the three consecutive school years of
7 noncompliance that enables the Secretary to recommend action to the State
8 Board until the State Board adopts updates to the Education Quality Standards
9 rule 2000 series, Agency of Education, Education Quality Standards (22-000-
10 003) to reflect the addition of class size minimums to the education quality
11 standards, or July 1, 2027, whichever date shall come first.

12 Sec. 29b. 16 V.S.A. § 828 is amended to read:

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

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

15 (1) a public school located in Vermont;

16 (2) an approved independent school that:

17 * * *

18 (E) complies with the minimum class size requirements contained in
19 subdivision ~~165(a)(9)~~ 165(a)(9)(A) of this title and State Board rule; provided,
20 however, that if a school is unable to comply with the class size minimum
21 standards due to geographic isolation or a school has developed an
22 implementation plan to meet the class size minimum requirements, the school

1 may ask the State Board to grant it a waiver from this subdivision (E), which
2 decision shall be final;

3 * * *

4 * * * Definitions * * *

5 Sec. 29c. 16 V.S.A. § 11 is amended to read:

6 § 11. CLASSIFICATIONS AND DEFINITIONS

7 (a) As used in this title, unless the context otherwise clearly requires:

8 * * *

9 (36) “Average class size” means the total number of students enrolled
10 across all classes included in a grade band or content area, as applicable,
11 divided by the total number of individual classes contained in a grade band or
12 content area, as applicable, calculated separately for each school and each
13 grade band or content area, as specified in subdivision 165(a)(9) of this title;
14 provided, however, that the following shall not be included in the
15 determination of average class size:

16 (A) prekindergarten, kindergarten, career and technical education,
17 flexible pathways, terminal courses, advanced placement courses, courses that
18 require specialized equipment, and driver’s education classes;

19 (B) small group services for the purpose of providing special
20 education, supplemental or targeted academic intervention, or English learner
21 instruction; and

22 (C) specialized or targeted academic opportunities.

1 (37) “Class” means a group of students, taught by a single teacher or
2 team of teachers, organized for instruction in specific subjects or grade levels,
3 for a defined period during the regular school day. Each course section shall
4 be counted as a separate class. A class with more than one teacher of record
5 shall be counted as a single class.

6 (38) “Content area” means a grouping of courses aligned to a single
7 educator endorsement area as defined by the Vermont Standards Board for
8 Professional Educators.

9 (39) “Full-time equivalent class” means the proportion of instructional
10 time relative to a full school year.

11 (40) “School” means a public or independent educational institution
12 with assigned staff, including teachers and administrators, that serves students
13 within a dedicated building and that is identified by a unique state school
14 identification number assigned by the National Center for Education Statistics.

15 (41) “School day” means the hours between the latest time at which a
16 student may arrive at school and not be considered late and the time a student
17 is dismissed from school, on a student attendance day.

18 (42) “Student” means a pupil enrolled in and assigned to a school as of
19 October 1.

20 (43) “Teacher of record” means the educator primarily responsible for
21 delivering instruction, assessing student learning, and assigning grades for a
22 class, as designated in a school district’s student information system.

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* * *

Sec. 29d. DEFINITION RULEMAKING; STATE BOARD OF
EDUCATION

The State Board of Education shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish definitions for the terms contained in 16 V.S.A. § 11(a)(36)–(43). The Board may adopt rules pursuant to this section with definitions for the terms that differ from the definitions contained in statute.

* * * Prospective Repeals * * *

Sec. 29e. PROSPECTIVE REPEALS

(a) 16 V.S.A. § 11(a)(36)–(43) are repealed on the July 1 following the effective date of rules adopted pursuant to Sec. 29d of this act.

(b) 16 V.S.A. § 828(e) shall be repealed on July 1, 2029, if the cost-factor foundation formula report required pursuant to 2025 Acts and Resolves No. 73, Sec. 45a contains evidence that it costs more to educate students in grades nine through 12 but the General Assembly has failed to enact legislation to add a secondary student weight.

* * * Regional Assessment Districts * * *

Sec. 30. 32 V.S.A. chapter 121, subchapter 1A is added to read:

Subchapter 1A. Regional Assessment Districts

§ 3415. LEGISLATIVE INTENT

It is the intent of the General Assembly in adopting this subchapter to create regional assessment districts so that:

1 (1) properties on grand lists are regularly reappraised;

2 (2) property data collection is consistent and standardized across the
3 State; and

4 (3) property valuation is conducted by trained and certified individuals
5 and firms.

6 § 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

7 (a) Member municipalities of a regional assessment district shall fully
8 reappraise their grand lists every six years pursuant to subsection 3417(b) of
9 this subchapter. Member municipalities may contract jointly with one or more
10 third parties to conduct the reappraisals.

11 (b) For the first full reappraisal conducted simultaneously by member
12 municipalities as part of a regional assessment district, each municipality may,
13 at its discretion, conduct a reappraisal jointly with one or more other member
14 municipalities. For all subsequent simultaneous full reappraisals by member
15 municipalities as part of a regional assessment district, as determined pursuant
16 to subsection 3417(c) of this subchapter, a municipality shall conduct a
17 reappraisal jointly with one or more other member municipalities.

18 § 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

19 (a) The Director of Property Valuation and Review shall establish standard
20 guidelines and procedures, and may adopt rules, for regional assessment
21 districts, including:

1 (1) guidelines for contracting with third parties to conduct or assist with
2 reappraisals, including standard reappraisal contract terms;

3 (2) standards for the collection and recordation of parcel data;

4 (3) requirements relating to information technology, including standards
5 for data software contracts and computer-assisted mass appraisal systems; and

6 (4) standardized practices for a full reappraisal, including cases in which
7 physical inspections are unnecessary and how technology is to be utilized.

8 (b) The Director of Property Valuation and Review shall establish a
9 schedule for each regional assessment district to fully reappraise every six
10 years. The Director, at the Director's discretion, may alter the reappraisal
11 schedule for a regional assessment district or for one or more of a regional
12 assessment district's member municipalities. If a municipality or a regional
13 assessment district fails to reappraise on the schedule established by the
14 Director under this subsection, the State may withhold funds from the
15 municipality until the Director certifies that the municipality or regional
16 assessment district has complied with this subsection.

17 (c) The Director shall determine when the first simultaneous full
18 reappraisal has been completed by the member municipalities of each regional
19 assessment district.

1 § 3418. REGIONAL ASSESSMENT DISTRICT APPEALS BOARD;

2 ESTABLISHMENT

3 (a) There are hereby established regional assessment district appeals boards
4 for each regional assessment district established pursuant to section 3416 of
5 this subchapter. A board shall hear appeals of valuations within its regional
6 assessment district. The Division of Property Valuation and Review shall
7 provide training and technical assistance to the board. Other staffing and
8 funding for a board shall be provided by its member municipalities.

9 (b) All municipalities within the jurisdiction of a board shall be considered
10 municipal members of the board. A board shall contain at least one
11 representative appointed from each member municipality and representatives
12 shall be appointed for a term of three years by the legislative body of such
13 municipality. A municipality may appoint one board member per 1,000
14 parcels in the municipality, rounded up to the nearest 1,000 parcels. All board
15 members may be compensated and reimbursed by their respective
16 municipalities for necessary and reasonable expenses.

17 (c) A board shall elect an executive board of five board members to
18 facilitate meetings and oversee operations. The executive board shall have a
19 chair, a vice chair, a secretary, and any other position deemed necessary by a
20 majority vote of the executive board.

1 § 3419. APPEALS TO REGIONAL ASSESSMENT DISTRICT APPEALS

2 BOARD

3 (a) Within 30 days following the date of notice, a person aggrieved by the
4 final valuation decision of an assessing official may appeal in writing to the
5 district's regional assessment district appeals board. An appeal of a valuation
6 decision conducted pursuant to section 3416 of this subchapter that is
7 erroneously made to a municipality shall be considered timely if it would have
8 been timely if made to the regional assessment district. A municipality shall
9 forward any such erroneously filed appeal to the board within 14 days.

10 (1) The board shall schedule meetings to hear and determine appeals
11 made under this subsection not later than 30 days after the last date allowed for
12 notice of appeal. Notice of the time and place of the hearing shall be given by
13 posting a warning in three or more public places in each municipality in the
14 district's jurisdiction and by mailing a copy of such warning to the legislative
15 bodies of such municipalities and to all appellants.

16 (2) Hearings shall be conducted before a panel of three board members.
17 When conducting a hearing under this subsection, the board shall issue a
18 written determination addressing all questions and objections heard. A written
19 determination shall only be issued if approved by a majority of those members
20 present and voting. Unless waived by both parties, the property subject to
21 appeal shall be inspected internally and externally by the three board panelists

1 and an inspection report shall be issued within 30 days following the hearing
2 on appeal and before a final determination is issued.

3 (A) The appellant shall be provided notice of the inspection and the
4 appeal shall be deemed withdrawn if the appellant refuses to allow an
5 inspection under this subdivision (2).

6 (B) During a declared state of emergency under 20 V.S.A. chapter 1,
7 a board working within a municipality affected by an all-hazards event shall
8 not be required to physically inspect any property that is the subject of an
9 appeal. If the appellant requests in writing that the property be inspected for
10 purposes of the appeal, the board shall conduct the inspection through
11 electronic means. If the appellant does not facilitate the inspection through
12 electronic means, the appeal shall be deemed withdrawn. As used in this
13 subdivision (B), “electronic means” means the transmittal of video or
14 photographic evidence by the appellant at the direction of the staff conducting
15 the inspection.

16 (3) The board shall, within 15 days following the time of the inspection
17 report, issue the written determination and shall file it with the clerk of the
18 municipality in which the underlying property is located. At the same time, the
19 board shall send a copy of the determination by certified mail to the appellant.
20 The grand list shall be amended pursuant to the written determination.

21 (4) Notwithstanding any provision of law to the contrary, if the board
22 does not substantially comply with the requirements of this subsection, and if

1 the appeal is not withdrawn by filing written notice of withdrawal with the
2 board, or deemed withdrawn as provided in subdivision (2) of this subsection,
3 the grand list value of the property subject to appeal shall be set at a value that
4 will produce a tax liability equal to the tax liability for the preceding year.

5 (b) Not more than two board members shall be panelists for a hearing
6 involving a property located in the municipality for which the members are
7 representatives.

8 (c) This section shall not be construed to prevent or alter the process for
9 taxpayers to bring and resolve grievances to a municipal assessing official
10 under section 4111 of this title.

11 (d) Notwithstanding subsection (a) of this section, appeals of valuations
12 conducted by the Division of Property Valuation and Review pursuant to
13 sections 3602a, 3602b, 3602c, and 3621 of this title shall be made directly to
14 the Commissioner or Superior Court pursuant to section 3420 of this
15 subchapter.

