

1 Introduced by Representative Toof of St. Albans Town

2 Referred to Committee on

3 Date:

4 Subject: Education; school districts; education finance; property taxes; Agency

5 of Education; State Board of Education

6 Statement of purpose of bill as introduced: This bill proposes to transform
7 Vermont's education governance, quality, and finance systems. It would
8 create five school districts to govern the public education system for the entire
9 State, each governed by a school board and operated by a central office. This
10 bill also proposes to transform Vermont's education financing system to a
11 foundation formula, with a base amount of \$13,200.00 per student, in fiscal
12 year 2025, with additional weights based on student need, school scale, and
13 district sparsity, developed based on an evidence-based model that has been
14 adjusted to the Vermont context.

15 An act relating to transforming Vermont's education governance, quality,
16 and finance systems

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

18 * * * Findings and Intent * * *

19 Sec. 1. FINDINGS; INTENT

20 The General Assembly finds that:

1 (1) The study commissioned in 2024 titled “An Evidence-Based
2 Approach to Identifying an Adequate Education Spending Level in Vermont”
3 by Allan Odden and Lawrence O. Picus evaluated Vermont education spending
4 against research-informed best practices. The Evidence-Based Model is
5 designed to identify an array of staffing and resources that high-performing
6 schools need to provide every student with robust opportunities to meet college
7 and career-ready standards. Performing to those standards would substantially
8 improve student achievement and reduce demographic related performance
9 gaps.

10 (2) The Evidence-Based Model represents an adequate model for the
11 level of education funding necessary to improve student achievement. It was
12 developed by experts in education funding with more than 25 years of
13 experience across the United States in determining how to adequately fund
14 schools, meaning providing a level of resources that would enable schools to
15 provide every student with an equal opportunity to learn to high performance
16 standards. The State has a Constitutional obligation to ensure that all students
17 are provided a quality education on a reasonably equal basis, without regard to
18 town of residence. Doing so will require significant change to the current
19 system of education.

20 (3) Vermont’s current funding model equalizes school district ability to
21 raise education taxes, leveling out the distinctions in property wealth among

1 districts. The current funding system does not provide equalized education
2 dollars to districts. The choice to spend or not spend equitable amounts of
3 education funding per student across the state rests with individual districts.
4 Spending patterns demonstrate that many districts do not utilize the tax
5 equalization mechanisms to increase spending, even in the districts with the
6 most demonstrated student need.

7 (4) Vermont's current school and school district sizes do not align with
8 the Evidence-Based Model, and contribute to higher costs that are not fully
9 addressed by the Model. In order to ensure the Model can be implemented in a
10 way that improves education quality, the State must be organized into larger
11 school districts that are responsible for approximately at minimum 3,900
12 students, a population that represents the minimum to achieve efficiency in
13 delivering the evidence-based model.

14 (5) Additionally, larger school districts, consistent with state-level
15 guidance for school size, average class size, and budgetary priorities, must
16 examine the appropriate number of schools for the student population,
17 geography, student need and community desires of the school district.

18 (6) The intent of the proposed five districts is to charge school boards to
19 represent a diverse set of student and community needs to promote equitable
20 budgeting and district policies and to create central offices that provide

1 specialized resources and support for students and teachers in alignment with
2 best practices for teaching and learning.

3 Sec. 2. 16 V.S.A. § 43 is amended to read:

4 § 43. FEDERAL EDUCATION AID FUNDS; ADMINISTRATION; LOCAL
5 EDUCATION AGENCY

6 (a) The Agency, as sole state agency, may administer federal funds made
7 available to the State under the Elementary and Secondary Education Act of
8 1965, Public L. No. 89-10, as amended, and the No Child Left Behind Act of
9 2001, Public L. No. 107-110. Those funds may be accepted and shall be
10 distributed and accounted for by the State Treasurer in accordance with that
11 law and rules and regulations of the United States issued under it if there is
12 conflict between that law or those rules and regulations and the laws of this
13 State.

14 (b) For purposes of distribution of funds under this section, a ~~supervisory~~
15 ~~union~~ school district shall be a local education agency as that term is defined in
16 20 U.S.C. § 7801(26).

17 (c) For purposes of determining student performance and application of
18 consequences for failure to meet standards and for provision of compensatory
19 and remedial services pursuant to 20 U.S.C. §§ 6311–6318, a ~~supervisory~~
20 ~~union~~ school district shall be a local education agency.

21 Sec. 3. 16 V.S.A. § 212 is amended to read:

1 § 212. SECRETARY'S DUTIES GENERALLY

2 The Secretary shall articulate a long-term strategic vision for educational
3 services in the State, through engagement of the education community, shall
4 execute those policies adopted by the State Board in the legal exercise of its
5 powers and shall:

6 (1) Coordinate the educational work of the public schools with higher
7 education in the State.

8 (2) Identify the educational goals of the public schools, provide
9 alternative methods of attaining those goals, and promote education in the
10 State.

11 (3) ~~Evaluate the program of instruction in the public schools~~ Establish,
12 through rulemaking, education and district quality standards to evaluate the
13 quality of instruction and operations in the public and school choice schools.

14 (4) Advise the General Assembly concerning proposed laws affecting
15 the public schools.

16 (5) Supervise and direct the execution of the laws relating to the public
17 schools and ensure compliance.

18 (6) Supervise the expenditure and distribution of all money appropriated
19 by the State under the provisions of this title for public schools.

20 (7) Arrange conferences and summer schools for superintendents and
21 teachers and employ suitable speakers, lecturers, and instructors for the same;

1 fix the amount of tuition for the instruction; provide for educational gatherings,
2 institutes, summer schools, and other supplementary educational activities; and
3 provide for cooperation with the Board of Libraries established by 22 V.S.A.
4 § 602 or the State Librarian.

5 ~~(8) Inform citizens of the condition of and opportunities within the~~
6 ~~public education system and provide other educational publicity for the~~
7 ~~enlightenment and well-being of the citizens of the State~~ Provide clear,
8 transparent and high quality information to citizens regarding the condition and
9 opportunities within the public education system.

10 (9) Establish requirements for information to be submitted by school
11 districts, including necessary statistical data and other information and ensure,
12 ~~to the extent possible,~~ that data are reported in a uniform way. ~~Data collected~~
13 ~~under this subdivision shall include budget surplus amounts, reserve fund~~
14 ~~amounts, and information concerning the purpose and use of any reserve funds.~~

15 (10) Make recommendations to school boards regarding transportation
16 policies.

17 ~~(11) Provide an educational facilities planning service to make available~~
18 ~~technical assistance and comprehensive information on school construction,~~
19 ~~school systems design, component technology and suppliers, and similar~~
20 ~~subjects to public schools, school districts, and independent schools, for the~~
21 ~~purpose of helping them to achieve flexibility and economy in construction, to~~

1 ~~retain the potential for modification and expansion of educational facilities,~~
2 ~~and to attain the lowest maintenance costs consistent with educational needs.~~

3 (12) Distribute at his or her discretion upon request to approved
4 independent schools appropriate forms and materials relating to the education
5 quality standards for elementary and secondary students.

6 (13) Ensure the provision of services to children and adolescents with a
7 severe emotional disturbance in coordination with the Departments of Mental
8 Health, for Children and Families, and of Disabilities, Aging, and Independent
9 Living pursuant to the provisions of 33 V.S.A. chapter 43.

10 (14) Annually, communicate to each superintendent a list of information
11 that ~~a supervisory union~~, a school board, a school district, a school, or a school
12 district employee, ~~or a supervisory union employee~~ is required under State or
13 federal law to make available to the electorate, community members, parents,
14 or students. It is the intent of this subdivision that the Secretary shall make a
15 good faith effort to compile a complete list of the information to be made
16 available. Due to the difficult nature of compiling such a list, it is also the
17 intent that failure to include relevant information on the list shall not constitute
18 grounds for an action against the Secretary.

19 (15) Annually, with the Commissioner of Health, shall jointly inform
20 superintendents and principals of appropriate practices regarding students with
21 life-threatening allergies and chronic illnesses; and prepare and distribute

1 policies, training materials, and school guidelines for managing students with
2 life-threatening allergies and chronic illnesses, including family
3 responsibilities, school responsibilities, and student responsibilities.

4 (16) Annually, convene a meeting of directors of Vermont educator
5 preparation programs and representatives of school boards, superintendents,
6 principals, educators, and the Vermont Standards Board to determine subject
7 and geographic areas in which there is a critical need for educators and to
8 discuss ways to meet the need.

9 (17) Encourage and facilitate collaboration among school districts and
10 supervisory unions to share information and expertise regarding low-incidence
11 special education needs.

12 (18) Annually, inform superintendents and principals of regional
13 resources available to assist schools to provide instruction in cardiopulmonary
14 resuscitation and the use of automated external defibrillators and provide
15 updated information to the education community regarding the provision of a
16 comprehensive health education.

17 (19) Establish an information clearinghouse and accessible database to
18 help districts share information about educational programs and practices that
19 improve student performance. Educational programs and practices include
20 those designed to create and sustain a safe learning environment.

1 (20) Develop, in consultation with the Secretary of State, and make
2 available to school boards sample ballot language for issues that may be
3 decided by Australian ballot and for which no statutory language exists.

4 (21) Prepare a budget for the Agency and submit it to the Governor after
5 review by the State Board.

6 (22) Annually, prior to September 1, present the Governor's education
7 policy priorities to the State Board.

8 (23) Make regulations governing the attendance and records of
9 attendance of all students and the department of students attending public
10 schools.

11 (24) Implement and continually update standards for student
12 performance in appropriate content areas and at appropriate intervals in the
13 continuum from kindergarten to grade 12 and methods of assessment to
14 determine attainment of the standards for student performance. The standards
15 shall be rigorous, challenging, and designed to prepare students to participate
16 in and contribute to the democratic process and to compete in the global
17 marketplace. The standards shall include a standard for reading level
18 proficiency for students completing grade three.

19 (25) By rule, determine statewide graduation standards.

20 (26) Provide oversight for adult education and literacy programs and
21 perform all the duties and powers prescribed by law pertaining to adult

1 education and literacy and to act as the State approval agency for educational
2 institutions conducting programs of adult education and literacy.

3 (27) Report annually on the condition of education statewide and on a
4 school district basis. The report shall include information on attainment of
5 standards for student performance adopted under subdivision (24) of this
6 section, number and types of complaints of hazing, harassment, or bullying
7 made pursuant to chapter 9, subchapter 5 of this title and responses to the
8 complaints, financial resources and expenditures, and community social
9 indicators. The report shall be organized and presented in a way that is easily
10 understandable by the general public and that enables each school, school
11 district, and supervisory union to determine its strengths and weaknesses. To
12 the extent consistent with State and federal privacy laws and regulations, data
13 on hazing, harassment, or bullying incidents shall be disaggregated by incident
14 type, including disaggregation by ethnic groups, racial groups, religious
15 groups, gender, sexual orientation, gender identity, disability status, and
16 English language learner status. The Secretary shall use the information in the
17 report to determine whether students in each school, school district, and
18 supervisory union are provided educational opportunities substantially equal to
19 those provided in other schools, school districts, and supervisory unions
20 pursuant to subsection 165(b) of this title.

1 (28) Ensure that Vermont’s students, including students enrolled in
2 secondary career technical education, have access to a substantially equal
3 educational opportunity by developing a system to evaluate the equalizing
4 effects of Vermont’s education finance system and education quality standards
5 under section 165 of this title.

6 Sec. 4. 16 V.S.A. § 164 is amended to read:

7 § 164. STATE BOARD; GENERAL POWERS AND DUTIES

8 The State Board shall engage local school board members ~~and the broader~~
9 ~~education community~~ and, consistent with the provisions of this title, its own
10 rules, and rules adopted by the Secretary, ~~establish and regularly update~~
11 contribute to a long-term strategic vision articulated by the Secretary of
12 Education for the delivery of educational services in Vermont; ~~advise the~~
13 ~~General Assembly, the Governor, and the Secretary of Education on high-~~
14 ~~priority educational policies and issues as they arise;~~ and act in accordance
15 with legislative mandates, including the ~~adoption of rules and~~ executing special
16 assignments. In addition to other specified duties, the Board shall:

17 (1) Establish such advisory commissions as in the judgment of the
18 Board will be of assistance to it in carrying out its duties. Advisory
19 commission members shall serve with or without compensation at the
20 discretion of the Board but shall receive actual expenses incurred in pursuance
21 of their duties.

1 (2) Have the authority to enter into agreements with school districts,
2 municipalities, states, the United States, foundations, agencies, or individuals
3 for service, educational programs, or research projects.

4 (3) Examine and determine all appeals that by law are made to it and
5 prescribe rules of practice in respect thereto, not inconsistent with law.

6 (4) [Repealed.]

7 (5) [Repealed.]

8 ~~(6) Make regulations governing the attendance and records of~~
9 ~~attendance of all students and the department of students attending public~~
10 ~~schools.~~

11 (7) Adopt rules pursuant to 3 V.S.A. chapter 25 to carry out the powers
12 and duties of the Board as directed by the General Assembly, within the
13 limitations of legislative intent.

14 (8) [Repealed.]