16 § 3420. APPEALS TO COMMISSIONER OR TO SUPERIOR COURT

17 (a) A taxpayer or the legislative body of a municipality aggrieved by a
18 written determination of a regional assessment district appeals board under
19 section 3419 of this chapter, or a taxpayer aggrieved by a valuation and
20 bypassed a board decision under subsection 3419(d) of this subchapter, may
21 appeal to either the Commissioner of Taxes or the Superior Court of the county
22 in which the property is located. The appeal to the Superior Court shall be

1 heard without a jury. For an appeal from the board, the appeal shall be
2 commenced by filing a notice of appeal pursuant to Rule 74 of the Vermont
3 Rules of Civil Procedure within 30 days after entry of the decision of the
4 board. For an appeal that bypassed the board, the appeal may be commenced
5 by filing a notice of appeal pursuant to Rule 74 of the Vermont Rules of Civil
6 Procedure within 30 days following the date of notice of a final valuation
7 decision of an assessing official. The date of mailing of notice of the board's
8 determination to the taxpayer shall be deemed the date of entry of the board's
9 determination. The board shall transmit a copy of the notice to the
10 Commissioner or the Superior Court and shall forward the notice to the
11 applicable municipal clerk, who shall record or attach a copy of the notice in
12 the grand list book. The entry fee for an appeal to the Commissioner is \$70.00;
13 provided, however, that the Commissioner may waive, reduce, or refund the
14 entry fee in cases of hardship or to join appeals regarding the same parcel. If,
15 in the opinion of the Commissioner, an appeal under this subsection involves a
16 complex or unique property or valuation that would be best adjudicated by the
17 Superior Court, the Commissioner may decline to hear the appeal and shall
18 forward the appeal to the Superior Court of the county in which the property is
19 located, where it shall be heard. An appeal forwarded by the Commissioner
20 under this subsection shall be considered timely filed in the Superior Court if it
21 was timely appealed to the Commissioner.

1 (b) On or before the last day on which appeals may be taken from the
2 determination of the regional assessment district appeals board, an agent
3 designated by the legislative body of the municipality, in the name of the
4 municipality, on written application of one or more taxpayers of the
5 municipality whose combined grand list represents at least three percent of the
6 grand list of the municipality for the preceding year, shall appeal to the
7 Superior Court from any action of the regional assessment district board of
8 appeal not involving appeals of the applying taxpayers. However, the agent
9 designated by the legislative body shall, in any event, have at least six business
10 days after receipt of such taxpayers' application for appeal in which to take the
11 appeal, and the date for the taking of such appeal shall accordingly be
12 extended, if necessary, until the six business days shall have elapsed. The
13 \$70.00 entry fee shall be paid by the applicants with respect to each individual
14 property thus being appealed that is separately listed in the grand list. Fees
15 collected under subsection (a) of this section or under this subsection shall be
16 credited to a special fund established and managed pursuant to chapter 7,
17 subchapter 5 of this title and shall be available to the Commissioner of Taxes
18 to offset the costs of providing those services.

19 (c) When a taxpayer, a legislative body of the municipality, or an agent
20 designated by the legislative body of the municipality claims that an appeal to
21 the Commissioner is in any manner defective or was not lawfully taken, on or
22 before 30 days after mailing of the notice of receipt of the appeal by the

1 Director, the taxpayer, agent, or legislative body of the municipality shall file
2 objections in writing with the Commissioner and furnish the appellant or
3 appellant's attorney with a copy of the objections. When the taxpayer, agent,
4 or legislative body so requests, the Commissioner shall thereupon fix a time
5 and place for hearing the objections and shall notify all parties thereof, by mail
6 or otherwise. Upon hearing or otherwise, the Commissioner shall pass upon
7 the objections and make such order in relation thereto as is required by law.
8 The order shall be recorded or attached in the municipal clerk's office in the
9 book wherein the appeal is recorded.

10 (d) On application to the Commissioner, an appellant may request leave to
11 withdraw the appellant's appeal at any time before it is heard. When an appeal
12 is withdrawn, the Commissioner shall certify the withdrawal to the clerk of the
13 municipality in which the underlying property is located, and the clerk shall
14 record the certificate of withdrawal of the appeal. At the same time, the
15 Commissioner shall notify the applicable regional assessment district board of
16 appeal. The appraisal from which the appeal was taken shall then become a
17 part of the appraisal or grand list of the taxpayer.

18 (e) When an appeal to the Commissioner is not withdrawn or forwarded by
19 the Commissioner to the Superior Court pursuant to subsection (a) of this
20 section, the Commissioner shall conduct a hearing in accordance with 3 V.S.A.
21 chapter 25.

1 (f) The Commissioner or court shall proceed de novo on all appeals and
2 determine the correct valuation of the property as promptly as practicable and
3 determine a homestead and a housesite value if a homestead has been declared
4 with respect to the property for the year in which the appeal is taken. The
5 Commissioner or court shall take into account the requirements of law as to
6 valuation and the provisions of Chapter I, Article 9 of the Vermont
7 Constitution and the 14th Amendment to the U.S. Constitution.

8 (1) If the Commissioner or court finds that the listed value of the
9 property subject to appeal does not correspond to the listed value of
10 comparable properties within the municipality, the Commissioner or court
11 shall set the property in the list at a corresponding value. The findings and
12 determinations of the Commissioner shall be made in writing and shall be
13 available to the appellant.

14 (2) If the appeal is taken to the Commissioner, the Commissioner may
15 order an inspection of the property prior to making a determination. If one of
16 the parties requests an inspection, the Commissioner shall order an inspection
17 of the property prior to making a determination. Within 10 days following the
18 appeal being filed with the Commissioner, the Commissioner shall notify the
19 property owner in writing of the Commissioner's option to request an
20 inspection under this section.

21 (3) During a declared state of emergency under 20 V.S.A. chapter 1, the
22 Commissioner shall not be required to have any property subject to appeal be

1 physically inspected. If the appellant requests in writing that the property be
2 inspected for purposes of the appeal, the Commissioner shall conduct the
3 inspection through electronic means. If the appellant does not facilitate the
4 inspection through electronic means, then the appeal shall be deemed
5 withdrawn. As used in this subdivision, “electronic means” means the
6 transmittal of video or photographic evidence by the appellant at the direction
7 of the person conducting the inspection.

8 (g) The Commissioner or clerk of the court shall forward by certified mail
9 one copy of the determination to the taxpayer, one copy to the applicable
10 regional assessment district board of appeal, and one copy to the town clerk,
11 who shall record the same in the book in which the appeal was recorded under
12 subsection (a) of this section. The appraisal so fixed by the Commissioner or
13 court shall become the basis for the grand list of the taxpayer for the year in
14 which the appeal is taken and, if the appraisal relates to real property, for the
15 next two ensuing years, except that if the real property is enrolled in the use
16 value appraisal program under chapter 124 of this title, the value of enrolled
17 land, prior to its being equalized, shall be the per-acre value set annually by the
18 Current Use Advisory Board multiplied by the number of acres enrolled. The
19 appraisal, however, may be changed in the ensuing two years if the taxpayer’s
20 property is materially altered, changed, or damaged or if the regional
21 assessment district of the municipality in which the property is located has
22 undergone a full reappraisal.

1 (e) ~~The Director shall adopt rules necessary for administration of this~~
2 ~~section.~~ [Repealed.]

3 Sec. 32. 32 V.S.A. § 5405 is amended to read:

4 § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY
5 TAX GRAND LIST AND COEFFICIENT OF DISPERSION

6 (a)(1) Annually, on or before April 1, the Commissioner shall determine
7 the equalized education property tax grand list and coefficient of dispersion for
8 each municipality in the State; provided, however, that for purposes of
9 equalizing grand lists pursuant to this section, the equalized education property
10 tax grand list of a municipality that establishes a tax increment financing
11 district shall include the fair market value of the property in the district and not
12 the original taxable value of the property, and further provided that the unified
13 towns and gores of Essex County may be treated as one municipality for the
14 purpose of determining an equalized education property grand list and a
15 coefficient of dispersion, if the Director determines that all such entities have a
16 uniform appraisal schedule and uniform appraisal practices.

17 (2) All municipalities within a regional assessment district shall be
18 treated as a single entity for purposes of the equalization process under this
19 section, provided at least one simultaneous full reappraisal has been completed
20 by the member municipalities of the regional assessment district as determined
21 by the Director under subsection 3417(c) of this title.

22 * * *

1 Sec. 33. 32 V.S.A. § 3602c is added to read:

2 § 3602c. VALUATIONS; PUBLIC UTILITIES

3 (a) On or before May 1 of each year, the Division of Property Valuation
4 and Review of the Department of Taxes shall furnish the listers in each town or
5 city with the valuation of all taxable property of any public utility situated
6 therein as reported by such utility to the Division.

7 (b) Each public utility shall furnish to the Division on or before March 31
8 of each year a sworn inventory of all its taxable property in such form as will
9 show the valuation of its property in each town, city, or other municipality.

10 (c) The Division shall prescribe the form of such report and the officer or
11 officers who shall make oath thereto.

12 (d) The valuations furnished under this section shall be considered along
13 with any other information as may reasonably be required by listers in
14 determining and fixing the valuations of property for the purposes of property
15 taxation. The Division may require that each municipality use certain
16 valuations furnished under this section. The valuations provided by the
17 Division for property used for the transmission and distribution of electricity
18 shall be used by the listers as the valuations of that property for purposes of
19 property taxation.

20 Sec. 34. REPEALS

21 (a) 2025 Acts and Resolves No. 73, Secs. 62 (regional assessment districts)
22 and 63 (transition provisions) are repealed.

1 (3) Notwithstanding subsection (a) of this section, the collector of taxes
2 may extend a warrant on land pursuant to subsection (a) of this section when
3 an amount less than \$1,500.00 is owed, provided the parcel has no dwelling
4 capable of habitation on a year-round basis and the parcel was not declared as
5 part of a homestead pursuant to section 5410 of this title.

6 * * * Conforming Changes; Repeal of 32 V.S.A. Chapter 131 * * *

7 Sec. 37. 24 V.S.A. § 3616(d) is amended to read:

8 (d) Where one of the bases of a rent, rate, or charge is the appraised value
9 and the premises to be appraised are tax exempt, the board may cause the
10 listers to appraise the property, including State property, for the purpose of
11 determining the rates, rents, or charges. The right of appeal from the appraisal
12 shall be the same as provided in 32 V.S.A. ~~chapter 131~~ § 3419. The
13 Commissioner of Finance and Management is authorized to issue warrants for
14 rates, rents, or charges against State property and transmit to the State
15 Treasurer who shall draw a voucher in payment of the rates, rents, or charges.
16 No charge so established and no tax levied under the provisions of section
17 3615 of this title shall be considered to be a part of any tax authorized to be
18 assessed by the legislative body of any municipality for general purposes but
19 shall be in addition to any such tax so authorized to be assessed.