15 ~~(9) Implement and continually update standards for student performance~~
16 ~~in appropriate content areas and at appropriate intervals in the continuum from~~
17 ~~kindergarten to grade 12 and methods of assessment to determine attainment of~~
18 ~~the standards for student performance. The standards shall be rigorous,~~
19 ~~challenging, and designed to prepare students to participate in and contribute to~~
20 ~~the democratic process and to compete in the global marketplace. The~~

1 standards shall include a standard for reading level proficiency for students
2 completing grade three.

3 (10) [Repealed.]

4 (11) ~~If deemed advisable, determine educational standards for admission
5 to and graduation from the public schools.~~

6 (12) [Repealed.]

7 (13) ~~Be the State Board for the program of adult education and literacy
8 and perform all the duties and powers prescribed by law pertaining to adult
9 education and literacy and to act as the State approval agency for educational
10 institutions conducting programs of adult education and literacy.~~

11 (14) ~~Adopt rules for approval of independent schools.~~

12 (15) ~~Establish criteria governing the establishment of a system for the
13 receipt, deposit, accounting, and disbursement of all funds by supervisory
14 unions and school districts.~~

15 (16) ~~In cooperation with the Secretary, ensure that the Agency develops
16 information, plans, and assistance to aid in making technology and
17 telecommunications available and coordinated in all school districts. The State
18 Board shall develop guidelines for distribution of federal, State, or private
19 funds designated for the development or expansion of distance learning
20 technologies. The guidelines shall encourage, consistent with any terms or~~

1 conditions established by the funding source, collaboration between schools
2 and school districts to realize economic and educational efficiencies.

3 (17) Report annually on the condition of education statewide and on a
4 supervisory union and school district basis. The report shall include
5 information on attainment of standards for student performance adopted under
6 subdivision (9) of this section, number and types of complaints of hazing,
7 harassment, or bullying made pursuant to chapter 9, subchapter 5 of this title
8 and responses to the complaints, financial resources and expenditures, and
9 community social indicators. The report shall be organized and presented in a
10 way that is easily understandable by the general public and that enables each
11 school, school district, and supervisory union to determine its strengths and
12 weaknesses. To the extent consistent with State and federal privacy laws and
13 regulations, data on hazing, harassment, or bullying incidents shall be
14 disaggregated by incident type, including disaggregation by ethnic groups,
15 racial groups, religious groups, gender, sexual orientation, gender identity,
16 disability status, and English language learner status. The Secretary shall use
17 the information in the report to determine whether students in each school,
18 school district, and supervisory union are provided educational opportunities
19 substantially equal to those provided in other schools, school districts, and
20 supervisory unions pursuant to subsection 165(b) of this title.

1 ~~(18) Ensure that Vermont's students, including students enrolled in~~
2 ~~secondary career technical education, have access to a substantially equal~~
3 ~~educational opportunity by developing a system to evaluate the equalizing~~
4 ~~effects of Vermont's education finance system and education quality standards~~
5 ~~under section 165 of this title.~~

6 (19) [Repealed.]

7 (20) Pursuant to section 806g of this title, constitute the State Council
8 for the Interstate Compact on Educational Opportunity for Military Children
9 and appoint to the Council a Compact Commissioner and Military Family
10 Education Liaison, who may be the same person. The Board may appoint
11 additional members.

12 (21) Report annually to the Governor and the General Assembly on the
13 progress the Board has made in the execution of its enumerated duties ~~on the~~
14 development of education policy for the State.

15 (22) Administer a statewide contract to provide annual training to school
16 board members on educational leadership and the roles and responsibilities of
17 the school district board. The State Board will select an appropriate training
18 vendor to speak to the Vermont context and to be informed by research-based
19 best practices.

1 (23) Annually, review each school district’s adopted equity budget
2 policy, and coordinate with school districts on the content and implementation
3 considerations for those policies.

4 (24) Annually, review the outcome of the District Quality Standards
5 evaluation of school board proficiency published by the Agency of Education.
6 The State Board shall convene public discussions with each school district to
7 identify areas for improvement, and to define the role(s) of the school board in
8 improving districtwide practices.

9 Sec. 5. 16 V.S.A. § 165 is amended as follows:

10 § 165. EDUCATION QUALITY STANDARDS; EQUAL EDUCATIONAL
11 OPPORTUNITIES; ~~INDEPENDENT SCHOOL MEETING~~
12 ~~EDUCATION QUALITY STANDARDS~~

13 (a) In order to carry out Vermont’s policy that all Vermont children will be
14 afforded educational opportunities that are substantially equal in quality, each
15 Vermont public school, including each career technical center, shall meet the
16 following education quality standards:

17 (1) The school, through a process including parents, teachers, students,
18 and community members, develops, implements, and annually updates a
19 continuous improvement plan to improve student performance within the
20 school. The plan shall include goals and objectives for improved student
21 learning and educational strategies and activities to achieve its goals. The plan

1 shall also address the effectiveness of efforts made since the previous
2 continuous improvement plan to ensure the school maintains a safe, orderly,
3 civil, and positive learning environment that is free from harassment, hazing,
4 and bullying. The school shall assess student performance under the plan
5 using a method or methods of assessment developed under subdivision 164(9)
6 of this title.

7 (2) The school, at least annually, reports student performance results to
8 community members in a format selected by the school board. In the case of a
9 regional career technical center, the community means the school districts in
10 the service region. The school report shall include:

11 (A) Information indicating progress toward meeting standards from
12 the most recent measure taken.

13 (B) [Repealed.]

14 (C) Information indicating progress toward meeting the goals of an
15 annual continuous improvement plan.

16 (D) Any other statistical information about the school or community
17 that the school board deems necessary to place student performance results in
18 context.

19 (E)–(G) [Repealed.]

20 (H) A description of how the school ensures that each student
21 receives appropriate career counseling and program information regarding

1 availability of education and apprenticeship program offerings at career
2 technical centers.

3 (I) [Repealed.]

4 (J) If the school is a secondary school, information and supporting
5 data presented in a manner designed to protect student confidentiality on the
6 dropout and graduation rates.

7 (K) Data provided by the Secretary that enable a comparison with
8 other schools, or school districts if school level data are not available, for cost-
9 effectiveness. The Secretary shall establish which data are to be included
10 pursuant to this subdivision and, notwithstanding that the other elements of the
11 report are to be presented in a format selected by the school board, shall
12 develop a common format to be used by each school in presenting the data to
13 community members. The Secretary shall provide the most recent data
14 available to each school no later than October 1 of each year. Data to be
15 presented include student-to-teacher ratio, administrator-to-student ratio,
16 administrator-to-teacher ratio, and cost per pupil.

17 (3) The school substantially meets standards adopted by rule of the ~~State~~
18 Board Agency of Education regarding conditions, practices, and resources of
19 schools. The standards shall address those aspects of the following that are
20 most closely associated with improving student performance:

1 (A) school leadership, staffing, average minimum class sizes, and
2 support services;

3 (i) the standards governing average minimum class size shall
4 require that for grades four through 12 average class sizes to be equivalent to
5 teacher to student ratio of 1:25 and for grades kindergarten through three shall
6 be equivalent to teacher to student ratios of 15:1;

7 (B) instructional practices and curriculum leadership, content, and
8 coordination;

9 (C) educational materials and school facilities;

10 (D) access to current technology.

11 (4) The school shall provide for and the staff shall use needs-based
12 professional development designed to improve the quality of education
13 provided to the students and directly connected to standards for student
14 performance established by the ~~State Board~~ Agency of Education and any
15 other educational performance goals established by the school board.

16 (5) The school uses staff evaluation to advance educational performance
17 objectives.

18 (6) The school ensures that students receive appropriate career
19 counseling and program information regarding the availability of education
20 and apprenticeship program offerings at career technical centers. In addition,

1 the school, if it is a secondary school, offers a genuine opportunity to access
2 career technical education programs.

3 (7) The school ensures that students are furnished educational services
4 in accordance with any State or federal entitlements and in a nondiscriminatory
5 manner.

6 (8) The school maintains a safe, orderly, civil, and positive learning
7 environment that is free from hazing, harassment, and bullying, and is based on
8 sound instructional and classroom management practices and clear discipline
9 policies that are consistently and effectively enforced.

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

- 1 (1) the Agency continue to provide technical assistance for one more
2 cycle of review;
- 3 (2) the State Board adjust ~~supervisory union boundaries or~~
4 responsibilities of the superintendency pursuant to section 242 of this title;
- 5 (3) the Secretary assume administrative control of an individual school,
6 or school district, or supervisory union, including budgetary control to ensure
7 sound financial practices, only to the extent necessary to correct deficiencies;
- 8 (4) the State Board close an individual school or schools and require that
9 the school district ~~pay tuition to another public school or an approved~~
10 ~~independent school pursuant to chapter 21 of this title~~ assign students to a
11 different school operated by the district; or
- 12 (5) the State Board require two or more school districts to consolidate
13 their governance structures.
- 14 (c) The State Board, after offering the school board an opportunity for a
15 hearing, shall either dismiss the Secretary's recommendation or order that one
16 or more of the actions listed in subsection (b) of this section be taken. The
17 action ordered by the State Board shall be the least intrusive consistent with the
18 need to provide students attending the school substantially equal educational
19 opportunities. A school board aggrieved by an order of the State Board may
20 appeal the order in accordance with the Rules of Civil Procedure.

1 (d) Nothing in this section shall be construed to entitle any student to
2 educational programs or services identical to those received by students in the
3 same or any other school district. Further, nothing in this section shall create a
4 private right of action.

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

13 ~~(f) In order to be designated an independent school meeting education~~
14 ~~quality standards, an independent school shall participate in the education~~
15 ~~quality standards process of subsection (b) of this section. An independent~~
16 ~~school shall receive technical assistance in accordance with the provisions of~~
17 ~~subsection (b), but shall not be subject to subdivisions (b)(2)–(4) of this~~
18 ~~section. The school shall be an independent school meeting education quality~~
19 ~~standards unless the State Board, after opportunity for hearing, finds that:~~

20 ~~(1) the school has discontinued its participation in the education quality~~
21 ~~standards process; or~~

1 ~~(2) two or more years following a determination that the school is not~~
2 ~~meeting the education quality standards or that the school is making~~
3 ~~insufficient progress in improving student performance, the school fails to~~
4 ~~meet the standards or make sufficient progress toward meeting the standards.~~

5 (g) In addition to the education quality standards provided in subsection (a)
6 of this section, each Vermont school district shall meet the school district
7 quality standards adopted by rule of the Agency of Education regarding the
8 business, facilities management, and governance practices of school districts.

9 These standards shall include a process for school district quality reviews to be
10 conducted by the Agency of Education. Annually, the Secretary shall publish
11 metrics regarding the outcomes of school district quality reviews.

12 Sec. 6. 16 V.S.A. § 166 is amended to read:

13 § 166. ~~APPROVED AND RECOGNIZED INDEPENDENT SCHOOLS;~~

14 INDEPENDENT SCHOOL SERVING AS SCHOOL CHOICE

15 SCHOOL FOR GRADES 9–12

16 (a) Authority. An independent school may operate and provide elementary
17 education or secondary education if it is ~~either approved or recognized or~~
18 designated as a school choice school as set forth in this section.

19 (b) ~~Approved independent schools. On application, the State Board shall~~
20 ~~approve an independent school that offers elementary or secondary education~~
21 ~~if it finds, after opportunity for hearing, that the school provides a minimum~~

1 course of study pursuant to section 906 of this title and that it substantially
2 complies with all statutory requirements for approved independent schools and
3 the Board's rules for approved independent schools. An independent school
4 that intends to accept public tuition shall be approved by the State Board only
5 on the condition that the school agrees, notwithstanding any provision of law
6 to the contrary, to enroll any student who requires special education services
7 and who is placed in or referred to the approved independent school as an
8 appropriate placement and least restrictive environment for the student by the
9 student's individualized education program team or by the local education
10 agency; provided, however, that this requirement shall not apply to an
11 independent school that limits enrollment to students who are on an
12 individualized education program or a plan under Section 504 of the
13 Rehabilitation Act of 1973, 29 U.S.C. § 794, and who are enrolled pursuant to
14 a written agreement between the local education agency and the school. Except
15 as provided in subdivision (6) of this subsection, the Board's rules must at
16 minimum require that the school have the resources required to meet its stated
17 objectives, including financial capacity, faculty who are qualified by training
18 and experience in the areas in which they are assigned, and physical facilities
19 and special services that are in accordance with any State or federal law or
20 regulation. Approval may be granted without State Board evaluation in the
21 case of any school accredited by a private, State, or regional agency recognized

1 by the State Board for accrediting purposes, provided that the State Board shall
2 determine that the school complies with all student enrollment provisions
3 required by law.

4 (1) ~~On application, the State Board shall approve an independent school~~
5 ~~that offers kindergarten but no other graded education if it finds, after~~
6 ~~opportunity for hearing, that the school substantially complies with the Board's~~
7 ~~rules for approved independent kindergartens. The State Board may delegate to~~
8 ~~another State agency the authority to evaluate the safety and adequacy of the~~
9 ~~buildings in which kindergartens are conducted but shall consider all findings~~
10 ~~and recommendations of any such agency in making its approval decision.~~

11 (2) ~~Approvals under this subsection (b) shall be for a term established~~
12 ~~by rule of the Board but not greater than five years.~~

13 (3) A recognized independent ~~approved independent~~ school shall
14 provide to the parent or guardian responsible for each of its students, prior to
15 accepting any money for a student, an accurate statement in writing of its
16 status under this section and a copy of this section. Failure to comply with this
17 provision may create a permissible inference of false advertising in violation of
18 13 V.S.A. § 2005.

19 (4) Each ~~approved independent~~ school choice school designated by a
20 school district pursuant to school shall provide to the Secretary on October 1 of
21 each year the names, genders, dates of birth, and addresses of its enrolled

1 students. Within seven days of the termination of a student's enrollment, the
2 school choice school shall notify the Secretary of the name and address of the
3 student. The Secretary shall notify the appropriate school officials as provided
4 in section 1126 of this title.

5 ~~(5) The State Board may revoke, suspend, or impose conditions upon~~
6 ~~the approval of an approved independent school, after having provided an~~
7 ~~opportunity for a hearing, for substantial failure to comply with the minimum~~
8 ~~course of study, for failure to demonstrate that the school has the resources~~
9 ~~required to meet its stated objectives, for failure to comply with statutory~~
10 ~~requirements or the Board's rules for approved independent schools, or for~~
11 ~~failure to report under subdivision (4) of this subsection (b). Upon that~~
12 ~~revocation or suspension, students required to attend school who are enrolled~~
13 ~~in that school shall become truant unless they enroll in a public school, an~~
14 ~~approved or recognized independent school, or a home study program.~~

15 ~~(6) This subdivision (6) applies to an independent school located in~~
16 ~~Vermont that offers a distance learning program and that, because of its~~
17 ~~structure, does not meet some or all the rules of the State Board for approved~~
18 ~~independent schools. In order to be approved under this subdivision, a school~~
19 ~~shall meet the standards adopted by rule of the State Board for approved~~
20 ~~independent schools that can be applied to the applicant school and any other~~
21 ~~standards or rules adopted by the State Board regarding these types of schools.~~

1 ~~A school approved under this subdivision shall not be eligible to receive tuition~~
2 ~~payments from public school districts under chapter 21 of this title.~~

3 (7) Approval for independent residential schools under this subsection is
4 also contingent upon proof of the school's satisfactory completion of an annual
5 fire safety inspection by the Department of Public Safety or its designee
6 pursuant to 20 V.S.A. chapter 173, subchapter 2. A certificate executed by the
7 inspecting entity, declaring satisfactory completion of the inspection and
8 identifying the date by which a new inspection must occur, shall be posted at
9 the school in a public location. The school shall provide a copy of the
10 certificate to the Secretary of Education after each annual inspection. The
11 school shall pay the actual cost of the inspection unless waived or reduced by
12 the inspecting entity.

13 ~~(8)(A) If an approved independent school experiences any of the~~
14 ~~following financial reporting events during the period of its approved status,~~
15 ~~the school shall notify the Secretary of Education within five days after its~~
16 ~~knowledge of the event unless the failure is de minimis:~~

17 ~~(i) the school's failure to file its federal or State tax returns when~~
18 ~~due, after permissible extension periods have been taken into account;~~

19 ~~(ii) the school's failure to meet its payroll obligations as they are~~
20 ~~due or to pay federal or State payroll tax obligations as they are due;~~

1 ~~(iii) the school's failure to maintain required retirement~~
2 ~~contributions;~~

3 ~~(iv) the school's use of designated funds for nondesignated~~
4 ~~purposes;~~

5 ~~(v) the school's inability to fully comply with the financial terms~~
6 ~~of its secured installment debt obligations over a period of two consecutive~~
7 ~~months, including the school's failure to make interest or principal payments~~
8 ~~as they are due or to maintain any required financial ratios;~~

9 ~~(vi) the withdrawal or conditioning of the school's accreditation~~
10 ~~on financial grounds by a private, State, or regional agency recognized by the~~
11 ~~State Board for accrediting purposes; or~~

12 ~~(vii) the school's insolvency, as defined in 9 V.S.A. § 2286(a).~~

13 ~~(B)(i) If the Secretary reasonably believes that an approved~~
14 ~~independent school lacks financial capacity to meet its stated objectives during~~
15 ~~the period of its approved status, then the Secretary shall notify the school in~~
16 ~~writing of the reasons for this belief and permit the school a reasonable~~
17 ~~opportunity to respond.~~

18 ~~(ii) If the Secretary, after having provided the school a reasonable~~
19 ~~opportunity to respond, does not find that the school has satisfactorily~~
20 ~~responded or demonstrated its financial capacity, the Secretary may establish a~~

1 review team that, with the consent of the school, includes a member of the
2 Council of Independent Schools, to:

3 (I) conduct a school visit to assess the school's financial
4 capacity;

5 (II) obtain from the school such financial documentation as the
6 review team requires to perform its assessment; and

7 (III) submit a report of its findings and recommendations to the
8 State Board.

9 (iii) If the State Board concludes that an approved independent
10 school lacks financial capacity to meet its stated objectives during the period of
11 its approved status, the State Board may take any action that is authorized by
12 this section.

13 (iv) In considering whether an independent school lacks financial
14 capacity to meet its stated objectives during the period of its approved status
15 and what actions the State Board should take if it makes this finding, the State
16 Board may consult with, and draw on the analytical resources of, the Vermont
17 Department of Financial Regulation.

18 (C) Information provided by an independent school under this
19 subsection that is not already in the public domain is exempt from public
20 inspection and copying under the Public Records Act and shall be kept
21 confidential.

1 School Choice Schools. An independent school may be designated as a
2 School Choice School to serve grades 9–12 by the school district in which it is
3 geographically located. In order to be eligible for designation, an independent
4 school shall be certified by th Agency of Education as meeting the following
5 criteria:

6 (1) use of state standardized assessments,

7 (2) implementation of minimum state graduation requirements,

8 (3) the provision of special education services to all enrolled students to
9 the same extent as would be required of a public school operated by a school
10 district,

11 (4) completion of an annual single-audit by a certified public
12 accountant, which shall be submitted to the Agency of Education,

13 (5) maintenance of minimum financial reserves, in an amount to be
14 established by rules adopted by the Agency of Education,

15 (6) Compliance with the school choice school requirements of the
16 Education Quality Standards as defined by the Secretary through rule making,

17 (7) Compliance with school safety requirements in chapter 33 of this
18 title,

19 (8) Adherence in all policies and operations with nondiscrimination
20 requirements of Title 9 chapter 139,

1 (9) Adoption of harassment, hazing, and bullying prevention policies
2 required by chapter 9, subchapter 5 of this title; except that the board shall
3 follow its own procedures for adopting policy,

4 (10) The school annually announces a capacity for incoming students to
5 attend on a publicly funded basis in the following school year,

6 (11) The school was an approved independent school on July 1, 2025,

7 (12) The school's enrollment is at least 51 percent comprised of students
8 attending on a district-funded tuition basis as of July 1, 2025,

9 (13) The school has a policy to govern a nondiscriminatory lottery
10 system for determining which students may enroll in the school on a publicly
11 funded basis when student interest exceeds capacity.

12 (14) The school offers due process protections prior to suspending or
13 expelling a student attending on a publicly funded basis that are at least as
14 comprehensive as those required of public schools in section 1162 of this title.

15 (c) Recognized independent schools. Upon filing an enrollment notice, a
16 recognized independent school may provide elementary or secondary
17 education in Vermont. The enrollment notice shall be on a form provided by
18 the Secretary and shall be filed with the Secretary no earlier than three months
19 before the beginning of the school year for the public schools in the town in
20 which the applicant proposes to locate.

1 (1) The enrollment notice shall contain the following information and
2 assurances:

3 (A) a statement that the school will be in session an amount of time
4 substantially equivalent to that required for public schools;

5 (B) a detailed description or outline of the minimum course of study
6 for each grade level the school offers and how the annual assessment of each
7 student will be performed; and

8 (C) assurances that:

9 (i) the school will prepare and maintain attendance records for
10 each student enrolled or regularly attending classes;

11 (ii) at least once each year, the school will assess each student's
12 progress, and will maintain records of that assessment, and present the result of
13 that assessment to each student's parent or guardian;

14 (iii) the school's educational program will include the minimum
15 course of study set forth in section 906 of this title;

16 (iv) the school will have teachers and materials sufficient to carry
17 out the school's educational program; and

18 (v) the school will meet such State and federal laws and
19 regulations concerning its physical facilities and health and safety matters as
20 are applicable to recognized independent schools.

1 (2) If the Secretary has information that creates significant doubt about
2 whether the school would be able to meet the requirements set forth in this
3 subsection (c), the Secretary may call a hearing. At the hearing, the school
4 shall establish that it can meet the requirements for recognized independent
5 schools. Failure to do so shall result in a finding by the Secretary that the
6 school must take specified action to come into compliance within a specified
7 time frame or the children enrolled must attend another recognized
8 independent school, a public school, an approved independent school, or a
9 home study program, or be declared truant unless absent with legal excuse.

10 (3) A recognized independent school shall provide to each student's
11 parent or guardian a copy of its currently filed statement of objectives and a
12 copy of this section. The copy shall be provided when the student enrolls or
13 before September 1, whichever comes later. Failure to comply with this
14 subsection may create a permissible inference of false advertising in violation
15 of 13 V.S.A. § 2005.

16 (4) A recognized independent school shall renew its enrollment notice
17 annually. An independent school shall be recognized for a period not to
18 exceed five years by the Secretary without need for filing an annual enrollment
19 notice if:

20 (A) it is recognized by an organization approved by the State Board
21 for the purpose of recognizing such school; or

1 (B) it is accredited by a private, state, or regional agency approved by
2 the State Board for accrediting purposes; provided, however, nothing in this
3 subdivision (4) shall be construed to prohibit the Secretary from initiating a
4 hearing under this subsection (c).

5 (5) If the Secretary has information that creates significant doubt about
6 whether the school, once in operation, is meeting the requirements for
7 recognized independent schools, the Secretary may call a hearing. At the
8 hearing, the school shall establish that it has met the requirements for
9 recognized independent schools. Failure to do so shall result in a finding by
10 the Secretary that:

11 (A) the school may not be in operation for the remainder of the
12 school year and that the children are truant unless absent with legal excuse or
13 enrolled in a public school, ~~an independent school~~, another recognized
14 independent school, or a home study program; or

15 (B) the school must take specified action to come into compliance
16 within a specified time frame or the school will not be permitted to operate for
17 the remainder of the school year.

18 (6) Each recognized independent school shall provide to the Secretary
19 on October 1 of each year the names, genders, dates of birth, and addresses of
20 its enrolled students. Within seven days of the termination of a student's
21 enrollment, the recognized independent school shall notify the Secretary of the

1 name and address of the student. The Secretary shall notify the appropriate
2 school officials as provided in section 1126 of this title.

3 (7) After the filing of the enrollment notice or at a hearing, if the school
4 is unable to comply with any specific requirements due to deep religious
5 conviction shared by an organized group, the Secretary may waive such
6 requirements if he or she determines that the educational purposes of this
7 subsection are being or will be substantially met.

8 ~~(d) Council of Independent Schools. A Council of Independent Schools is~~
9 ~~created consisting of 11 members, no fewer than three of whom shall be~~
10 ~~representatives of recognized independent schools. The Secretary shall appoint~~
11 ~~nine members from within the independent schools' community. The Secretary~~
12 ~~shall appoint two members from the public at large. Each member shall serve~~
13 ~~for two years and may be reappointed for up to an additional two terms. The~~
14 ~~Council shall adopt rules for its own operation. A chair shall be elected by and~~
15 ~~from among the members. The duties of the Council shall include advising the~~
16 ~~Secretary on policies and procedures with respect to independent schools. No~~
17 ~~hearing shall be initiated under this section before the State Board or by the~~
18 ~~Secretary until the recommendations of the Council have been sought and~~
19 ~~received. The recommendations of the Council, including any minority reports,~~
20 ~~shall be admissible at the hearing. [Repealed.]~~

1 (e) Harassment, hazing, and bullying policies. The board of trustees of an
2 ~~approved or a~~ recognized independent school operating in Vermont shall adopt
3 harassment, hazing, and bullying prevention policies; establish procedures for
4 dealing with harassment, hazing, and bullying of students; and provide notice
5 of these. The provisions of chapter 9, subchapter 5 of this title for public
6 schools shall apply to this subsection, except that the board shall follow its
7 own procedures for adopting policy.