1 Sec. 38. 24 App. V.S.A. ch. 3, § 92 is amended to read:

2 § 92. BOARD OF TAX APPEALS TO HEAR APPEALS; DEADLINE FOR
3 HEARINGS; MANNER OF CONDUCTING; ~~POSSIBLE BOARD OF~~
4 ~~CIVIL AUTHORITY REVIEW~~

5 (a) The Board of Tax Appeals shall meet, hear, and determine all appeals in
6 the manner set forth in this section, notwithstanding 32 V.S.A. § ~~4404~~ 3419.

7 All such appeals shall be heard and determined ~~no~~ not later than December 31
8 of that year. Hearings and inspections of the property shall be conducted by
9 the entire panel as described in this section.

10 (b)(1) The City Assessor shall have the right to request and the Board shall
11 have the right to issue a subpoena for all records of the taxpayer that are
12 material to a determination of the appeal.

13 (2) Such records shall be regarded as confidential, shall not be further
14 distributed, and shall be utilized only for the purpose of deciding the appeal,²
15 provided that no subpoena shall issue unless and until a taxpayer has appealed
16 to the Board of Tax Appeals.

17 (3) If the taxpayer fails to provide requested records in response to a
18 subpoena properly issued hereunder or refuses to allow an inspection of ~~his or~~
19 ~~her~~ the taxpayer's property, the appeal shall be deemed withdrawn or
20 dismissed and no further appeal shall be available to such taxpayer.

21 (c) The Board shall hear and decide appeals by three member hearing
22 panels, the membership of such panels to be rotated on a periodic basis. All

1 three members must be present and voting, and at least two of the three
2 members of the hearing panel must join in the decision in order for it to be
3 valid.

4 (d) Either a taxpayer or the City Assessor aggrieved by the decision of the
5 Board of Tax Appeals may file an appeal of a decision of the Board of Tax
6 Appeals directly with the ~~Director of the Division of Property Valuation and~~
7 ~~Review of the Vermont Department~~ Commissioner of Taxes or the Superior
8 Court pursuant to 32 V.S.A. § ~~4461~~ 3420 within 30 days ~~of~~ after the mailing of
9 the Board of Tax Appeals' decision to the taxpayer.

10 (e) The decision of the Board of Tax Appeals, if not further appealed, shall
11 become the basis for the grand list of the taxpayer for the year in question plus
12 the next two years unless new information of a material nature about the
13 property is discovered, the property is materially changed, or the City
14 undertakes a rolling or complete reevaluation of real estate that includes the
15 property in question.

16 Sec. 39. 24 App. V.S.A. ch. 3, § 330 is amended to read:

17 § 330. BOARD OF TAX APPEALS

18 A Board of Tax Appeals, constituted in the manner set forth in section 91 of
19 this charter, is created. The Board shall have the same duties and proceed in
20 the same manner to hear and determine tax appeals as a ~~board of civil authority~~
21 ~~under 32 V.S.A. chapter 131, subchapter 1~~ regional assessment district appeals
22 board under 32 V.S.A. § 3419 except as otherwise provided in this charter.

1 Appeals from decisions of the Board of Tax Appeals ~~or from the Board of~~
2 ~~Civil Authority as referenced in section 92 of this charter~~ shall be controlled by
3 32 V.S.A. ~~chapter 131, subchapter 2~~ chapter 121, subchapter 1A, except that
4 the City Assessor may appeal subject to the approval of the City Board of
5 Finance. The Board shall organize each year by the election of a Chair, Vice-
6 Chair, and Clerk. The manner of removal of Board members and filling of
7 vacancies shall be as provided in sections 129 and 130 of this charter and the
8 Board members shall, except as otherwise herein expressly provided, be
9 subject to all other provisions of this charter relating to public officers.

10 Sec. 40. 24 App. V.S.A. ch. 103, § 510(d) is amended to read:

11 (d) In the case of any property used for both residential and nonresidential
12 purposes within the District as of April 1, the Board of Listers (Board) shall
13 adjust the listed value for the purposes of determining the District tax under
14 this section to exclude the value of that portion of the property used for
15 residential purposes. The Board shall determine the adjusted grand list value
16 of the business portion of the property and give notice of the same as provided
17 under 32 V.S.A. ~~chapter 131~~ § 3419. Any property owner may file a grievance
18 with the Board and appeal the decision of the Board as provided for under
19 32 V.S.A. ~~chapter 131~~ § 3419; however, the filing of an appeal of the
20 determination of the Board and pendency of the appeal shall not vacate the lien
21 on the property assessed, and the District taxes must be paid and continue to be
22 paid as they become due.

1 Sec. 41. 24 App. V.S.A. ch. 151, § 507(d) is amended to read:

2 (d) In the case of any property used for both residential and nonresidential
3 purposes within the District as of April 1, the Department of Assessment shall
4 adjust the listed value for the purposes of determining the District tax under
5 this section to exclude the value of that portion of the property used for
6 residential purposes. The Department of Assessment shall determine the
7 adjusted grand list value of the business portion of the property and give notice
8 of the same as provided under 32 V.S.A. ~~chapter 131~~ § 3419. Any property
9 owner may file a grievance with the Board and appeal the decision of the
10 Board as provided for under 32 V.S.A. ~~chapter 131~~ § 3419; however, the filing
11 of an appeal of the determination of the Board and pendency of the appeal
12 shall not vacate the lien on the property assessed, and the District taxes must be
13 paid and continue to be paid as they become due.

14 Sec. 42. 24 App. V.S.A. ch. 151, § 707 is amended to read:

15 § 707. APPEALS

16 A person aggrieved by the final decision of the Department of Assessment
17 under the provisions of section 706 of this charter may appeal in writing under
18 the provisions of 32 V.S.A. ~~chapter 131~~ § 3419.

19 Sec. 43. 32 V.S.A. § 3613 is amended to read:

20 § 3613. APPEAL

21 The State of Vermont shall have the same right to appeal from the appraisal
22 of the listers and assessors and from the decision of the ~~Board of Civil~~

1 ~~Authority~~ regional assessment district appeals board as is given to any
2 interested individual as provided by ~~chapter 131~~ section 3419 of this title.

3 Sec. 44. 32 V.S.A. § 3757(c) is amended to read:

4 (c) For the purposes of the land use change tax, the determination of the
5 fair market value of the land shall be made by the local assessing officials in
6 accordance with the provisions of subsection (b) of this section and divided by
7 the municipality's most recent common level of appraisal as determined by the
8 Director. The determination shall be made within 30 days after the Director
9 notifies the local assessing officials of the date that the owner has petitioned
10 for withdrawal from use value appraisal or that the Director or local assessing
11 official has determined that development has occurred. The local assessing
12 officials shall notify the Director and the owner of their determination, and the
13 provisions for appeal relating to property tax assessments in ~~chapter 131~~ 121,
14 subchapter 1A of this title shall apply.

15 Sec. 45. 32 V.S.A. § 3758(d) is amended to read:

16 (d) Any owner who is aggrieved by a decision of the Department of
17 Forests, Parks and Recreation concerning the filing of an adverse inspection
18 report, a denial of approval of a management plan, or a certification to the
19 Director with respect to land for which a wastewater permit is issued may
20 appeal to the Commissioner of Forests, Parks and Recreation within 60 days ~~of~~
21 following the filing of the adverse inspection report, the decision to deny
22 approval, or the certification to the Director. An appeal of this decision of the

1 Commissioner may be taken to the Superior Court in the same manner and
2 under the same procedures as an appeal from a decision of a ~~Board of Civil~~
3 ~~Authority~~ regional assessment district appeals board, as set forth in ~~chapter~~
4 ~~131, subchapter 2~~ section 3420 of this title.

5 Sec. 46. 32 V.S.A. § 3760(a)(2) is amended to read:

6 (2) The Director of Property Valuation and Review shall determine the
7 amount of the available funds under this section to be paid to each
8 municipality, and a municipality may appeal the Director's decision in the
9 same manner and under the same procedures as an appeal from a decision of a
10 ~~Board of Civil Authority~~ regional assessment district appeals board, as set
11 forth in ~~chapter 131, subchapter 2~~ section 3420 of this title.

12 Sec. 47. 32 V.S.A. § 3846(d) is amended to read:

13 (d) Whenever the assessing officials deny in whole or in part any
14 application for classification as farmland or ~~forest land~~ forestland or grant a
15 different classification than that applied for, or fix an erroneous use value
16 appraisal for eligible land, the aggrieved owner may appeal the decision in
17 accordance with the provisions set forth in ~~chapter 131~~ section 3419 of this
18 title. The appeal shall be heard in the same manner and under the same
19 procedures as other appeals relating to real property appraisals and taxation.

1 Sec. 48. 32 V.S.A. § 4006 is amended to read:

2 § 4006. FAILURE TO RETURN INVENTORY

3 Failure of a taxpayer to make and return a signed, sworn to, or affirmed
4 inventory within 45 days after the mailing of such inventory by the town listers
5 or assessors shall bar the taxpayer from any statutory appeal under this chapter
6 or chapter ~~134~~ 121, subchapter 1A of this title, unless such failure is due to
7 factors beyond the taxpayer's control. In addition, a taxpayer who fails to
8 submit an inventory within the time and in the form prescribed may be fined
9 not more than \$100.00 for each violation.

10 Sec. 49. 32 V.S.A. § 5136(b) is amended to read:

11 (b) Whenever a municipality votes to collect interest on overdue taxes
12 pursuant to this section, interest in like amount shall be paid by the
13 municipality to any person making any overpayment of taxes occurring as a
14 result of a redetermination of the grand list of the taxpayer on appeal provided
15 by chapter ~~134~~ 121, subchapter 1A of this title.

16 Sec. 50. 32 V.S.A. § 5409(3)(B) is amended to read:

17 (B) Persons aggrieved by decisions of the listers or assessors may
18 appeal in the manner provided for property tax appeals in chapter ~~134~~ 121,
19 subchapter 1A of this title, and the Commissioner of Taxes shall have all the
20 powers described in chapter 133 of this title.