8 ~~(f) Tuition bills. An approved independent school that accepts students for~~
9 ~~whom the district of residence pays tuition under chapter 21 of this title shall~~
10 ~~bill the sending district monthly for a State placed student and shall not bill the~~
11 ~~sending district for any month in which the State placed student was not~~
12 ~~enrolled. [Repealed.]~~

13 ~~(g) Tuition students; assessments. An approved independent school that~~
14 ~~accepts students for whom the district of residence pays tuition under chapter~~
15 ~~21 of this title shall use the assessment or assessments required under~~
16 ~~subdivision 164(9) of this title to measure attainment of standards for student~~
17 ~~performance of those students. In addition, the school shall provide data related~~
18 ~~to the assessment or assessments as required by the Secretary. [Repealed.]~~

19 Sec. 7. AGENCY OF EDUCATION STUDY OF COOPERATIVE

20 EDUCATION SERVICES AND THERAPEUTIC PROGRAMS,

21 STATEWIDE SALARY SCHEDULE; REPORT

1 The Agency of Education shall convene superintendents, directors of
2 therapeutic independent schools, special education directors and other experts
3 in the opinion of the Agency to study the need for cooperative education
4 services and the oversight of therapeutic schools within the governance
5 framework created by this Act. The Agency shall submit a summary of its
6 findings and recommended legislative language to the House Committee on
7 Education and the Senate Committee on Education on or before December 15,
8 2025. The Agency shall also submit recommendations for legislative language
9 to implement a statewide salary schedule with its report.

10 Sec. 8. 16 V.S.A. § 241 is amended to read:

11 § 241. APPOINTMENT

12 (a) Each supervisory union board, with the advice of the Secretary, ~~may~~
13 shall employ a superintendent of schools.

14 (b) A superintendent shall be employed by written contract for a term not
15 to exceed five years nor less than one year and shall work the number of hours
16 required by contract, performing the duties designated in the contract or
17 assigned by the board. A superintendent of schools may be dismissed for
18 cause or as specified in the contract of employment.

19 (c) Not later than May 15 of a year in which an incumbent superintendent's
20 contract of employment expires, the supervisory union board shall meet to
21 renew or act otherwise upon the superintendent's contract. ~~If a supervisory~~

1 ~~union employs a superintendent, the supervisory union board shall specify and~~
2 ~~assign the duties of a superintendent. If the supervisory union board does not~~
3 ~~hire a superintendent, the board may assign any duties assigned to the~~
4 ~~superintendent under this title to the school principal or principals in the~~
5 ~~supervisory union or to other qualified persons designated by the board.~~

6 Sec. 9. 16 V.S.A. § 242 is amended to read:

7 § 242. DUTIES OF SUPERINTENDENTS

8 The superintendent shall be the chief executive officer for the ~~supervisory~~
9 ~~union board and for each school board within the supervisory union,~~ and shall:

10 (1) Carry out the policies adopted by the school boards relating to the
11 educational or business affairs of the school district ~~or supervisory union,~~ and
12 develop procedures to do so.

13 (2) Prepare, for adoption by a local the school board, plans to achieve
14 the educational goals and objectives established by the school district.

15 (3)(A) Nominate a candidate for employment by the school district ~~or~~
16 ~~supervisory union~~ if the vacant position requires a licensed employee;
17 provided, if the ~~appropriate~~ board declines to hire a candidate, then the
18 superintendent shall nominate a new candidate;

19 (B) select nonlicensed employees to be employed by the district ~~or~~
20 ~~supervisory union;~~ and

1 (C) dismiss licensed and nonlicensed employees of a school district
2 ~~or the supervisory union~~ as necessary, subject to all procedural and other
3 protections provided by contract, collective bargaining agreement, or provision
4 of State and federal law.

5 (4)(A) Provide data and information required by the Secretary and by
6 using a format approved by the Secretary to:

7 (i) Report budgetary data for the subsequent school year and fiscal
8 year.

9 (ii) Report all financial operations within the ~~supervisory union~~
10 district to the Secretary ~~and State Board~~ for the preceding school year on or
11 before August 15 of each year.

12 (iii) Report all financial operations for ~~each member~~ the school
13 district to the Secretary ~~and State Board~~ for the preceding school year on or
14 before August 15 of each year.

15 ~~(B) Prepare for each district an itemized report detailing the portion~~
16 ~~of the proposed supervisory union budget for which the district would be~~
17 ~~assessed for the subsequent school year identifying the component costs by~~
18 ~~category and explaining the method by which the district's share for each cost~~
19 ~~was calculated; and provide the report to each district at least 14 days before a~~
20 ~~budget, including the supervisory union assessment, is voted on by the~~
21 ~~electorate of the district.~~

1 As of July 1, 2027:

2 (1) The member districts of the Barre SD, Central Vermont SU,
3 Harwood UUSD, Lamoille North MUUSD, Lamoille South UUSD,
4 Montpelier Roxbury School District, Orange Southwest SU, Orleans
5 Southwest SU, Orleans Southwest SU, Washington Central School District,
6 White River Valley School District shall constitute the Winooski Valley
7 UUSD.

8 (2) The member districts of the Bennington-Rutland SU, Greater
9 Rutland County SU, Mill River UUSD, Rutland City SD, Rutland Northeast
10 UUSD, Slate Valley UUSD, Southwest Vermont UUSD, Southwest Tech
11 Center shall constitute the Southwest Vermont UUSD.

12 (3) The member districts of Hartford SD, Mountain Views UUSD, River
13 Valley Tech Center, Springfield SD, Two Rivers SD, Windham Central SU,
14 Windham Northeast SU, Windham Southeast SU, Windham Southwest SU,
15 Windsor Southeast SU shall constitute the Southeast Vermont UUSD.

16 (4) The member districts of Caledonia Central SU, Essex North SU,
17 Kingdom East UUSD, North Country SU, Orange East SU, Orleans Central
18 UUSD, St. Johnsbury SD shall constitute the Northeast Vermont UUSD.

19 (5) The Addison Central SD, the Addison Norwest SD, Burlington SD,
20 Champlain Valley SD, Colchester SD, Essex Westford ECUUSD, Franklin
21 Northeast SU, Franklin West SU, Grand Isle SU, Lincoln School District,

1 Maple Run SD, Milton SD, Franklin Northwest SU, Mount Mansfield SD,
2 Patricia Hanaford Tech Center, South Burlington SD, Winooski SD shall
3 constitute the Champlain Valley UUSD.
4 (effective on passage)

5 Sec. 13. 16 V.S.A. § 563 is amended to read:

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

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

9 (1) Shall determine the educational policies of the school district. Board
10 policies shall be of general application to the district and shall be in writing,
11 codified, and made available to the public. Board policies shall be adopted at
12 regular or special school board meetings. A school board shall give public
13 notice of its intent to adopt a board policy, stating the substance of the
14 proposed policy, at least ten days prior to its adoption. A school board may
15 also approve or disapprove rules and regulations proposed by the principal or
16 superintendent for the conduct and management of public schools in the
17 district.

18 (2) May take any action that is required for the sound administration of
19 the school district. The Secretary, with the advice of the Attorney General,
20 upon application of a school board, shall decide whether any action
21 contemplated or taken by a school board under this subdivision is required for

1 the sound administration of the district and is proper under this subdivision.

2 The Secretary's decision shall be final.

3 (3) Shall have the possession, care, control, and management of the
4 property of the school district, subject to the authority vested in the electorate
5 or any school district official.

6 (4) [Repealed.]

7 (5) Shall keep the school buildings and grounds in good repair, suitably
8 equipped, insured, and in safe and sanitary condition at all times. The school
9 board shall regulate or prohibit firearms or other dangerous or deadly weapons
10 on school premises. At a minimum, a school board shall adopt and implement
11 a policy at least consistent with section 1166 of this title and 13 V.S.A. § 4004,
12 relating to a student who brings a firearm to or possesses a firearm at school.

13 (6) Shall have discretion to furnish instruction to students who have
14 completed a secondary education and to administer early educational
15 programs.

16 (7) May relocate or discontinue use of a schoolhouse or facility, subject
17 to the provisions of sections 821 and 822 of this title.

18 (8) Shall establish and maintain a system for receipt, deposit,
19 disbursement, accounting, control, and reporting procedures that meets the
20 criteria established by the ~~State Board pursuant to subdivision 164(15)~~ Agency
21 pursuant to section 165(g) of this title and that ensures that all payments are

1 lawful and in accordance with a budget adopted or amended by the school
2 board. The school board may authorize a subcommittee, the superintendent of
3 schools, or a designated employee of the school board to examine claims
4 against the district for school expenses and draw orders for the payment of
5 those claims. Such orders shall state definitely the purpose for which they are
6 drawn and shall serve as full authority to the treasurer to make such payments.
7 It shall be lawful for a school board to submit to its treasurer a certified copy of
8 those portions of the board minutes, properly signed by the clerk and chair, or
9 a majority of the board, showing to whom and for what purpose each payment
10 is to be made by the treasurer, and such certified copy shall serve as full
11 authority to the treasurer to make the payments as thus approved.

12 (9) Shall establish with the advice and consent of the Auditor of
13 Accounts and the Secretary a system of accounts for the proper control and
14 reporting of school district finances and for stating the annual financial
15 condition of the school district.

16 ~~(10) Shall prepare and distribute to the electorate, not less than ten days~~
17 ~~prior to the district's annual meeting, a report of the conditions and needs of~~
18 ~~the district school system, including the superintendent's, supervisory union~~
19 ~~treasurer's, and school district treasurer's annual report for the previous school~~
20 ~~year and the balance of any reserve funds established pursuant to 24 V.S.A.~~
21 ~~§ 2804. At a school district's annual meeting, the electorate may vote to~~

1 ~~provide notice of availability of the report required by this subdivision to the~~
2 ~~electorate in lieu of distributing the report. If the electorate of the school~~
3 ~~district votes to provide notice of availability, it must specify how notice of~~
4 ~~availability shall be given, and such notice of availability shall be provided to~~
5 ~~the electorate at least 30 days before the district's annual or special meeting.~~

6 (11)(A) Shall prepare and ~~distribute~~ publish annually a proposed budget
7 for the next school year according to such major categories as may from time
8 to time be prescribed by the Secretary. The board shall hold no fewer than two
9 informational meetings at which the public can comment on the proposed
10 budget.

11 (B) [Repealed.]

12 ~~(C) At a school district's annual or special meeting, the electorate~~
13 ~~may vote to provide notice of availability of the school budget required by this~~
14 ~~subdivision to the electorate in lieu of distributing the budget. If the electorate~~
15 ~~of the school district votes to provide notice of availability, it must specify how~~
16 ~~notice of availability shall be given, and such notice of availability shall be~~
17 ~~provided to the electorate at least 30 days before the district's annual meeting.~~
18 ~~The proposed budget shall be prepared and distributed at least ten days before~~
19 ~~a sum of money is voted on by the electorate. Any proposed budget shall show~~
20 ~~the following information in a format prescribed by the Secretary:~~

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

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

8 ~~(iii) the anticipated homestead tax rate and the percentage of~~
 9 ~~household income used to determine income sensitivity in the district as a~~
 10 ~~result of passage of the budget, including those portions of the tax rate~~
 11 ~~attributable to supervisory union assessments; and~~

12 ~~(iv) the definition of “education spending,” the number of pupils~~
 13 ~~and number of equalized pupils in the school district, and the district’s~~
 14 ~~education spending per equalized pupil in the proposed budget and in each of~~
 15 ~~the prior three years.~~

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

18 ~~“Article #1 (School Budget):~~
 19 ~~Shall the voters of the school district approve the school board to expend \$~~
 20 ~~_____ , which is the amount the school board has determined to be necessary~~
 21 ~~for the ensuing fiscal year?~~

1 ~~The _____ District estimates that this proposed budget, if approved, will~~
2 ~~result in per pupil education spending of \$ _____, which is _____%~~
3 ~~higher/lower than per pupil education spending for the current year.”~~

4 (12) Shall employ such persons as may be required to carry out the work
5 of the school district pursuant to the provisions of subdivision 242(3) of this
6 title.

7 (13) [Repealed.]

8 (14) Shall provide, at the expense of the district, subject to the approval
9 of the superintendent, all text books, learning materials, equipment, and
10 supplies.

11 (15) Shall exercise the general powers given to a legislative branch of a
12 municipality.

13 (16) May execute contracts on behalf of the school district, including
14 contracts providing for binding arbitration, by its chair or any person
15 designated whose appointment is recorded in the minutes of the board.

16 (17)(18) [Repealed.]

17 (19) Shall allow any high school student who meets the academic
18 requirements of the high school to graduate and receive a diploma in less than
19 four years.

20 (20) Shall establish policies and procedures designed to avoid the
21 appearance of board member conflict of interest.

1 (21) Shall have the authority to engage in short-term borrowing to cover
2 the costs of those portions of projects approved by the State Board and that
3 will be reimbursed by the State Board under sections 3447–3456 of this title
4 but which payments will be delayed. However, the board shall borrow under
5 this subdivision only amounts that it would receive if the State Board could
6 fund its obligation and may borrow no earlier than the time it would have
7 received the funds. The State shall not pay for costs of borrowing funds under
8 this subdivision.

9 (22) May apply for grants and may accept and expend grants or gifts.
10 The board shall include, in its annual report, a description of all grants or gifts
11 accepted during the year and associated expenditures.

12 (23) May, at the expense of the district, present informational materials
13 to the electorate on any matter to be voted. However, such materials shall be
14 limited to those that are reasonably designed to inform, educate, and explain to
15 the electorate the board's position on the matter.

16 (24) Shall adopt a policy that, in accordance with rules adopted by the
17 ~~State Board of Education~~ Agency of Education, will integrate home study
18 students into its schools through enrollment in courses, participation in
19 cocurricular and extracurricular activities, and use of facilities.

20 (25) Shall, ~~if it is a school board of a school district that maintains a~~
21 ~~secondary school, upon request,~~ award a high school diploma to any Vermont

1 resident who served in the military in World War II, the Korean War, or during
2 the Vietnam era, was honorably separated from active federal military service,
3 and does not hold a high school diploma. The ~~State Board~~ Agency of
4 Education shall develop and make available an application form for veterans
5 who wish to request a high school diploma.

6 (26) [Repealed.]

7 (27) Annually, shall inform each secondary student and the student's
8 parents or guardians of the right to opt out of the federal requirement that
9 student contact information be provided to military recruiters or institutions of
10 higher education pursuant to 20 U.S.C. § 7908(a). A school board shall enable
11 the secondary student and the student's parents or guardians to disallow
12 provision of student contact information to either military recruiters or
13 institutions of higher education, while allowing provision of information to the
14 other. For purposes of this subdivision, "secondary student" means a student
15 in grade 9, 10, 11, or 12.

16 (28) Annually, shall inform students and their parents or guardians of
17 their options for school choice under applicable laws or policy.

18 (29) Shall assign an employee to annually:

19 (A) inform parents of students with life-threatening allergies and life-
20 threatening chronic illnesses of applicable provisions of Section 504 of the

1 Rehabilitation Act of 1973 and other applicable federal statutes, State statutes,
2 federal regulations, and State rules;

3 (B) inform appropriate school staff of their responsibilities; and

4 (C) provide necessary training to carry out these responsibilities.

5 (30) May make available school facilities and equipment for specified
6 public purposes if such purposes appear, in the judgment of the board, to be in
7 the best interests of the district and are an efficient, economical, and
8 appropriate use of the facilities and equipment.

9 (31) Subject to the requirements of section 571 of this title, may enter
10 into contracts with other school boards to provide joint programs, services,
11 facilities, and professional or other staff.

12 (32) May enter into a contract or contracts with a school offering a
13 distance learning program that is approved by one or more accrediting agencies
14 recognized by the U.S. Department of Education or is approved in Vermont
15 pursuant to subdivision 166(b)(6) of this title.

16 (33) Establish a district-wide curriculum. The curriculum shall meet the
17 requirements adopted by the Agency of Education under subdivision
18 165(a)(3)(B) of this title.

19 (34) Assist each school in the district to follow the curriculum as
20 adopted under the requirements of the Agency of Education pursuant to
21 subdivision 165(a)(3)(B) of this title.

1 (35) In accordance with criteria established by the Agency of Education
2 establish and implement a plan for receiving and disbursing federal and State
3 funds distributed by the Agency of Education, including funds awarded under
4 P.L. 89-10, the Elementary and Secondary Education Act of 1965 as amended.

5 (36) Provide professional development programs or arrange for the
6 provision of them, or both, for teachers, administrators, and staff within the
7 district, which may include programs offered solely to one school or other
8 component of the entire district to meet the specific needs or interests of that
9 component; a district has the discretion to provide financial assistance outside
10 the negotiated agreements for teachers' professional development activities.

11 (37) Provide special education services to resident students and
12 compensatory and remedial services and provide or coordinate the provision of
13 other educational services as directed by the Agency.

14 (38) Employ a person or persons qualified to provide financial and
15 student data management services.

16 (39) Provide the following services in a manner that promotes the
17 efficient use of financial and human resources:

18 (A) manage a system to procure and distribute goods and operational
19 services;

20 (B) manage construction projects;

1 operational date of the union school district, which will potentially merge or
2 have merged to form the new union school district.

3 ***

4 15) “New Union District” shall refer to a school district created by the
5 General Assembly pursuant to [this Act] which shall assume operations on July
6 1, 2027.

7 ***

8 ~~§ 706. PROPOSAL TO FORM STUDY COMMITTEE; BUDGET AND~~
9 ~~MEMBERSHIP ATTENDANCE IN ACADEMIC YEAR 2027–2028~~

10 ~~(a) Establishment of committee. When the boards of two or more school~~
11 ~~districts vote to establish a study committee to study the advisability of~~
12 ~~forming a union school district or are petitioned to do so by at least five~~
13 ~~percent of voters in the school district, the boards shall meet with the~~
14 ~~superintendent or superintendents of each school district. With the advice of~~
15 ~~the superintendent or superintendents, the boards shall establish a budget for~~
16 ~~the study committee’s work and shall determine the number of persons to serve~~
17 ~~on the study committee pursuant to subsection (b) of this section.~~

18 ~~(b) Budget and membership. Each participating school district’s share of~~
19 ~~the established budget and membership on the study committee shall be the~~
20 ~~same as the proportion of the school district’s equalized pupils to the total~~
21 ~~equalized pupils of all school districts intending to participate formally in the~~

1 study committee. As used in this subsection, “equalized pupils” has the same
2 meaning as in section 4001 of this title.

3 ~~(e) Existing union school districts.~~

4 ~~(1) Existing union elementary or union high school district; proposed~~
5 ~~unified union school district. If the board of an existing union elementary or~~
6 ~~union high school district votes to participate in a study committee to consider~~
7 ~~formation of a unified union school district, or is petitioned by the voters to do~~
8 ~~so, then:~~

9 ~~(A) The interests of the existing union school district shall be~~
10 ~~represented by its member districts on the study committee.~~

11 ~~(B) Any warning and vote on the study committee budget pursuant to~~
12 ~~section 707 of this chapter and the warning and vote on any resulting proposal~~
13 ~~to form a unified union school district pursuant to section 710 shall be at the~~
14 ~~member district level.~~

15 ~~(C) If the existing union school district does not have any member~~
16 ~~districts because all towns for which it is organized are members of both a~~
17 ~~union elementary school district and a union high school district, then the~~
18 ~~existing union school district shall represent its own interests on the study~~
19 ~~committee, and the towns within it shall not participate on its behalf.~~

20 ~~(D) If a town is a member of both a union elementary school district~~
21 ~~and a union high school district, is not independently organized as a district~~

1 that is responsible for the education of students in any grade, and does not have
2 a town school district board, then notwithstanding other provisions to the
3 contrary:

4 (i) To the extent possible, the boards of the union elementary and
5 union high school districts of which the town is a member shall make a
6 reasonable attempt, jointly, to appoint a member to the study committee who
7 resides in the town.

8 (ii) The legislative body or appropriate officer of the town shall
9 perform electoral functions, including warning meetings and conducting the
10 voting process, ordinarily performed by and in member districts on behalf of a
11 union school district.

12 (2) Existing unified union school district; proposed unified union school
13 district. If the board of a unified union school district votes to participate in a
14 study committee to consider formation of a new unified union school district
15 rather than the enlargement of the existing unified union school district
16 pursuant to section 721 (joining an existing union school district) of this
17 chapter, or is petitioned by the voters to do so, then:

18 (A) The existing unified union school district shall represent its own
19 interests on the study committee, and the towns within it shall not participate
20 on its behalf.

1 ~~(B) To the extent possible, the board of the existing unified union~~
2 ~~school district shall make a reasonable attempt to appoint members to the study~~
3 ~~committee who reside in each town within the district.~~

4 ~~(C) Any warning and vote on the study committee budget pursuant to~~
5 ~~section 707 of this chapter and the warning and vote of the electorate on any~~
6 ~~resulting proposal to form a new unified union school district pursuant to~~
7 ~~section 710 shall proceed pursuant to the provisions for commingled~~
8 ~~Australian ballot voting as set forth in subchapter 3 (unified union school~~
9 ~~districts) of this chapter.~~

10 ~~(3) Existing union elementary or union high school district; proposed~~
11 ~~union elementary or union high school district. If the board of an existing~~
12 ~~union elementary or union high school district votes to participate in a study~~
13 ~~committee to consider formation of a new union elementary or union high~~
14 ~~school district rather than enlarging the existing union school district pursuant~~
15 ~~to section 721 (joining an existing union school district) of this chapter, or is~~
16 ~~petitioned by the voters to do so, then:~~

17 ~~(A) The existing union school district shall represent its own interests~~
18 ~~on the study committee, and the member districts of the existing union school~~
19 ~~district shall not participate on its behalf.~~

20 ~~(B) To the extent possible, the board of the existing union school~~
21 ~~district shall make a reasonable attempt to appoint members to the study~~

1 committee who reside in each of the member districts within the existing union
2 school district.

3 ~~(C) Any warning and vote on the study committee budget pursuant to~~
4 ~~section 707 of this chapter and the warning and vote of the electorate on any~~
5 ~~resulting proposal to form a new union elementary or union high school district~~
6 ~~pursuant to section 710 of this chapter shall proceed pursuant to the provisions~~
7 ~~for commingled Australian ballot voting as set forth in subchapter 4 (union~~
8 ~~elementary and union high school districts) of this chapter.~~

9 In academic year 2027–2028, each student in the New Union District will
10 attend the school that a student residing in that town would have attended in
11 academic year 2026–2027; provided however, that the Superintendent may
12 grant a parent’s or guardian’s request for student enrollment in a different
13 school operated by the New Union District based on individual student
14 circumstances and the Superintendent’s determination of the school’s capacity
15 to serve the child. Additionally, the Superintendent may adjust student
16 attendance locations to respond to unforeseen circumstances, such as facilities
17 failures.

18 ~~§ 707. APPROVAL OF STUDY BUDGET; APPOINTMENT OF STUDY~~
19 ~~COMMITTEE; PARTICIPATION FINANCES~~

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

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

9 ~~Shall the school district of _____~~
10 ~~appropriate funds necessary to support the school district's financial share of a~~
11 ~~study to determine the advisability of forming a union school district with~~
12 ~~some or all of the following school districts:~~

13 ~~_____~~,
14 ~~_____, and~~
15 ~~_____? It is estimated that the~~
16 ~~_____ school district's share, if all~~
17 ~~of the identified school districts vote to participate, will be~~
18 ~~\$_____. The total proposed budget,~~
19 ~~to be shared by all participating school districts is~~
20 ~~\$_____."~~

1 ~~(2) If the vote in subdivision (1) of this subsection is in the affirmative~~
2 ~~in two or more school districts, then the boards of the affirming school districts~~
3 ~~shall appoint a study committee consisting of the number of persons~~
4 ~~determined pursuant to section 706 (proposed study committee budget and~~
5 ~~membership) of this chapter. 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 ~~(3) 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 Indebtedness, Including Capital Debt. The New Union District shall assume
14 all indebtedness that may exist on June 30, 2027, including capital debt and
15 including both principal and interest, of the Forming Districts.

16 (b) Proposed budget not exceeding \$50,000.00.

17 ~~(1) If the proposed budget established in section 706 of this chapter does~~
18 ~~not exceed \$50,000.00, then the boards of the participating school districts~~
19 ~~shall appoint a study committee consisting of the number of persons~~
20 ~~determined under that section. At least one current board member from each~~
21 ~~participating school district shall be appointed to the study committee. The~~

1 board of a school district appointing more than one person to the study
2 committee may appoint residents of the school district who are not members of
3 the board to any of the remaining seats.