1 Sec. 51. 32 V.S.A. § 5410(j) is amended to read:

2 (j) A taxpayer may appeal a determination of domicile for purposes of a
3 homestead declaration or an assessment of fraud penalty under this section to
4 the Commissioner in the same manner as an appeal under chapter 151 of this
5 title. A taxpayer may appeal an assessment of any other penalty under this
6 section to the listers within 14 days after the date of mailing of notice of the
7 penalty, and from the listers to the ~~board of civil authority~~ regional assessment
8 district appeals board, and ~~thereafter~~ to the courts or Commissioner, in the
9 same manner as an appraisal appeal under chapter ~~131~~ 121, subchapter 1A of
10 this title. The legislative body of a municipality shall have authority in cases
11 of hardship to abate all or any portion of a penalty appealable to the listers
12 under this section and any tax, penalty, and interest arising out of a corrected
13 property classification under this section, and shall state in detail in writing the
14 reasons for its grant or denial of the requested abatement. The legislative body
15 may delegate this abatement authority to the board of civil authority or the
16 board of abatement for the municipality. Requests for abatement shall be made
17 to the municipal treasurer or other person designated to collect current taxes,
18 and that person shall forward all requests, with that person's recommendation,
19 to the body authorized to grant or deny abatement.

1 Sec. 52. 32 V.S.A. § 5412 is amended to read:

2 § 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF
3 EDUCATION TAX LIABILITY

4 (a)(1) If a listed value is reduced as the result of an appeal or court action
5 made pursuant to section ~~4461~~ 3420 of this title, a municipality may submit a
6 request for the Director of Property Valuation and Review to recalculate its
7 education property tax liability for the education grand list value lost due to a
8 determination, declaratory judgment, or settlement. The Director shall
9 recalculate the municipality's education property tax liability for each year at
10 issue, in accord with the reduced valuation, provided that:

11 (A) The reduction in valuation is the result of an appeal under
12 chapter ~~131~~ 121, subchapter 1A of this title to the ~~Director of Property~~
13 ~~Valuation and Review~~ Commissioner or to a court, with no further appeal
14 available with regard to that valuation, or any judicial decision with no further
15 right of appeal, or a settlement of either an appeal or court action if the
16 Director determines that the settlement value is the fair market value of the
17 parcel. The Director may waive the requirement of continuing an appeal or
18 court action until there is no further right of appeal if the Director concludes
19 that the value determined by an adjudicated decision is a reasonable
20 representation of the fair market value of the parcel.

1 (B) The municipality submits the request on or before January 15 for
2 a request involving an appeal or court action resolved within the previous
3 calendar year.

4 (C) [Repealed.]

5 (D) The Director determines that the municipality's actions were
6 consistent with best practices published by the Property Valuation and Review
7 in consultation with the Vermont Assessors and Listers Association. The
8 municipality shall have the burden of showing that its actions were consistent
9 with the Director's best practices.

10 (2) A determination of the Director made under subdivision (1) of this
11 subsection may be appealed within 30 days by an aggrieved municipality to the
12 Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–
13 813. The Commissioner's determination may be further appealed to Superior
14 Court, which shall review the Commissioner's determination using the record
15 that was before the Commissioner. The Commissioner's determination may
16 only be overturned for abuse of discretion.

17 (3) Upon the Director's request, a municipality submitting a request
18 under subdivision (1) of this subsection shall include a copy of the agreement,
19 determination, or final order, and any other documentation necessary to show
20 the existence of these conditions.

1 (b) To the extent that the municipality has paid that liability, the Director
2 shall allow a credit for any reduction in education tax liability against the next
3 ensuing year's education tax liability.

4 (c) If a listed value is increased as the result of an appeal under chapter ~~131~~
5 121, subchapter 1A of this title or court action, whether adjudicated or settled,
6 and the Director determines that the settlement value is the fair market value of
7 the parcel with no further appeal available with regard to that valuation, the
8 Director shall recalculate the municipality's education property tax for each
9 year at issue, in accord with the increased valuation, and shall assess the
10 municipality for the additional tax at the same time the Director assesses the
11 municipality's education tax liability for the next ensuing year, unless the
12 resulting assessment would be less than \$300.00. Payment under this section
13 shall be due with the municipality's education tax liability for the next ensuing
14 year.

15 * * *

16 * * * Regional Assessment District Transition * * *

17 Sec. 53. TRANSITION; ANNUAL PROGRESS REPORT

18 On or before every January 15 from January 15, 2028, to January 15, 2031,
19 the Commissioner of Taxes shall submit a report to the House Committee on
20 Ways and Means and the Senate Committee on Finance relating to the progress
21 made in preparing for the implementation of regional assessment districts
22 pursuant to this act.

1 Sec. 54. REGIONAL ASSESSMENT DISTRICT BOUNDARIES

2 (a) The Commissioner of Taxes shall identify and submit proposed
3 geographic boundaries for regional assessment districts that are aligned with
4 school district boundaries and have a minimum of 10,000 parcels to the House
5 Committees on Government Operations and Military Affairs and on Ways and
6 Means and to the Senate Committees on Finance and on Government
7 Operations.

8 (b) Notwithstanding subsection (a) of this section, the Commissioner may,
9 at the Commissioner's discretion, identify a regional assessment district
10 boundary that includes more than one school district or identify more than one
11 regional assessment district boundary within one school district.

12 (c) It is the intent of the General Assembly to enact regional assessment
13 district boundaries based on the Commissioner's geographic boundaries
14 proposed under this section.

15 Sec. 55. [Deleted.]

16 * * * Valuation of Certain Property in a Limited Equity Cooperative * * *

17 Sec. 56. [Deleted.]

18 Sec. 57. 32 V.S.A. § 4152 is amended to read:

19 § 4152. CONTENTS

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

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* * *

(10) A separate column listing the number of dwelling units, as defined pursuant to subdivision 4152a(c)(2) of this title.

* * *

Sec. 58. 32 V.S.A. § 4152a is added to read:

§ 4152a. PROPERTY TAX CLASSIFICATIONS

(a) Establishment. Each parcel of real estate shall be classified as one or more of the classifications listed under subsection (b) of this section and based on information and guidance provided by the Commissioner of Taxes under this section and rules adopted pursuant section 5410 of this title.

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

- (1) homestead;
- (2) nonhomestead nonresidential; and
- (3) nonhomestead residential.

(c) Definitions. As used in this section:

- (1) "Commissioner" means the Commissioner of Taxes.
- (2) "Dwelling unit" means a building or part of a building, including a single-family home, a unit within a multifamily building, an apartment, a condominium, or other similar property or structure containing a separate means of ingress and egress that:

1 (A) is designed or intended to be used for occupancy by one or more
2 persons in a household, including providing living facilities for sleeping,
3 cooking, and sanitary needs; and

4 (B) is fit for year-round habitation as determined by the
5 Commissioner.

6 (3) “Homestead” has the same meaning as in subdivision 5401(7) of this
7 title and means a parcel, or portion of a parcel, declared as a homestead on or
8 before October 15 in accordance with section 5410 of this title for the current
9 year.

10 (4)(A) “Long-term rental” means:

11 (i) a dwelling unit for which rent is paid for the right of occupancy
12 for periods of at least 30 days;

13 (ii) a dwelling unit with combined rental periods in the current
14 calendar year that total at least six calendar months, which need not be
15 consecutive; and

16 (iii) the Commissioner determines there is a bona fide landlord-
17 tenant relationship between the parties. To make this determination, the
18 Commissioner may consider whether the landlord and tenant are related
19 parties, whether the landlord charges the tenant fair market rent, whether the
20 landlord is an entity with a business purpose other than the avoidance of tax,
21 and any other factor the Commissioner deems relevant.

1 (B) “Long-term rental” also means a dwelling unit used by an
2 employer to house the employer’s employees for at least six calendar months,
3 which need not be consecutive, in the current calendar year. As used in this
4 section, “employee” means an individual who is reported by an employer for
5 purposes of complying with Vermont unemployment compensation law
6 pursuant to 21 V.S.A. chapter 17 or a farm employee as defined by 9 V.S.A.
7 § 4469a(a)(1), without regard for whether the farm employee is reported
8 pursuant to 21 V.S.A. chapter 17.

9 (5) “Nonhomestead nonresidential” means a parcel, or portion of a
10 parcel, that does not qualify as “homestead” or “nonhomestead residential”
11 under this section.

12 (6) “Nonhomestead residential” means a parcel, or portion of a parcel,
13 with a dwelling unit that is not:

14 (A) a homestead;

15 (B) rented out as a long-term rental;

16 (C) a mobile home, as defined under 10 V.S.A. § 6201(1), but not
17 including other types of manufactured homes; or

18 (D) part of a lodging establishment licensed under 18 V.S.A. chapter
19 85, subchapter 2.

20 (d) Mixed-use parcels. A parcel with two or more portions qualifying as
21 different classifications shall be classified proportionally as follows:

1 (1) Buildings shall be classified proportionally based on the percentage
2 of finished floor space used. Improvements and structures on a nonhomestead
3 residential parcel shall be classified as nonhomestead residential unless used
4 for a business purpose.

5 (2) Underlying land, including improvements or fixtures that lack floor
6 space, shall be classified proportionally based on the same percentage as the
7 finished floor space of the buildings.

8 (3) Notwithstanding any provision of this subsection to the contrary, the
9 entire parcel of land surrounding a homestead shall be classified as homestead
10 in accordance with subdivision 5401(7) of this title, including any
11 improvements or structures considered part of a homestead under subdivision
12 5401(7)(F) of this title.

13 (4) If a portion of floor space is used for more than one purpose, the use
14 for which the floor space is most often used shall be considered the primary
15 use and the floor space shall be dedicated to that use for purposes of tax
16 classification, except as provided for a homestead under subdivision 5401(7) of
17 this title.

18 (e) Forms. The Commissioner shall amend existing forms, and publish
19 new forms, as needed to gather the necessary attestations and declarations
20 required under this section.

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

4 Sec. 58a. RECOMMENDATIONS; TAX CLASSIFICATIONS APPEALS

5 On or before December 15, 2027, the Department of Taxes shall submit
6 recommended legislative language to the House Committee on Ways and
7 Means and the Senate Committee on Finance establishing the process for an
8 aggrieved taxpayer to appeal a local or State determination affecting the tax
9 classification of the taxpayer's property under 32 V.S.A. § 4152a, as
10 established by this act.

11 Sec. 59. 32 V.S.A. § 5410 is amended to read:

12 § 5410. DECLARATION OF HOMESTEAD; DWELLING USE

13 ATTESTATION

14 * * *

15 (g) If the property identified in a declaration under subsection (b) of this
16 section is not the taxpayer's homestead ~~or if the owner of a homestead fails to~~
17 ~~declare a homestead as required under this section,~~ the Commissioner shall
18 notify the municipality, and the municipality shall issue a corrected tax bill that
19 may, as determined by the governing body of the municipality, include a
20 penalty of up to ~~three~~ five percent of the education tax on the property.
21 ~~However, if the property incorrectly declared as a homestead is located in a~~
22 ~~municipality that has a lower homestead tax rate than the nonhomestead tax~~

1 ~~rate or if an undeclared homestead is located in a municipality that has a lower~~
2 ~~nonhomestead tax rate than the homestead tax rate, then the governing body of~~
3 ~~the municipality may include a penalty of up to eight percent of the education~~
4 ~~tax liability on the property.~~ If the Commissioner determines that the
5 declaration or failure to declare was with fraudulent intent, then the
6 ~~municipality~~ Commissioner shall assess the taxpayer a penalty in an amount
7 equal to 100 percent of the education tax on the property, plus any interest and
8 late-payment fee or commission that may be due. Any penalty imposed under
9 this section by a municipality and any additional property tax interest and late-
10 payment fee or commission shall be assessed and collected by the municipality
11 in the same manner as a property tax under chapter 133 of this title.