4 (2) ~~The sums expended for study purposes under this section shall be~~
5 ~~considered part of the approved cost of any project in which the union school~~
6 ~~district, if created, participates pursuant to chapter 123 of this title. Operating~~
7 ~~Fund Surpluses. The New Union District shall assume all operating surpluses,~~
8 ~~deficits, and fund balances of the Forming Districts that may exist at the close~~
9 ~~of business on June 30, 2027.~~

10 (c) ~~Additional costs.~~

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

18 (2) ~~If a proposed budget does not exceed \$50,000.00 at the time the school~~
19 ~~boards appoint members to the study committee, but the study committee later~~
20 ~~determines that its total budget is likely to exceed \$50,000.00, then the boards~~
21 ~~of all participating school districts shall obtain voter approval for the amounts~~

1 ~~exceeding \$50,000.00 in the manner set forth in subdivision (a)(1) of this~~
2 ~~section before the study committee obligates or expends funds in excess of~~
3 ~~\$50,000.00. (c) The New Union District shall apply any reserve fund for the~~
4 ~~fund's specific purpose, if identified, unless otherwise determined through~~
5 ~~appropriate legal procedures.~~

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. Transfer of Debt and Funds. The Forming~~
9 ~~Districts shall transfer the debt and funds specified in this Article to the New~~
10 ~~Union District on or before June 30, 2027 in accordance with procedures and~~
11 ~~timelines established by the New Union District Board.~~

12 ~~(e) Subsequent appointments of persons to the study committee; vacancy.~~

13 ~~(1) Subject to the requirement that each school board appoint at least~~
14 ~~one current member of the board, the board of a participating school district~~
15 ~~shall appoint a person residing in the school district to the study committee if~~
16 ~~one of the school district's seats is vacant because a study committee member:~~

17 ~~(A) is no longer a member of the school district's board and was the~~
18 ~~sole board member appointed by that school district;~~

19 ~~(B) has resigned from or is no longer able to serve on the study~~
20 ~~committee; or~~

1 ~~(C) has not attended three consecutive study committee meetings~~
2 ~~without providing notice to the study committee chair of the reason for each~~
3 ~~absence and obtaining a determination of the study committee members that~~
4 ~~the absences were reasonable.~~

5 ~~(2) Notice under subdivision (1)(C) of this subsection shall be given in~~
6 ~~advance of absences whenever possible.~~

7 ~~(f) Formal participation in study committee.~~

8 ~~(1) A school district shall not be a formal participant in and appoint~~
9 ~~members to more than one study committee created under this chapter at any~~
10 ~~one point in time.~~

11 ~~(2) A school district shall not formally withdraw its participation in an~~
12 ~~existing study committee after the school district has appointed members to~~
13 ~~that committee until the study committee dissolves pursuant to subsection~~
14 ~~708(e) of this chapter.~~

15 ~~(g) Additional formal participants.~~

16 ~~(1) Subject to the provisions of subsection (f) of this section, a school~~
17 ~~district may join as an additional formal participant in a study committee after~~
18 ~~creation of the committee if:~~

19 ~~(A) the school district's board has requested the committee's~~
20 ~~approval to participate after either a vote of the school district's board or a~~

1 petition by five percent of the school district's voters and if the study
2 committee votes to approve formal participation by the district; or

3 ~~(B) the study committee has voted to ask the school district to~~
4 ~~participate formally and either the board of the school district votes to approve~~
5 ~~formal participation or is petitioned by five percent of the school district's~~
6 ~~voters to do so.~~

7 ~~(2) A school district that becomes a formal participant in an existing~~
8 ~~study committee pursuant to this subsection is subject to the provisions of~~
9 ~~section 706 (proposed study committee budget and membership) of this~~
10 ~~chapter regarding financial and representational proportionality and to all other~~
11 ~~requirements of study committees set out in this chapter.~~

12 ~~(h) Informal participation by other school districts.~~

13 ~~(1) The board of a school district that is not a formal participant in an~~
14 ~~existing study committee may authorize one or more of the board's members~~
15 ~~to contact the study committee to discuss whether it may be advisable to~~
16 ~~include the school district within a proposal to form a new union school district~~
17 ~~as an "advisable" district, as described in section 708 (necessary and advisable~~
18 ~~districts) of this chapter.~~

19 ~~(2) An existing study committee may authorize one or more of its~~
20 ~~members to contact the board of one or more additional school districts that are~~
21 ~~not formal participants in the committee to discuss whether it may be advisable~~

1 to include the school district within a proposal to form a new union school
2 district as an “advisable” district.

3 (3) ~~An existing study committee may invite representatives of a
4 nonparticipating school district’s board to participate informally in the study
5 committee’s deliberations.~~

6 (4) ~~Nothing in this section shall be construed to prohibit the board of a
7 school district from authorizing informal exploration between and among the
8 boards of school districts prior to the formation of a study committee.~~

9 § 708. ~~STUDY COMMITTEE; NECESSARY AND ADVISABLE~~

10 ~~DISTRICTS; CONTENTS OF STUDY COMMITTEE REPORT AND~~
11 ~~PROPOSED ARTICLES; DISSOLUTION OF COMMITTEE REAL~~
12 ~~AND PERSONAL PROPERTY~~

13 (a) ~~Study committee; process.~~

14 (1) ~~The superintendent shall convene a study committee’s first meeting
15 when the committee’s members are appointed. If the participating districts are
16 members of more than one supervisory union, then the superintendents shall
17 decide which of their number shall convene the meeting. The study committee
18 members shall elect a chair who shall notify the Secretary in writing of the
19 committee’s creation and the chair’s election within 30 days following the vote
20 of the committee’s creation.~~

1 ~~(2) Staff of the supervisory union or unions shall provide administrative~~
2 ~~assistance to the study committee.~~

3 ~~(3) The Secretary shall cooperate with the study committee and is~~
4 ~~authorized to make Agency staff available to provide technical assistance to~~
5 ~~the committee.~~

6 ~~(4) The study committee is a public body pursuant to 1 V.S.A. § 310(4)~~
7 ~~and is subject to the requirements of 1 V.S.A. chapter 5, subchapter 2.~~

8 ~~(5) Although a study committee should try to achieve consensus,~~
9 ~~committee decisions shall be reached by a majority of all committee members~~
10 ~~present and voting. Transfer of Property to the New Union District. No later~~
11 ~~than June 30, 2027, the Forming Districts shall convey to the New Union~~
12 ~~District, for the sum of one dollar and other good and valuable consideration,~~
13 ~~and subject to the encumbrances of record, all of their school-related real and~~
14 ~~personal property, including all land, buildings, and contents.~~

15 ~~(b) Necessary and advisable school districts. If a study committee decides~~
16 ~~to recommend formation of a union school district, then it shall determine~~
17 ~~whether each school district included in the recommended formation is~~
18 ~~“necessary” or “advisable” to formation.~~

19 ~~(1) “Necessary” school district.~~

1 ~~(A) The study committee shall identify a school district as~~
2 ~~“necessary” to formation of the union school district only if the school district~~
3 ~~is a formal participant in the study committee.~~

4 ~~(B) Subject to the provisions of subsection 706(c) of this chapter, the~~
5 ~~school board of a “necessary” school district is required to warn a vote of the~~
6 ~~electorate under sections 710 (vote to form union school district) and 711~~
7 ~~(initial members of union school district board election) of this chapter.~~

8 ~~(C) A proposed union school district is formed only if the voters~~
9 ~~voting in each “necessary” school district vote to approve formation.~~

10 ~~(2) “Advisable” school district.~~

11 ~~(A) The study committee may identify any school district as~~
12 ~~“advisable” to formation of the union school district even if the school district~~
13 ~~is not a formal participant in the study committee.~~

14 ~~(B) The school board of an “advisable” school district is not required~~
15 ~~to warn a vote of the electorate under sections 710 (vote to form union school~~
16 ~~district) and 711 (initial members of union school district board election) of~~
17 ~~this chapter, except upon application of 10 percent of the voters in the school~~
18 ~~district.~~

19 ~~(C) Voter approval in an “advisable” district is not required for~~
20 ~~formation of a new union school district.~~

1 ~~(3) Existing union elementary or union high school district.~~

2 ~~Notwithstanding other provisions of this subsection, an existing union~~
3 ~~elementary or union high school district is “necessary” to the formation of a~~
4 ~~unified union school district even though its interests are represented by its~~
5 ~~member districts pursuant to subdivision 706(c)(1) (study committee budget~~
6 ~~and membership for existing union school districts) of this chapter.~~

7 Subsequent Sale of Real Property to Town in which it is Located, in Any Year
8 in the Future. Subject to any provision of law relating to duties of the New
9 Union District and to the sale of buildings in this Title or any other Title of the
10 Vermont Statutes Annotated, if the New Union District Board determines, in
11 its discretion, that the real property, including land and buildings, conveyed to
12 it by one or more of the Forming Districts will not be used for direct delivery
13 of education in at least one grade or for any other purpose related to operation
14 of the New Union District, then the New Union District shall offer for sale
15 such real property to the town in which the real property is located, for the sum
16 of one dollar, subject to all encumbrances of record, the assumption or
17 payment of all outstanding bonds and notes, and the repayment of any school
18 construction aid or grants required by Vermont law. The conveyance of any of
19 the above school properties shall be conditioned upon the town owning and
20 using the real property for community and public purposes for a minimum of
21 five years. If the town elects to sell the real property prior to five years of

1 ownership, then the town shall compensate the New Union District for all
2 capital improvements and renovations initiated after July 1, 2027 and prior to
3 the sale to the town. If a town elects not to acquire ownership of such real
4 property, then the New Union District shall sell the property pursuant to
5 Vermont statutes and upon such terms and conditions as established by the
6 New Union District Board.

7 ~~(c) Proposal to form union school district; report and proposed articles of~~
8 ~~agreement. If a study committee determines that it is advisable to propose~~
9 ~~formation of a union school district, then it shall prepare a report analyzing the~~
10 ~~strengths and challenges of the current structures of all “necessary” and~~
11 ~~“advisable” school districts and outlining the ways in which a union school~~
12 ~~district promotes the State policy set forth in section 701 of this chapter. The~~
13 ~~study committee shall also prepare proposed articles of agreement that, if~~
14 ~~approved pursuant to the provisions of this chapter, shall serve as the operating~~
15 ~~agreement for the new union school district. At a minimum, articles of~~
16 ~~agreement shall state:~~

17 ~~(1) The name of any school district the study committee considers~~
18 ~~“necessary” to formation of the proposed union school district.~~

19 ~~(2) The name of any school district the study committee considers~~
20 ~~“advisable” to include in the proposed union school district.~~

1 ~~(3) The legal name or temporary legal name by which the union school~~
2 ~~district shall be known.~~

3 ~~(4) The grades, if any, that the proposed union school district will~~
4 ~~operate and the grades, if any, for which it will pay tuition.~~

5 ~~(5) The cost and general location of any proposed new school buildings~~
6 ~~to be constructed and the cost and general description of any proposed~~
7 ~~renovations to existing school buildings.~~

8 ~~(6) A plan for the first year of the union school district's operation for~~
9 ~~transportation of students, assignment of staff, and use of curriculum that is~~
10 ~~consistent with existing contracts, collective bargaining agreements, and other~~
11 ~~provisions of law. The board of the union school district, if formed, shall make~~
12 ~~all subsequent decisions regarding transportation, staff, and curriculum subject~~
13 ~~to existing contracts, collective bargaining agreements, and other provisions of~~
14 ~~law.~~

15 ~~(7) A list of the indebtedness of each "necessary" and "advisable"~~
16 ~~district, which the union school district shall assume.~~

17 ~~(8) The specific pieces of real property of each "necessary" and~~
18 ~~"advisable" district that the union school district shall acquire, their valuation,~~
19 ~~and how the union school district shall pay for them.~~

20 ~~(9) Consistent with the proportional representation requirements of the~~
21 ~~Equal Protection Clause of the U.S. Constitution, the method or methods of~~

1 ~~apportioning representation on the union school district board as set forth in~~
2 ~~subsections 711(d) (unified union school district), (e) (union elementary or~~
3 ~~union high school district), and (f) (weighted voting) of this chapter.~~

4 ~~(10) The term of office for each member initially elected to the union~~
5 ~~school district board, to be arranged so that one third expire on the day of the~~
6 ~~second annual meeting of the union school district, one third on the day of the~~
7 ~~third annual meeting, and one third on the day of the fourth annual meeting, or~~
8 ~~as near to that proportion as possible.~~

9 ~~(11) The date on which the proposal to create the union school district~~
10 ~~and the election of initial union school district board members will be~~
11 ~~submitted to the voters.~~

12 ~~(12) The date on which the union school district will be solely~~
13 ~~responsible for the education of its resident students in the grades for which it~~
14 ~~is organized and will begin operating any schools, paying any tuition, and~~
15 ~~providing educational services.~~

16 ~~(13) Whether the election of board members, election of school district~~
17 ~~officers, votes on the union school district budget, or votes on other public~~
18 ~~questions, or any two or more of these, shall be by Australian ballot.~~

19 ~~(14) Any other matters that the study committee considers pertinent.~~

20 Subsequent Sale of Real Property Conveyed by Forming District that was a
21 Union School District, in Any Year in the Future. Notwithstanding Paragraph

1 (b) of this section, and to the sale of buildings in Title 16 or any other Title, if
2 the New Union District Board determines, in its discretion, that the real
3 property, including land and buildings, conveyed to it by a Forming District
4 that was a union school district on June 30, 2027, will not be used for direct
5 delivery of education in at least one grade or for any other purpose related to
6 operation of the New Union District, then the New Union District shall sell the
7 property pursuant to Vermont statutes and upon such terms and conditions as
8 are established by the New Union District Board.

9 ~~(d) No proposal to form a union school district. If a study committee~~
10 ~~determines that it is inadvisable to propose formation of a union school district,~~
11 ~~then its members shall vote to dissolve the committee. If the study committee~~
12 ~~members vote to dissolve, then the chair shall notify the Secretary in writing of~~
13 ~~the vote.~~

14 ~~(e) Dissolution of study committee.~~

15 ~~(1) If a study committee proposes formation of a union school district~~
16 ~~pursuant to subsection (c) of this section, then the committee shall cease to~~
17 ~~exist when the clerk of each school district voting on a proposal to establish the~~
18 ~~union school district has certified the results of the vote to the Secretary~~
19 ~~pursuant to subsection 713(a) of this chapter.~~

20 ~~(2) If a study committee determines that it is inadvisable to propose~~
21 ~~formation of a union school district, then the committee shall cease to exist~~

1 when the chair notifies the Secretary of the committee's vote pursuant to
2 subsection (d) of this section.