12 Notwithstanding section 4772 of this title, issuance of a corrected bill issued
13 under this section does not extend the time for payment of the original bill nor
14 relieve the taxpayer of any interest or penalties associated with the original bill.
15 If the owner of a homestead fails to declare a homestead as required under this
16 section, the Commissioner shall notify the municipality, and the municipality
17 shall issue a corrected tax bill. If the corrected bill is less than the original bill
18 and there are also no unpaid current year taxes, interest, or penalties and no
19 past year delinquent taxes or penalties and interest charges, any overpayment
20 shall be reflected on the corrected tax bill and refunded to the taxpayer.

21 * * *

1 (i) An owner filing a new or corrected declaration or dwelling use
2 attestation or rescinding an erroneous declaration or dwelling use attestation
3 after October 15 shall not be entitled to a refund resulting from the correct
4 property classification, and any additional property tax and interest that would
5 result from the correct classification shall not be assessed as tax and interest,
6 but shall instead constitute an additional penalty to be assessed and collected in
7 the same manner as penalties under subsection (g) of this section. Any change
8 in property classification under this subsection shall not be entered on the
9 grand list.

10 (j) A taxpayer may appeal a determination of domicile for purposes of a
11 homestead declaration or an assessment of fraud penalty under this section to
12 the Commissioner in the same manner as an appeal under chapter 151 of this
13 title. A taxpayer may appeal an assessment of any other penalty under this
14 section to the listers within 14 days after the date of mailing of notice of the
15 penalty, and from the listers to the board of civil authority, and thereafter to the
16 courts, in the same manner as an appraisal appeal under chapter 131 of this
17 title. The legislative body of a municipality shall have authority in cases of
18 hardship to abate all or any portion of a penalty appealable to the listers under
19 this section and any tax, penalty, and interest arising out of a corrected
20 property classification under this section, and shall state in detail in writing the
21 reasons for its grant or denial of the requested abatement. The legislative body
22 may delegate this abatement authority to the board of civil authority or the

1 board of abatement for the municipality. Requests for abatement shall be made
2 to the municipal treasurer or other person designated to collect current taxes,
3 and that person shall forward all requests, with that person's recommendation,
4 to the body authorized to grant or deny abatement.

5 (k) A municipality may retain any penalties and interest assessed and
6 collected in accord with this section.

7 (l) "Hardship" under this section means an owner's inability to pay as
8 certified by the Commissioner of Taxes, in the Commissioner's discretion, or
9 means an owner filing an incorrect, or failing to file a correct, homestead
10 declaration or dwelling use attestation due to one or more of the following:

11 (1) full-time active military duty of the declarant outside the State;

12 (2) serious illness or disability of the declarant;

13 (3) serious illness, disability, or death of an immediate family member
14 of the declarant; and

15 (4) fire, flood, or other disaster.

16 (m)(1) Annually, on or before the due date for filing the Vermont income
17 tax return, without extension, each owner of a property with a dwelling unit, as
18 defined under subdivision 4152a(c)(2) of this title, that is not declared as a
19 homestead pursuant to this section, may file a dwelling use attestation
20 describing how the dwelling unit will be used in the current year for purposes
21 of assigning a tax classification under section 4152a of this title. Properties
22 with a dwelling unit for which no homestead declaration or dwelling use

1 attestation have been filed shall be assigned the tax classification with the
2 highest statewide education tax rate multiplier under section 5402(a) of this
3 title. The Commissioner may collect any additional information through the
4 attestation as required to administer the classification of properties pursuant to
5 section 4152a of this title.

6 (2) If the Commissioner determines that a filed dwelling use attestation
7 contains errors or omissions but does not find that the filing was made with
8 fraudulent intent, the Commissioner shall notify the municipality, and the
9 municipality shall issue a corrected tax bill that may, as determined by the
10 governing body of the municipality, include a penalty of up to five percent of
11 the education tax on the property. Any penalty imposed under this subdivision
12 and any additional property tax interest and late-payment fee or commission
13 shall be assessed and collected by the municipality in the same manner as a
14 property tax under chapter 133 of this title. The municipality assessing and
15 collecting any fee, interest, or commission under this subdivision shall retain it
16 to pay for municipal services.

17 (3) If the Commissioner determines that a filed dwelling use attestation
18 contains errors or omissions and further finds that the filing was made with
19 fraudulent intent, then the Commissioner shall assess the taxpayer a penalty in
20 an amount equal to 100 percent of the education tax on the property, plus any
21 interest and late-payment fee that may be due. The Commissioner shall further
22 notify the municipality, and the municipality shall issue a corrected tax bill.

1 Any penalty imposed under this subdivision and any additional property tax
2 interest and late-payment fee shall be assessed and collected by the
3 Commissioner.

4 Sec. 60. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA
5 COLLECTION

6 For calendar year 2028, the Commissioner of Taxes shall amend and create
7 forms so that taxpayers report information on the use of their property for such
8 property to be classified as homestead, nonhomestead residential,
9 nonhomestead nonresidential, or a proportional classification of those uses.

10 The information collected, and classifications determined, shall align with the
11 definitions and requirements of this act. The Commissioner shall use the
12 information to determine and assign a tax classification for every grand list
13 parcel, and on or before October 1, 2028, the Commissioner shall provide that
14 information to the Joint Fiscal Office.

15 Sec. 61. REPEALS

16 2025 Acts and Resolves No. 73, Secs. 60 (grand list contents), 61 (property
17 tax classifications), 61a (transition; data collection), 61c (rate multipliers;
18 intent), and 61d (prospective repeal) are repealed.

19 Sec. 62. TAX CLASSIFICATIONS; RATE MULTIPLIERS; INTENT

20 It is the intent of the General Assembly that the creation of a tax
21 classification system, and the specific tax classifications to be used by that
22 system, will be reevaluated at the same time as any further amendment of the

1 tax rate multipliers created under 32 V.S.A. § 6066(a) as amended by 2025

2 Acts and Resolves No. 73.

3 Sec. 63. PROSPECTIVE REPEALS

4 In order to ensure the successful implementation of education finance
5 reform as set forth in this act, in the absence of legislative action on or before
6 July 1, 2029, that creates a new tax rate multiplier to be used in a tax
7 classification system, Secs. 58, 59, and 64 of this act are repealed on July 1,
8 2029.

9 Sec. 64. 32 V.S.A. § 5401 is amended to read:

10 § 5401. DEFINITIONS

11 As used in this chapter:

12 * * *

13 (7) “Homestead”:

14 (A) “Homestead” means the principal dwelling and parcel of land
15 surrounding the dwelling, owned and occupied by a resident individual as the
16 individual’s domicile or owned and fully leased on April 1, provided the
17 property is not leased for more than 182 days out of the calendar year or, for
18 purposes of the renter credit under subsection 6066(b) of this title, is rented
19 and occupied by a resident individual as the individual’s domicile.

20 (B) The parcel of land surrounding the dwelling shall be determined
21 without regard to any road that intersects the land. If the parcel of land
22 surrounding the dwelling is owned by a cooperative housing corporation

1 incorporated under 11 V.S.A. chapter 14 or owned by a nonprofit land
2 conservation corporation or community land trust with exempt status under
3 ~~26 U.S.C.~~ U.S.C. § 501(c)(3), the homestead includes a pro rata part of the land
4 upon which the dwelling is built, as determined by the cooperative corporation,
5 nonprofit corporation, or land trust.

6 (C) A homestead may consist of a part of a multidwelling or
7 multipurpose building, including cooperative property occupied as a permanent
8 residence by a member of a cooperative housing corporation incorporated
9 under 11 V.S.A. chapter 14. A mobile home may constitute a principal
10 dwelling for purposes of this chapter.

11 (D) A dwelling owned by a trust may qualify as a homestead if it
12 meets the requirements of subsection 6062(e) of this title.

13 (E)(i) A homestead also includes a dwelling on the homestead parcel
14 owned by a farmer as defined under section 3752 of this title and occupied as
15 the permanent residence by a parent, sibling, child, or grandchild of the farmer
16 or by a shareholder, partner, or member of the farmer-owner, provided that the
17 shareholder, partner, or member owns more than 50 percent of the farmer-
18 owner, including attribution of stock ownership of a parent, sibling, child, or
19 grandchild.

20 (ii) A homestead further includes the principal dwelling of a
21 widow or widower, provided the dwelling is owned by the estate of the

1 (1) Much of Vermont’s school facilities portfolio is at or near the end of
2 its useful life and will require substantial investment to address deferred
3 maintenance and other necessary updates. The school facilities assessments
4 conducted pursuant to 2021 Acts and Resolves No. 72 identified over
5 \$6,000,000,000.00 in total needs over a 21-year period, with an average annual
6 need of \$300,000,000.00 just to achieve replacement in kind. These needs
7 have only grown since their estimation in 2023.

8 (2) Under Vermont’s current education finance system, school
9 construction expenditures are paid from the Education Fund and apply pressure
10 to property taxes. While non–property tax revenues support a share of
11 Education Fund expenditures, property tax revenues make up the bulk of the
12 Education Fund and are expected to make up an even larger share as Education
13 Fund expenditures outpace growth in non–property tax revenues.

14 (3) Although school construction decision making is controlled at the
15 local level, the costs of that decision making are spread across all property
16 taxpayers in Vermont. A school district’s decision to bond for a school
17 construction project increases both the district’s homestead property tax rate
18 and the property tax rates of school districts across Vermont.

19 (4) Vermont’s school budgeting process asks school districts and
20 property taxpayers to weigh operating expenditures against capital
21 expenditures within the same budgetary constraints. So long as both costs are
22 borne by the property tax, school districts are disincentivized from taking on

1 school construction projects, and certain communities in Vermont may
2 struggle to support even necessary school construction expenditures.

3 (5) The foundation formula created in 2025 Acts and Resolves No. 73
4 did not provide funding for additional capital investment in school facilities.
5 Unless additional revenue sources are utilized or an alternative financing
6 model is identified, new school construction projects will continue to be
7 funded from the Education Fund and will continue to apply pressure to
8 property taxpayers across Vermont.

9 (b) It is the intent of the General Assembly to:

10 (1) create greater scale, increase the efficiency of the delivery of
11 education services, and encourage the efficient use of funds by prioritizing
12 school construction projects that align with the creation of the new school
13 governance structures expressed in this act;

14 (2) address inequities in education funding across the State and remove
15 disincentives to the construction of necessary and educationally appropriate
16 school facilities by offering State aid in the form or forms best suited to a
17 school district's local context and needs;

18 (3) recognize the urgency and opportunity offered by Vermont's
19 education transformation as expressed in this act and 2025 Acts and Resolves
20 No. 73 by identifying alternative models for funding school construction;

21 (4) in the short term, catalyze the State Aid for School Construction
22 Program by providing State aid in the form of up to an additional

1 \$50,000,000.00 annually in State bonding capacity to support the construction
2 or renovation of school facilities that support the consolidation of school
3 governance structures and improve access to educational opportunities for
4 public school students;

5 (5) in the long term, provide State aid in the form of a debt service
6 subsidy to school districts pursuing school construction projects that align with
7 the goals of the State Aid for School Construction Program;

8 (6) throughout Vermont's education transformation, provide State aid
9 through multiple funding streams until the burden on property taxpayers
10 imposed by school construction expenditures can be reduced; and

11 (7) leverage the capacities of the Vermont Bond Bank to simplify bond
12 issuances for school districts, increase financing opportunities, and protect the
13 State's credit rating.

14 Sec. 66. AGENCY OF EDUCATION; SCHOOL CONSTRUCTION

15 DIVISION; POSITIONS; APPROPRIATION

16 (a) The establishment of the following new limited service classified
17 positions is authorized in the Agency of Education in fiscal year 2027:

18 (1) one School Construction Program Director;

19 (2) one Financial Manager I;

20 (3) one School Construction Coordinator; and

21 (4) one Architectural Design Reviewer or Educational Facility Planner.

1 (b) The sum of \$500,000.00 is appropriated from the General Fund to the
2 Agency of Education in fiscal year 2027 for the positions established in
3 subsection (a) of this section.

4 (c) The Secretary of Education shall include as part of the Agency's budget
5 submitted to the Governor pursuant to 16 V.S.A. § 212(21) for fiscal year 2028
6 a request to provide appropriate funding levels for the positions created by this
7 section, and any other positions necessary, to permanently staff the School
8 Construction Division of the Agency.

9 (d) The School Construction Division shall provide comprehensive
10 technical assistance to the Agency of Education and the State Aid for School
11 Construction Advisory Board on the implementation of the State Aid for
12 School Construction Program.

13 Sec. 66a. FACILITIES MASTER PLAN GRANT PROGRAM;

14 APPROPRIATION

15 The sum of \$800,000.00 is transferred from the General Fund to the School
16 Construction Aid Special Fund in fiscal year 2027 for the purpose of awarding
17 grants through the Facilities Master Plan Grant Program established in
18 16 V.S.A. § 3441 to supervisory unions for the development of educational
19 facilities master plans as part of the merger committee process created in Sec.
20 13 of this act.

1 Sec. 67. AGENCY OF EDUCATION; STATE AID FOR SCHOOL
2 CONSTRUCTION; RULEMAKING

3 On or before March 1, 2028, the Agency of Education, in consultation with
4 the State Aid for School Construction Advisory Board, shall adopt rules on
5 school construction and capital outlay pursuant to 3 V.S.A. chapter 25 and
6 16 V.S.A. § 3442(2), including rules to address prioritization and bonus
7 incentives that reward school districts for:

8 (1) consolidating school governance structures, whether through the
9 merger committee process under Sec. 13 of this act or by other voluntary
10 means;

11 (2) improving access for public school students to excellent educational
12 opportunities, including CTE, shared special education services for high-needs
13 students, and improved comprehensive curricular offerings; and

14 (3) remediating or eliminating health and safety issues.

15 Sec. 68. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY
16 BOARD; IDENTIFICATION OF REGIONAL HIGH SCHOOLS
17 AND REHABILITATION OPPORTUNITIES; REPORT

18 (a) On or before December 1, 2026, the State Aid for School Construction
19 Advisory Board shall provide a written report to the General Assembly that:

20 (1) identifies three to five feasible opportunities for the construction or
21 renovation of regional high schools to promote the consolidation of school
22 governance structures and improve access for public school students to

1 excellent educational opportunities, including CTE, shared special education
2 services for high-needs students, and improved comprehensive curricular
3 offerings; and

4 (2) provides a preliminary siting study for each identified school
5 construction project that includes the cost, location, and any other factor the
6 Board deems relevant to the General Assembly's consideration of the project.

7 (b) In developing the Board's report, the Board shall specifically consider
8 how to achieve appropriate scale, given research on school size and travel
9 times, and how to achieve regional comprehensive high schools.

10 Sec. 68a. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM;

11 INTENT

12 It is the intent of the General Assembly to clarify that the State shall not
13 offer aid under the State Aid for School Construction Program under 16 V.S.A.
14 chapter 123 until the General Assembly has received the Capital Debt
15 Affordability Advisory Committee's recommendation under 16 V.S.A.
16 § 3445(a)(6)(C) on total State bonding support and annual debt service
17 subsidies to be awarded under the Program, the Agency of Education has
18 operationalized its School Construction Division and completed rulemaking on
19 school construction and capital outlay, and the General Assembly has
20 committed to a stable funding source, which may be State bonding support, to
21 support the Program.

1 Sec. 69. 16 V.S.A. § 3440 is amended to read:

2 § 3440. STATEMENT OF POLICY

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

14 (b) It is further the intent of this chapter to prioritize school construction
15 projects that align with the creation of new school governance structures under
16 legislation enacted by the General Assembly in 2026 that requires each school
17 board to participate in a merger committee to study the advisability of forming
18 a unified union school district. It is the intent of this chapter to leverage
19 additional State bonding capacity to support the construction of these projects
20 while the State identifies the total school construction need to be supported by
21 State aid offered under this chapter.

1 Sec. 70. 16 V.S.A. § 3442 is amended to read:

2 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

3 The Agency of Education shall be responsible for implementing the State
4 Aid for School Construction Program according to the provisions of this
5 chapter. The Agency shall be responsible for:

6 * * *

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

11 (3) including as part of its budget submitted to the Governor pursuant to
12 subdivision 212(21) of this title its annual school construction funding request,
13 including any projects contemplated under subsection 3440(b) of this chapter
14 for funding through State bonding;

15 * * *

16 Sec. 71. 16 V.S.A. § 3443 is amended to read:

17 § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

18 BOARD

19 * * *

20 (e) Assistance. The Board shall have the administrative, technical, and
21 legal assistance of the Agency of Education, the School Construction Division,
22 and the School Construction Program Director.

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

Sec. 72. 16 V.S.A. § 3445 is amended to read:

§ 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION
PROJECTS

(a) Construction aid.

(1) Preliminary application for construction aid. A school district eligible for assistance under section 3447 of this title that intends to construct or purchase a new school, or make extensive additions or alterations to its existing school, and desires to avail itself of State school construction aid shall submit a written preliminary application to the Secretary. A preliminary application shall include information required by the Agency by rule and shall specify the need for and purpose of the project.

(2) Approval of preliminary application.

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

1 (i) regional educational opportunities and needs, including school
2 building capacities across school district boundaries, and available
3 infrastructure in neighboring communities;

4 (ii) economic efficiencies;

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

7 (iv) statewide educational initiatives.

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

9 (i)(I) the project or part of the project fulfills a need occasioned
10 by:

11 (aa) conditions that threaten the health or safety of students
12 or employees;

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

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

17 (dd) deterioration of an existing building; or

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

1 (ii) the need addressed by the project cannot reasonably be met by
2 another means;

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

6 (iv) the applicant ~~achieves the level of “proficiency”~~ demonstrates
7 proficiency in the school district quality standards regarding facilities
8 management adopted by rule by the Agency; ~~and~~

9 (v) the applicant has completed a facilities master planning
10 process that:

11 (I) engages robust community involvement;

12 (II) considers regional solutions;

13 (III) evaluates environmental contaminants; and

14 (IV) produces a facilities master plan that unites the applicant’s
15 vision statement, educational needs, enrollment projections, renovation needs,
16 and construction projects; and

17 (vi) if the applicant school district is applying for construction aid
18 for a school building that was constructed or renovated before 1980, the
19 applicant has completed indoor air quality testing for polychlorinated
20 biphenyls that was conducted according to the Department of Environmental
21 Conservation’s standards for testing.

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

7 (4) Request for legislative appropriation. The Agency shall submit its
8 annual school construction funding request to the Governor as part of its
9 budget pursuant to subdivision 212(21) of this title and shall clearly identify
10 those projects contemplated under subsection 3440(b) of this chapter for
11 funding through State bonding. Following submission of the Governor's
12 recommended budget to the General Assembly pursuant to 32 V.S.A. § 306
13 and submission of the Governor's recommended capital budget to the General
14 Assembly pursuant to 32 V.S.A. § 309, the House ~~Committee~~ Committees on
15 Education and on Ways and Means and the Senate ~~Committee~~ Committees on
16 Education and on Finance shall recommend a total school construction
17 appropriation for the next fiscal year to the General Assembly for inclusion in
18 the education payment under subsection 4011(a) of this title.

19 (5) Final approval for construction aid.

20 (A) Unless approved by the Secretary for good cause in advance of
21 commencement of construction, a school district shall not begin construction
22 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, provided that the district shall not issue the bond
8 until the Secretary notifies the district of its State bonding support;

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

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

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

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

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

21 (C) The Secretary may provide that a grant for a high school project
22 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~~ fund 30 percent of the
8 ~~eligible debt service~~ total approved cost of a project. Projects for which the
9 applicant is a consolidated school district are eligible for additional bonus
10 incentives as specified in rule ~~for~~ to fund up to an additional ~~20~~ 45 percent of
11 the ~~eligible debt service~~ total approved cost.

12 (B) Construction aid shall be awarded as a debt service subsidy, as
13 support through State bonding, or as a combination of both. Amounts shall be
14 awarded annually and are subject to an annual appropriation for the purposes
15 of the program.

16 ~~(B) As used in subdivision (A) of this subdivision (6), “eligible debt~~
17 ~~service cost” of a project means the product of the lifetime cost of the bond~~
18 ~~authorized for the project and the ratio of the approved cost of a project to the~~
19 ~~total cost of the project.~~

20 (C) Annually, the Capital Debt Affordability Advisory Committee
21 (CDAAC) shall recommend to the House Committees on Education, on Ways
22 and Means, and on Corrections and Institutions and the Senate Committees on

1 Education, on Finance, and on Institutions the annual total State bonding
2 support available for the capital budget and this program and the annual debt
3 service subsidies to be awarded under this chapter. The recommendation shall
4 include an analysis of how the use of State bonding support for school
5 construction under this program affects overall capital budget capacity.