3 § 709. ~~REVIEW BY LOCAL SCHOOL DISTRICT BOARDS;~~

4 ~~CONSIDERATION AND APPROVAL BY STATE BOARD OF~~
5 ~~EDUCATION-TRANSPORTATION, EMPLOYEES, AND~~
6 ~~CONTRACTS IN ACADEMIC YEAR 2027-2028~~

7 (a) ~~If a study committee determines that it is advisable to propose~~
8 ~~formation of a union school district, then the committee shall transmit its report~~
9 ~~and proposed articles of agreement to the school board of each school district~~
10 ~~that the report identifies as either "necessary" or "advisable" to formation of~~
11 ~~the proposed union school district. Each board may review the report and~~
12 ~~proposed articles and may provide its comments to the study committee. The~~
13 ~~study committee has sole authority to determine the contents of the report and~~
14 ~~proposed articles and to decide whether to submit them to the State Board~~
15 ~~under subsection (b) of this section. In academic year 2027-2028, the New~~
16 ~~Union District shall provide for the transportation of students, assignment of~~
17 ~~staff, and implementation of curriculum in a manner that is consistent with the~~
18 ~~contracts, collective bargaining agreements, and provisions of law that are in~~
19 ~~effect during that academic year.~~

20 (b) ~~If a study committee determines that it is advisable to propose~~
21 ~~formation of a union school district, then the committee shall transmit the~~

1 ~~report and proposed articles of agreement to the Secretary who shall submit~~
2 ~~them with recommendations to the State Board. The New Union District,~~
3 ~~through its Board, shall comply with 16 V.S.A. Chapter 53, subchapter 3,~~
4 ~~regarding recognition of the representatives of employees of the respective~~
5 ~~Forming Districts, as the representatives of the employees of the New Union~~
6 ~~District, and shall commence negotiations pursuant to 16 V.S.A. Chapter 57~~
7 ~~for teachers and 21 V.S.A. Chapter 22 for other employees. In the absence of~~
8 ~~new collective bargaining agreements on July 1, 2027, the New Union District~~
9 ~~shall comply with the pre-existing master agreements pursuant to 16 V.S.A.~~
10 ~~Chapter 53, subchapter 3.~~

11 ~~(c)(1) The State Board:~~

12 ~~(A) shall consider the study committee's report and proposed articles~~
13 ~~of agreement and the Secretary's recommendations;~~

14 ~~(B) shall provide the study committee an opportunity to be heard;~~

15 ~~(C) may ask the Secretary or the study committee, or both, to make~~
16 ~~further investigation and may consider any other information the State Board~~
17 ~~deems to be pertinent; and~~

18 ~~(D) may request that the study committee amend the report or the~~
19 ~~proposed articles of agreement, or both.~~

20 ~~(2) If the State Board finds that formation of the proposed union school~~
21 ~~district is in the best interests of the State, the students, and the school districts,~~

1 and aligns with the policy set forth in section 701 of this title, then it shall
2 approve the study committee's report and proposed articles of agreement,
3 together with any amendments, as the final report and proposed articles of
4 agreement, and shall give notice of its action to the study committee. The New
5 Union District shall honor all individual employment contracts that are in place
6 in the Forming Districts on June 30, 2027 until their respective termination
7 dates; provided, however, that if a Forming District enters into the contract on
8 or after May 1, 2025, then this paragraph shall apply only if the contract
9 expires on or before July 1, 2029.

10 (d) ~~The chair of the study committee shall file a copy of the approved final~~
11 ~~report and proposed articles of agreement with the clerk of each school district~~
12 ~~identified as "necessary" or "advisable" at least 30 days prior to the vote of the~~
13 ~~electorate on whether to form the union school district.~~

14 § 710. ~~VOTE TO FORM UNION SCHOOL DISTRICT~~ TRANSITIONAL
15 BOARD

16 Subject to the provisions of subsections 706(c) (proposal to form study
17 committee; existing union school districts) and 708(b) (study committee;
18 necessary and advisable districts) of this chapter, the voters of each school
19 district identified as "necessary" or "advisable" shall vote whether to form the
20 proposed union school district, as follows:

21 (1) The vote shall be held on the date specified in the final report.

1 ~~(2) The vote shall be by Australian ballot.~~

2 ~~(3) The vote shall be at separate school district meetings held on the~~
3 ~~same day.~~

4 ~~(4) The opportunity for early and absentee voting pursuant to 17 V.S.A.~~
5 ~~§§ 2531- 2550 shall be provided.~~

6 ~~(5) The board of each school district voting on the proposal shall warn the~~
7 ~~vote either as a special meeting of the school district or as part of its annual~~
8 ~~meeting.~~

9 (a) Creation of Transitional Board; Term of Existence. Until the voters of
10 the New Union District elect the members of the initial Board of Directors as
11 set forth in section 711 of this Title, and those members are sworn in and
12 assume their duties, the individuals serving on December 15, 2025 on the
13 Boards of the Forming Districts identified in section 2 of this Title, including
14 the board of any Forming District that is a union school district on that date,
15 shall designate one of their members to serve on a transitional board of
16 directors for the New Union District (“Transitional Board”). The Transitional
17 Board shall be comprised of the designee from each Forming District.

18 (b) Initial Meeting of Transitional Board. The Superintendent of the
19 supervisory union of which a majority of the Forming Districts are members
20 shall convene the first meeting of the Transitional Board to occur no later than
21 January 10, 2026. The agenda for this first meeting of the Transitional Board

1 shall include the election by the Transitional Board members of one of their
2 members to serve as Chair of the Transitional Board; and One of their
3 members to serve as Clerk of the Transitional Board.

4 (c) Purpose and Authority of Transitional Board. During the period of its
5 existence, the Transitional Board shall serve as the New Union District's
6 school board and shall perform all functions required of, and have all authority
7 granted to the Transitional Board in this chapter and the New Union District
8 Board in this title and otherwise by law.

9 (d) Specific Duties of Transitional Board. In addition to any
10 responsibilities of the New Union District Board that can, should, or must be
11 performed before the initial members of that Board are elected and assume
12 office, the Transitional Board shall perform the following functions:

13 (1) First Draft of Proposed Budget: Prepare a draft of the proposed
14 Fiscal Year 2028 budget of the New Union District, which the Transitional
15 Board shall provide to the New Union District Board for consideration at the
16 first meeting of the New Union District Board.

17 (2) Selection of short list of superintendent candidates.

18 (3) With respect to the transitional board's duties in this section, the
19 transitional board shall have the assistance of the Agency of Education,
20 including dedicated resources to be paid by transitional funds set aside by the
21 Agency for these purposes.

1 § 711. VOTE TO ELECT INITIAL MEMBERS OF THE UNION SCHOOL
2 DISTRICT BOARD

3 (a) ~~Election of initial members of union school district board. At the~~
4 ~~meeting warned to vote on formation of a union school district under section~~
5 ~~710 of this chapter, the voters shall also elect the initial members who will~~
6 ~~serve on the board of the union school district if the voters approve the~~
7 ~~district's formation.~~

8 (1) ~~The vote to elect the initial members shall be by Australian ballot.~~

9 (2) ~~The opportunity for early and absentee voting pursuant to 17 V.S.A.~~
10 ~~§§ 2531-2550 shall be provided.~~ Representation on New Union District
11 Board. The New Union District Board shall be composed of five individuals
12 elected from the district. The members shall be elected pursuant to
13 proportionate voting districts. Petitions for candidates for initial school district
14 board membership shall be submitted on the same timeline and in the same
15 manner as candidates for the General Assembly. Elections for school board
16 shall be held on General Election Day 2026. Each New Union District Board
17 member shall serve for a period of four (4) years or until his or her successor is
18 elected and qualified, as required by Vermont law.

19 (b) ~~Representation and term length. Initial membership on a union school~~
20 ~~district board shall be pursuant to the method of representation set forth in the~~
21 ~~articles of agreement, for the terms specified in that document, and pursuant to~~

1 ~~the provisions of this section and subdivisions 708(c)(9) and (10) (study~~
2 ~~committee; proposed articles of agreement; apportionment and terms) of this~~
3 ~~chapter. Swearing-In and Assumption of Duties. Within 14 days after the~~
4 ~~initial Board members are elected, the Transitional Board shall provide for a~~
5 ~~meeting of the initial board members. Prior to the date of the meeting, newly~~
6 ~~elected members shall be sworn in by a town clerk within the boundaries of the~~
7 ~~District and shall assume office upon being sworn in.~~

8 (c) ~~Operational definitions. As used in subsections (d) and (e) of this~~
9 ~~section, any term not defined in section 702 of this chapter shall have its plain~~
10 ~~meaning, except as provided in this subsection.~~

11 (1) ~~If, pursuant to section 425 (other town school district officers) of this~~
12 ~~title, the voters of a school district have elected a district clerk who is not also~~
13 ~~the clerk of the town served by the school district, then “town clerk” means the~~
14 ~~elected clerk of that school district.~~

15 (2) ~~Notwithstanding subdivision (1) of this subsection, if a potential~~
16 ~~forming district is an existing unified union school district, then:~~

17 (A) ~~Reference to the voters of the “school district” means the voters~~
18 ~~of each town within the existing unified union school district, who shall vote at~~
19 ~~a location in their town of residence that is identified in the warning issued by~~
20 ~~the existing unified union school district; provided, however, that the total of~~
21 ~~all votes cast in the towns shall determine the modified at large and at large~~

1 election of initial board members pursuant to subdivisions (d)(2) (proposed
2 unified union district; modified at large), (d)(3) (proposed union district; at-
3 large), (e)(2) (proposed union elementary or union high school district;
4 modified at large), and (e)(3) (proposed union elementary or union high school
5 district; at large) of this section, as well as whether the existing unified union
6 school district approves formation of the new unified union school district.

7 (B) “Town clerk” means the clerk of each town within the existing
8 unified union school district; provided, however, that the town clerk of each
9 town shall transmit the name of each duly nominated candidate to the clerk of
10 the existing unified union school district, who shall prepare the unified union
11 school district ballot for that town and transmit the ballot to the town clerk to
12 make available to the voters.

13 (3) Notwithstanding subdivision (1) (clerk of school district) of this
14 subsection, if a town is a member of both a union elementary school district
15 and a union high school district, is not independently organized as a district
16 that is responsible for the education of students in any grade, and does not have
17 a town school district board, then:

18 (A) reference to the voters of the “school district” means the voters of
19 the town that is the member of both existing union school districts, who shall
20 vote at a location in their town of residence that is identified in the warning
21 issued by:

1 ~~(i) the existing union elementary school district if the voters are~~
2 ~~voting on a proposed unified union school district or a proposed union~~
3 ~~elementary school district; or~~

4 ~~(ii) the existing union high school district if the voters are voting~~
5 ~~on a proposed union high school district; and~~

6 ~~(B) “town clerk” means the clerk of the town that is a member of~~
7 ~~both existing union school districts; provided, however, that the town clerk~~
8 ~~shall transmit the name of each duly nominated candidate to the clerk of the~~
9 ~~union school district identified in subdivision (A) of this subdivision (3), who~~
10 ~~shall prepare the ballot for that town and transmit the ballot to the town clerk to~~
11 ~~make available to the voters. At the first meeting of initial members of the~~
12 ~~New Union District Board:~~

13 ~~(1) The members shall elect a Chair of the Board and Clerk of the~~
14 ~~Board.~~

15 ~~(2) The members of the former Transitional Board shall present the draft~~
16 ~~Fiscal Year 2028 budget to the New Union District Board together with any~~
17 ~~supporting data or other documentation.~~

18 ~~(3) The members of the former Transitional Board shall present a~~
19 ~~summary of hiring actions and recommendations for the position of~~
20 ~~superintendent for the District.~~

1 ~~(d) Proposed unified union school district. Subject to the provisions of~~
2 ~~subsections 706(c) (existing union school districts) and 708(b) (necessary and~~
3 ~~advisable school districts) of this chapter, the voters of each school district~~
4 ~~identified as “necessary” or “advisable” shall vote whether to elect initial board~~
5 ~~members of a proposed unified union school district, as follows:~~

6 ~~(1) Proportional to town population. When representation on the board~~
7 ~~of a proposed unified union school district is apportioned to each potential~~
8 ~~town within the proposed district in a number that is closely proportional to the~~
9 ~~town’s relative population:~~

10 ~~(A) Voters of each school district identified as either “necessary” or~~
11 ~~“advisable” to formation of the proposed unified union school district shall file~~
12 ~~a petition nominating a candidate for the office of unified union school district~~
13 ~~board member based on town population. A petition shall be valid only if:~~

14 ~~(i) the candidate is a current voter of the town;~~

15 ~~(ii) the petition identifies the term of office for which the~~
16 ~~candidate is nominated;~~

17 ~~(iii) the petition is signed by at least 30 voters residing in the town~~
18 ~~or one percent of the legal voters in the town, whichever is less;~~

19 ~~(iv) the voters file the petition with the town clerk of the town in~~
20 ~~which the candidate resides not later than 5:00 p.m. on the sixth Monday~~
21 ~~preceding the day of the election; and~~

1 ~~(v) the candidate files with the town clerk a written consent to the~~
2 ~~printing of the candidate's name on the ballot.~~

3 ~~(B) The town clerk shall place the name of each duly nominated~~
4 ~~candidate on the ballot to be presented to the voters of the school district.~~

5 ~~(C) The voters of the school district for the town in which the~~
6 ~~candidate resides shall elect as many board members to the unified union~~
7 ~~school board as are apportioned based on the town's population.~~