6 (D) As used in subdivision (A) of this subdivision (a)(6),

7 “consolidated school district” means either of the following:

8 (i) a school district that results from a merger identified as
9 advisable in a merger committee’s final recommendations offered pursuant to
10 Sec. 13(b) of legislation enacted by the General Assembly in 2026 that requires
11 each school board to participate on a merger committee to study the
12 advisability of forming a unified union school district; or

13 (ii) a school district with an average daily membership of at least
14 2,000 students.

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

19 (c) Wage requirements. Any contract awarded for school construction that
20 is paid for with State aid shall adhere to the higher of:

21 (1) the prevailing wage requirements established for State construction
22 projects under 29 V.S.A. § 161(b); or

1 (2) the prevailing local wage requirements as determined by the U.S.
2 Department of Labor under the Davis-Bacon Act, 40 U.S.C. §§ 3141–3148,
3 and related federal acts and regulations.

4 Sec. 73. REPEAL

5 16 V.S.A. § 3454 (deferred maintenance) is repealed.

6 Sec. 74. 16 V.S.A. § 4033 is added to read:

7 § 4033. LEGACY DEBT AID

8 (a) A school district shall be eligible to receive legacy debt aid pursuant to
9 this section only if the district is not identified as a bad faith participant in the
10 facilitator report submitted pursuant to Sec. 15 of legislation enacted by the
11 General Assembly in 2026 that requires each school board to participate in a
12 merger committee to study the advisability of forming a unified union school
13 district.

14 (b) An eligible school district’s legacy debt aid shall equal 75 percent of
15 the debt service cost of any debt that is approved by the voters of the district
16 related to facility construction and renovation and for which construction has
17 begun as of December 31, 2024.

18 (c) Aid shall be awarded annually for annual debt service costs up to a
19 maximum total annual amount of \$45,750,000.00 and is subject to an annual
20 appropriation for the purposes of the legacy debt aid.

21 (d) On or before February 15, 2029, a school district that is identified as a
22 bad faith participant in the facilitator report submitted pursuant to Sec. 15 of

1 legislation enacted by the General Assembly in 2026 that requires each school
2 board to participate in a merger committee to study the advisability of forming
3 a unified union school district may appeal the facilitator's determination to the
4 Secretary of Education in order to receive aid under this section.

5 (e) On or before May 15, 2029, the Secretary of Education shall determine
6 whether each school district that has submitted an appeal pursuant to
7 subsection (d) of this section shall receive aid under this section. The
8 Secretary's determination shall be final and shall not be subject to appeal. The
9 Secretary shall develop written policies to implement the appeals process
10 under this section.

11 Sec. 75. 16 V.S.A. § 4011(a) is amended to read:

12 (a) Annually, the General Assembly shall appropriate funds for an
13 education payment to pay for statewide education spending ~~and~~, a portion of a
14 base education amount for each adult education and secondary credential
15 program student, and any other amounts the State is obligated to provide under
16 this chapter or chapter 123 of this title.

17 Sec. 76. 16 V.S.A. § 4011(a) is amended to read:

18 (a) Annually, the General Assembly shall appropriate funds for an
19 education payment to pay for each school district's educational opportunity
20 payment and supplemental district spending, as defined in 32 V.S.A. § 5401,
21 the small schools and sparsity support grants under section 4019 of this
22 chapter, ~~and~~ a portion of a categorical base amount for each adult education

1 and secondary credential program student, and any other amounts the State is
2 obligated to provide under this chapter or chapter 123 of this title.

3 Sec. 77. 32 V.S.A. § 5401(22) is amended to read:

4 (22) “Supplemental district spending” means the spending that the
5 voters of a school district approve in excess of the school district’s educational
6 opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year,
7 plus the annual debt service costs on any legacy school construction debt not
8 covered by legacy debt aid pursuant to 16 V.S.A. § 4033, provided that the
9 voters of a school district other than an interstate school district shall not
10 approve spending in excess of five percent of the product of the base amount,
11 as defined in 16 V.S.A. § 4001(16), and the school district’s long-term
12 membership, as defined in 16 V.S.A. § 4001(7). The cap on supplemental
13 district spending shall not apply to school construction expenditures.

14 Sec. 77a. 24 V.S.A. § 1758 is amended to read:

15 § 1758. CONDUCT OF MEETINGS

16 (a) Meetings of voters in municipal corporations under this subchapter shall
17 be conducted in the same manner as the annual city and town meetings are
18 conducted. The qualifications of voters at such meetings shall be the same as
19 the qualifications of voters at annual city and town meetings. The vote on the
20 question of issuing bonds for such improvements shall be by Australian ballot.
21 The form of the ballot to be used shall be substantially as follows:

1 I. Shall the bonds of the of in an amount not to exceed
2 be issued for the purpose of?

3 If in favor of the bond issue, make a cross (x) in this square .

4 If opposed to the bond issue, make a cross (x) in this square .

5 In the discretion of the ~~legislative branch~~ Legislative Branch, the form of
6 the ballot may also state the maximum rate of interest to be paid on the bonds,
7 in which case the form of the ballot to be used shall be substantially as follows:

8 I. Shall bonds of the of in an amount not to exceed
9 bearing interest not to exceed percent, be issued for the purpose of
10?

11 If in favor of the bond issue, make a cross (x) in this square .

12 If opposed to the bond issue, make a cross (x) in this square .

13 (b) If a school board submits to its voters the proposition of incurring a
14 bonded debt to pay for an improvement, the form of the ballot shall be as set
15 forth in subsection (a) of this section, however:

16 (1) If the entire costs of the improvement are not eligible for State
17 construction aid pursuant to 16 V.S.A. chapter 123 because the costs exceed
18 the maximum allowed by formula established by the ~~State Board of Education~~
19 Agency of Education, the ballot text set forth in subsection (a) shall be
20 preceded by the following introductory sentences:

21 The school board proposes to incur bonded indebtedness for the purpose
22 of at the estimated total project cost of \$ It is estimated that

1 percent of the project will not be eligible for State school construction aid
2 because its (unit costs and/or allowable space) cause it to exceed the maximum
3 cost for state participation under the ~~State Board of Education's~~ Agency of
4 Education's formula for school construction. Therefore, the percent of the
5 project that is estimated to be ineligible under the formula shall be built at
6 100% school district cost without State participation. The cost of the portion
7 of construction which is ineligible under the formula is \$

8 (2) The ballot may contain language conditioning commencement of the
9 improvement by the school board on receipt of final approval by the ~~State~~
10 ~~Board of Education~~ Agency of Education for State construction aid under
11 16 V.S.A. § ~~3448(a)(5)~~ 3445(a)(5).

12 (3) The warning and ballot shall contain the following set forth in bold-
13 faced type:

14 State funds may not be available at the time this project is otherwise
15 eligible to receive State school construction aid. The district is responsible for
16 all costs incurred in connection with any borrowing done in anticipation of
17 State school construction aid.

18 Funds to cover annual debt service costs on the bonds shall be raised
19 through the district's supplemental district spending tax. Any bonded
20 indebtedness incurred for school construction shall constitute an ongoing
21 obligation of the district not subject to annual authorization of supplemental
22 district spending.

1 (c) A public informational hearing adhering to the requirements of
2 17 V.S.A. § 2680(g) shall be held to discuss the proposition of a school district
3 incurring a bonded debt to pay for an improvement. At such hearing, the
4 school board shall distribute to the participants a written estimate of the
5 following factors:

6 (1) ~~the~~ The percentage of the costs of the improvement that will not be
7 eligible for State school construction aid because its unit costs or allowable
8 space, or both, cause it to exceed the maximum cost for State participation
9 under the ~~State Board of Education's~~ Agency of Education's formula for
10 school construction.

11 (2)(A) The estimated supplemental district spending tax rate that would
12 be required to pay annual debt service costs on the bonds for each of the
13 following aid scenarios:

14 (i) if the district receives no State aid for the project;

15 (ii) if the district receives State aid of 30% of the total approved
16 cost of the project; and

17 (iii) if the district receives State aid of 75% of the total approved
18 cost of the project.

19 (B) The board shall notify the participants of the following
20 assumptions that shall be made when estimating annual supplemental district
21 spending tax rates to pay annual debt service costs on the bonds:

1 notice of availability shall be given, and such notice of availability shall be
2 provided to the electorate at least 30 days before the district's annual meeting.

3 The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days
4 before a sum of money is voted on by the electorate. Any proposed budget
5 shall show the following information in a format prescribed by the Secretary:

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

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

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

18 (iv) the definition of "~~education spending~~ supplemental district
19 spending," the ~~number of pupils and number of equalized pupils in long-term~~
20 membership of the school district, and the district's ~~education spending~~ per
21 equalized pupil supplemental district spending in the proposed budget and in
22 each of the prior three years;

- 1 (v) the supplemental district spending yield; and
2 (vi) the annual debt service cost of any outstanding capital
3 indebtedness.

4 (D) ~~The~~ If the board determines that the district should raise funds to
5 cover expenditures other than annual debt service obligations on outstanding
6 capital indebtedness for school construction, the board shall present ~~the~~ a
7 supplemental district spending budget to the voters by means of a ballot in the
8 following form:

9 “Article #1 (School Budget):

10 Shall the voters of the school district approve the school board
11 to expend \$ _____ for expenditures other than annual debt service obligations
12 on any outstanding capital indebtedness, which is the amount the school board
13 has determined to be necessary in excess of the school district’s educational
14 opportunity payment for the ensuing fiscal year?

15 The _____ District estimates that this proposed budget, if
16 approved, will result in per pupil ~~education~~ supplemental district spending of
17 \$ _____, which is _____% higher/lower than per pupil ~~education~~
18 supplemental district spending for the current year, and a supplemental district
19 spending tax rate of _____ per \$100.00 of equalized education property
20 value.

21 If these expenditures are not approved, the District estimates a
22 supplemental district spending tax rate of _____ per \$100.00 of equalized

1 education property value to pay for the District's annual debt service
2 obligations on outstanding capital indebtedness."

3 (E) If the board receives a determination of the district's State aid for
4 school construction pursuant to 16 V.S.A. § 3445(a)(5), prior to issuing any
5 bonds for school construction, the board shall present to the voters for one-time
6 authorization a supplemental district spending budget to cover the annual debt
7 service obligations for school construction by means of a ballot in the
8 following form:

9 "Article #1 (School Budget):

10 Shall the voters of the school district approve the school board
11 to expend \$ _____, which is the amount the school board has determined to
12 be necessary to cover the annual debt service obligations on school
13 construction for the ensuing fiscal year?

14 The _____ District estimates that this proposed budget, if
15 approved, will result in per pupil supplemental district spending of \$ _____,
16 which is _____ % higher/lower than per pupil supplemental district spending
17 for the current year, and a supplemental district spending tax rate of _____
18 per \$100.00 of equalized education property value.

19 If the District separately approves supplemental district
20 spending for the ensuing fiscal year to cover expenditures other than the annual
21 debt service obligations on school construction, the total supplemental district
22 spending tax rate provided on the ballot for approval of those expenditures

1 shall reflect the rate required to cover all expenditures, including the annual
2 debt service obligations on school construction.”

3 * * *

4 * * * Foundation Formula Transition Measures and Reports * * *

5 Sec. 79. REPEALS

6 The following sections of 2025 Acts and Resolves No. 73 are repealed:

7 (1) Sec. 41 (16 V.S.A. § 563);

8 (2) Sec. 45b (educational opportunity payment transition);

9 (3) Sec. 46a (supplemental district spending; cap; transition);

10 (4) Sec. 48a (tax rate transition); and

11 (5) Sec. 57 (Education Fund Advisory Committee).

12 Sec. 80. EDUCATIONAL OPPORTUNITY PAYMENTS; TUITION;

13 TRANSITION; FISCAL YEARS 2030–2033

14 (a) Notwithstanding 16 V.S.A. § 4001(17), in each of fiscal years 2030–
15 2033, the educational opportunity payment for a school district shall equal the
16 educational opportunity payment for the school district as calculated pursuant
17 to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

18 (1) in fiscal year 2030, the transition gap multiplied by 0.80;

19 (2) in fiscal year 2031, the transition gap multiplied by 0.60;

20 (3) in fiscal year 2032, the transition gap multiplied by 0.40; and

21 (4) in fiscal year 2033, the transition gap multiplied by 0.20.

1 (b) Notwithstanding 16 V.S.A. § 823(a), in each of fiscal years 2030–2033,
2 a school district shall pay as tuition to a receiving school for each resident
3 student attending the receiving school an amount equal to the adjusted base
4 multiplied by the sum of one and any weights applicable to the resident student
5 under section 16 V.S.A. § 4010.

6 (c) As used in this section:

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

11 (2) “Adjusted for inflation” means adjusting the school district’s
12 education spending by the National Income and Product Accounts (NIPA)
13 implicit price deflator for state and local government consumption
14 expenditures and gross investment published by the U.S. Department of
15 Commerce, Bureau of Economic Analysis, from fiscal year 2025 through fiscal
16 year 2030 and rounding upward to the nearest whole dollar amount.

17 (3) “Transition gap” means the amount, whether positive or negative,
18 that results from subtracting the school district’s educational opportunity
19 payment as calculated pursuant to 16 V.S.A. § 4010(f) for fiscal year 2030
20 from the school district’s education spending in fiscal year 2025, as adjusted
21 for inflation. The school district’s education spending shall be adjusted for
22 inflation on or before November 15 by the Secretary of Education.

1 (b) As used in this section, “transition gap” means the amount, whether
2 positive or negative, that results from subtracting the uniform homestead
3 property tax rate for fiscal year 2030 were it calculated assuming no tax rate
4 transition under this section from the homestead property tax rate for the
5 school district in fiscal year 2029.

6 Sec. 83. HOMESTEAD PROPERTY TAX RATE; TRANSITION;

7 REPORT

8 On or before December 15, 2027, the Department of Taxes, in consultation
9 with the Joint Fiscal Office and the Agency of Education, shall submit a
10 written report to the House Committee on Ways and Means and the Senate
11 Committee on Finance with recommendations and an implementation plan to
12 ensure that homestead education property tax rates do not increase as part of
13 the transition to the new foundation formula.

14 Sec. 84. 2025 Acts and Resolves No. 73, Sec. 53(b) is amended to read:

15 (b) On or before December 15, ~~2026~~ 2027, the Department of Taxes, in
16 consultation with the Joint Fiscal Office, shall submit a proposal to the House
17 Committee on Ways and Means and the Senate Committee on Finance
18 designing a homestead exemption structure that minimizes the:

19 * * *

20 Sec. 85. 32 V.S.A. § 5414 is amended to read:

21 § 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

1 (a) Creation. There is created the Education Fund Advisory Committee to
2 monitor Vermont's education financing system, conduct analyses, and perform
3 the duties under subsection (c) of this section.

4 (b) Membership. The Committee shall be composed of the following
5 members:

6 (1) ~~the Commissioner of Taxes or designee;~~

7 (2) ~~the Secretary of Education or designee;~~

8 (3) ~~the Chair of the State Board of Education or designee;~~

9 (4) two members of the public with expertise in education financing,
10 who shall be appointed by the Speaker of the House;

11 (5)(2) two members of the public with expertise in education financing,
12 who shall be appointed by the Committee on Committees;

13 (6)(3) ~~one member~~ two members of the public with expertise in
14 education financing, who shall be appointed by the Governor; and

15 (7) ~~the President of the Vermont Association of School Business~~
16 ~~Officials or designee;~~

17 (8)(4) one representative from the Vermont School Boards Association
18 (VSBA) with expertise in education financing, selected by the Executive
19 Director of VSBA;

20 (9) ~~one representative from the Vermont Superintendents Association~~
21 ~~(VSA) with expertise in education financing, selected by the Executive~~
22 ~~Director of VSA; and~~

1 ~~(10) one representative from the Vermont National Education~~
2 ~~Association (VTNEA) with expertise in education financing, selected by the~~
3 ~~Executive Director of VTNEA.~~

4 (c) Powers and duties.

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

7 ~~(A) updating the weighting factors using the weighting model and~~
8 ~~methodology used to arrive at the weights enacted under 2022 Acts and~~
9 ~~Resolves No. 127, which may include recalibration, recalculation, adding or~~
10 ~~eliminating weights, or any combination of these actions, as necessary;~~

11 ~~(B) changes to, or the addition of new or elimination of existing,~~
12 ~~categorical aid, as necessary;~~

13 ~~(C) changes to income levels eligible for a property tax credit under~~
14 ~~section 6066 of this title;~~

15 ~~(D)~~(1) means to adjust the revenue sources for the Education Fund;

16 ~~(E)~~(2) means to improve equity, transparency, and efficiency in
17 education funding statewide;

18 ~~(F)~~(3) the amount of the Education Fund stabilization reserve;

19 ~~(G)~~(4) school district use of reserve fund accounts;

20 (5) enactment of any updates to weights or categorical aid recommended
21 by the Joint Fiscal Office and the Agency of Education;

1 (6) the appropriations required to fully fund each school district's
2 educational opportunity payment under the foundation formula established in
3 16 V.S.A. chapter 133 for the current and upcoming fiscal year; and

4 ~~(H)(7)~~ any other topic, factor, or issue the Committee deems relevant
5 to its work and recommendations.

6 ~~(2) The Committee shall review and recommend updated weights,~~
7 ~~category aid, and changes to the excess spending threshold to the General~~
8 ~~Assembly not less than every three years, which may include a~~
9 ~~recommendation not to make changes where appropriate. In reviewing and~~
10 ~~recommending updated weights, the Committee shall use the weighting model~~
11 ~~and methodology used to arrive at the weights enacted under 2022 Acts and~~
12 ~~Resolves No. 127.~~

13 (d) Assistance. The Committee shall have the administrative, technical,
14 and legal assistance of the Department of Taxes and the Agency of Education.

15 (e) Meetings.

16 (1) The Commissioner of Taxes shall call the first meeting of the
17 Committee to occur on or before July 15, ~~2026~~ 2030.

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

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

1 (f) Compensation and reimbursement. Members of the Committee shall be
2 entitled to per diem compensation and reimbursement of expenses as permitted
3 under section 1010 of this title for up to four meetings per year.

4 * * * Effective Dates * * *

5 Sec. 86. EFFECTIVE DATES

6 This act shall take effect on July 1, 2026, except as follows:

7 (1) This section, Sec. 18 (Act 73 effective dates), Sec. 27a (rulemaking;
8 reserve guidance), Sec. 27c (student profile form), Sec. 34(a) (repeal of 2025
9 Acts and Resolves No. 73, Secs. 62 and 63), Sec. 53 (transition provisions),
10 Sec. 61 (repeals), Sec. 62 (rate multipliers), Sec. 63 (prospective repeals), Sec.
11 79 (transition repeals), Sec. 83 (tax rate transition report), Sec. 84 (homestead
12 exemption structure report delay), and Sec. 85 (Education Fund Advisory
13 Committee) shall take effect on passage.

14 (2) Sec. 2a (16 V.S.A. § 604; services offered) shall take effect on July
15 1, 2027.

16 (3) Sec. 57 (grand list contents) shall take effect on July 1, 2026, and
17 shall apply to grand lists lodged beginning in calendar year 2027.

18 (4) Sec. 60 (transition provisions) shall take effect on January 1, 2028,
19 provided that the conditions under 2025 Acts and Resolves No. 73, Sec.
20 70(f)(1)(A)(i), as amended by this act, have been met.

1 (5) Sec. 77a (24 V.S.A. § 1758) and Sec. 78 (16 V.S.A. § 563) shall take
2 effect on January 15, 2029, provided that the conditions under 2025 Acts and
3 Resolves No. 73, Sec. 70(f)(1), as amended by this act, have been met.

4 (6) Sec. 24 (16 V.S.A. § 828(e)), Sec. 29 (16 V.S.A. § 4019), Secs. 58
5 and 59 (tax classifications), Sec. 64 (homestead definition), Sec. 74 (legacy
6 debt aid), Sec. 76 (education payments), Sec. 77 (supplemental district
7 spending definition), and Secs. 80–82 (foundation formula transitions) shall
8 take effect on July 1, 2029, provided that the conditions under 2025 Acts and
9 Resolves No. 73, Sec. 70(f)(1), as amended by this act, have been met.

10 (7) Sec. 54 (regional assessment district boundaries) shall take effect
11 and the boundary submission to the General Assembly shall be due on
12 December 15, 2029, provided that the conditions under 2025 Acts and
13 Resolves No. 73, Sec. 70(f)(1)(A)(ii), as amended by this act, have been met.

14 (8) Sec. 30 (creation of regional assessment districts), Secs. 31–33
15 (conforming changes for regional assessment), Sec. 34(b) (repeal of 32 V.S.A.
16 chapter 131), and Secs. 37–52 (conforming changes for repeal of 32 V.S.A.
17 chapter 131) shall take effect on January 1, 2031, provided regional assessment
18 district appeals boards shall commence jurisdiction over valuation appeals and
19 notices of changes of valuation on July 1, 2031.