8 ~~(2) Modified at large model: allocation to town; at large representation.~~
9 ~~When representation on the board of a proposed unified union school district is~~
10 ~~allocated to each potential town within the proposed district, but the allocation~~
11 ~~is not closely proportional to the town's relative population and the board~~
12 ~~member is elected at large:~~

13 ~~(A) Voters of each school district identified as either "necessary" or~~
14 ~~"advisable" to formation of the proposed unified union school district shall file~~
15 ~~a petition nominating a candidate for the office of unified union school district~~
16 ~~board member allocated to the voters' town. A petition shall be valid only if:~~

17 ~~(i) the candidate is a current voter of the town;~~

18 ~~(ii) the petition identifies the term of office for which the~~
19 ~~candidate is nominated;~~

20 ~~(iii) the petition is signed by at least 30 voters residing in the town~~
21 ~~or one percent of the legal voters in the town, whichever is less;~~

1 ~~(iv) the voters file the petition with the town clerk of the town in~~
2 ~~which the candidate resides not later than 5:00 p.m. on the sixth Monday~~
3 ~~preceding the day of the election; and~~

4 ~~(v) the candidate files with the town clerk a written consent to the~~
5 ~~printing of the candidate's name on the ballot.~~

6 ~~(B) Upon receipt of a petition for a unified union school district~~
7 ~~board member allocated to a potential town within the proposed district but to~~
8 ~~be elected at large under the modified at large model, the town clerk shall~~
9 ~~place the name of the duly nominated candidate on the ballot to be presented to~~
10 ~~the voters of the school district and shall notify the town clerks preparing the~~
11 ~~ballots for the voters of each of the other "necessary" school districts and of~~
12 ~~each "advisable" school district voting on formation of the proposed unified~~
13 ~~union school district to place the candidate's name on the ballot presented to~~
14 ~~the voters in those districts. Alternatively, at their discretion, the town clerks~~
15 ~~may meet jointly to prepare a uniform ballot.~~

16 ~~(C) The voters of each "necessary" school district and of each~~
17 ~~"advisable" school district voting on formation of the proposed unified union~~
18 ~~school district shall vote for the board members to be elected at large under the~~
19 ~~modified at large model; provided, however, that ballots shall be included in~~
20 ~~the calculation of total votes cast pursuant to the provisions of subdivision~~
21 ~~714(a)(2) (calculation of votes) of this chapter.~~

1 ~~(3) At large representation. When representation on the board of a~~
2 ~~proposed unified union school district is not apportioned or allocated to the~~
3 ~~potential towns within the proposed district pursuant to subdivision (1)~~
4 ~~(proportional to town population) or (2) (modified at large) of this subsection~~
5 ~~and the board member is elected at large:~~

6 ~~(A) The voters of one or more school districts identified as~~
7 ~~“necessary” to formation of the proposed unified union school district shall file~~
8 ~~a petition nominating a candidate for the office of unified union school district~~
9 ~~board member at large. A petition shall be valid only if:~~

10 ~~(i) the candidate is a current voter of a school district identified as~~
11 ~~“necessary” to the formation of the proposed union school district;~~

12 ~~(ii) the petition identifies the term of office for which the~~
13 ~~candidate is nominated;~~

14 ~~(iii) the petition is signed by at least 60 voters residing in one or~~
15 ~~more school districts identified as “necessary” to the formation of the proposed~~
16 ~~unified union school district or one percent of the legal voters residing in the~~
17 ~~combined “necessary” school districts that would form the proposed unified~~
18 ~~union school district, whichever is less;~~

19 ~~(iv) the voters file the petition with the town clerk in the~~
20 ~~“necessary” school district in which the candidate resides not later than 5:00~~
21 ~~p.m. on the sixth Monday preceding the day of the election; and~~

1 ~~(v) the candidate files with the town clerk a written consent to the~~
2 ~~printing of the candidate's name on the ballot.~~

3 ~~(B) Upon receipt of a petition for a unified union school district~~
4 ~~board member elected at large, the town clerk shall place the name of the duly~~
5 ~~nominated candidate on the ballot to be presented to the voters of the school~~
6 ~~district and shall notify the town clerks preparing the ballots for the voters of~~
7 ~~each of the other "necessary" school districts and of each "advisable" school~~
8 ~~district voting on formation of the proposed unified union school district to~~
9 ~~place the candidate's name on the ballot presented to the voters in those~~
10 ~~districts. Alternatively, at their discretion, the town clerks may meet jointly to~~
11 ~~prepare a uniform ballot.~~

12 ~~(C) The voters of each "necessary" school district and of each~~
13 ~~"advisable" school district voting on formation of the proposed unified union~~
14 ~~school district shall vote for the members to be elected at large; provided,~~
15 ~~however, that ballots shall be included in the calculation of total votes cast~~
16 ~~pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of~~
17 ~~this chapter.~~

18 ~~(e) Proposed union elementary or union high school district. Subject to the~~
19 ~~provisions of subsections 706(c) (existing union school districts) and 708(b)~~
20 ~~(necessary and advisable school districts) of this chapter, the voters of each~~

1 school district identified as “necessary” or “advisable” shall vote whether to
2 elect initial board members of the proposed union school district, as follows:

3 (1) ~~Proportional to town population. When representation on the board~~
4 ~~of a proposed union elementary or union high school district is apportioned to~~
5 ~~each potential member district of the proposed district in a number that is~~
6 ~~closely proportional to the potential member district’s relative population:~~

7 (A) ~~Voters of each school district identified as either “necessary” or~~
8 ~~“advisable” to formation of the proposed union school district shall file a~~
9 ~~petition nominating a candidate for the office of union school district board~~
10 ~~member representing the potential member district. A petition shall be valid~~
11 ~~only if:~~

12 (i) ~~the candidate is a current voter of the potential member district;~~

13 (ii) ~~the petition identifies the term of office for which the~~
14 ~~candidate is nominated;~~

15 (iii) ~~the petition is signed by at least 30 voters residing in the~~
16 ~~potential member district or one percent of the legal voters in the district,~~
17 ~~whichever is less;~~

18 (iv) ~~the petition is filed with the town clerk not later than 5:00~~
19 ~~p.m. on the sixth Monday preceding the day of the election; and~~

20 (v) ~~the candidate files with the town clerk a written consent to the~~
21 ~~printing of the candidate’s name on the ballot.~~

1 ~~(B) The town clerk shall place the name of each duly nominated~~
2 ~~candidate on the ballot to be presented to the voters of the potential member~~
3 ~~district.~~

4 ~~(C) The voters of the district shall elect as many board members as~~
5 ~~are apportioned to the potential member district based on population.~~

6 ~~(2) Modified at large model: allocation to town; at large representation.~~
7 ~~When representation on the board of a proposed union elementary or union~~
8 ~~high school district is allocated to each potential member district, but the~~
9 ~~allocation is not closely proportional to the potential member district's relative~~
10 ~~population and the board member is elected at large:~~

11 ~~(A) Voters of each school district identified as either "necessary" or~~
12 ~~"advisable" to formation of the proposed union school district shall file a~~
13 ~~petition nominating a candidate for the office of union school district board~~
14 ~~member allocated to the potential member district. A petition shall be valid~~
15 ~~only if:~~

16 ~~(i) the candidate is a current voter of the potential member district;~~

17 ~~(ii) the petition identifies the term of office for which the~~
18 ~~candidate is nominated;~~

19 ~~(iii) the petition is signed by at least 30 voters residing in the~~
20 ~~potential member district or one percent of the legal voters in the district,~~
21 ~~whichever is less;~~

1 ~~(iv) the petition is filed with the town clerk of the school district in~~
2 ~~which the candidate resides not later than 5:00 p.m. on the sixth Monday~~
3 ~~preceding the day of the election; and~~

4 ~~(v) the candidate files with the town clerk a written consent to the~~
5 ~~printing of the candidate's name on the ballot.~~

6 ~~(B) Upon receipt of a petition for union school district board member~~
7 ~~allocated to a potential member district but to be elected at large under the~~
8 ~~modified at large mode, the town clerk shall place the name of the duly~~
9 ~~nominated candidate on the ballot to be presented to the voters of the potential~~
10 ~~member district and shall notify the town clerks preparing the ballots for the~~
11 ~~voters of each of the other "necessary" school districts and of each "advisable"~~
12 ~~school district voting on formation of the proposed union school district to~~
13 ~~place the candidate's name on the ballot presented to the voters in those~~
14 ~~districts. Alternatively, at their discretion, the town clerks may meet jointly to~~
15 ~~prepare a uniform ballot.~~

16 ~~(C) The voters of each "necessary" school district and of each~~
17 ~~"advisable" school district voting on formation of the proposed unified union~~
18 ~~school district shall vote for the board members to be elected at large under the~~
19 ~~modified at large model; provided, however, that ballots shall be included in~~
20 ~~the calculation of total votes cast pursuant to the provisions of subdivision~~
21 ~~714(a)(2) (calculation of votes) of this chapter.~~

1 ~~(3) At large representation. When representation on the board of a~~
2 ~~proposed union elementary or union high school district board is not~~
3 ~~apportioned or allocated to the potential member districts pursuant to~~
4 ~~subdivision (1) (proportional to town population) or (2) (modified at large) of~~
5 ~~this subsection and the board member is elected at large:~~

6 ~~(A) The voters of one or more school districts identified as~~
7 ~~“necessary” to the formation of the proposed union school district shall file a~~
8 ~~petition nominating a candidate for the office of union school district board~~
9 ~~member at large. A petition shall be valid only if:~~

10 ~~(i) the candidate is a current voter of a school district identified as~~
11 ~~“necessary” to the formation of the proposed union school district;~~

12 ~~(ii) the petition identifies the term of office for which the~~
13 ~~candidate is nominated;~~

14 ~~(iii) the petition is signed by at least 60 voters residing in one or~~
15 ~~more school districts identified as “necessary” to the formation of the proposed~~
16 ~~union school district or one percent of the legal voters residing in the combined~~
17 ~~“necessary” school districts that would form the proposed union school district,~~
18 ~~whichever is less;~~

19 ~~(iv) the petition is filed with the town clerk in the “necessary”~~
20 ~~school district in which the candidate resides not later than 5:00 p.m. on the~~
21 ~~sixth Monday preceding the day of the election; and~~

1 ~~(v) the candidate files with the town clerk a written consent to the~~
2 ~~printing of the candidate's name on the ballot.~~

3 ~~(B) Upon receipt of a petition for a union school district board~~
4 ~~member to be elected at large, the town clerk shall place the name of the duly~~
5 ~~nominated candidate on the ballot to be presented to the voters of the school~~
6 ~~district and shall notify the town clerks preparing the ballots for the voters of~~
7 ~~each of the other "necessary" school districts and of each "advisable" school~~
8 ~~district voting on formation of the proposed union school district to place the~~
9 ~~candidate's name on the ballot presented to the voters in those districts.~~
10 ~~Alternatively, at their discretion, the town clerks may meet jointly to prepare a~~
11 ~~uniform ballot.~~

12 ~~(C) The voters of each "necessary" school district and of each~~
13 ~~"advisable" school district voting on formation of the proposed union school~~
14 ~~district shall vote for the board members to be elected at large; provided,~~
15 ~~however, that ballots shall be included in the calculation of total votes cast~~
16 ~~pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of~~
17 ~~this chapter.~~

18 ~~(f) Weighted voting. If representation on a union school district board is~~
19 ~~apportioned based upon population pursuant to subdivision (d)(1) or (e)(1) of~~
20 ~~this section, then the union school district may achieve proportionality through~~
21 ~~a system of weighted voting.~~

1 § 712. ~~CONTENTS OF WARNING ON VOTES TO ESTABLISH THE~~
 2 ~~UNION SCHOOL DISTRICT AND ELECT THE INITIAL~~
 3 ~~MEMBERS OF THE UNION SCHOOL DISTRICT BOARD~~
 4 PREPARATION AND PRESENTATION OF PROPOSED FISCAL
 5 YEAR 2028 BUDGET

6 ~~The warning for each school district meeting to vote on formation of a~~
 7 ~~union school district shall contain two articles in substantially the following~~
 8 ~~form. The language used in Article I shall be the same for each “necessary”~~
 9 ~~and “advisable” district voting on formation of the new district. Article II of~~
 10 ~~the warning shall not include names of candidates for the union school district~~
 11 ~~board.~~

12 ~~WARNING~~

13 ~~The voters of the~~
 14 _____
 15 _____ School District are hereby notified and warned to meet at
 16 _____ on the _____ day of
 17 _____, 20_____, to vote by Australian ballot
 18 between the hours of _____, at which time the polls will
 19 open, and _____, at which time the polls will close, upon
 20 the following articles of business:

21 ~~Article I. FORMATION OF UNION SCHOOL DISTRICT~~

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Shall the

 _____ School District, which the proposed articles of agreement have
 identified as [“necessary” or “advisable”] to the formation of the proposed
 union school district, join with the school district[s] of
 _____ and
 _____, which are identified as
 “necessary” to formation, and potentially the school district[s] of
 _____ and
 _____, which are identified as
 “advisable” to formation, for the purpose of forming a union school district, as
 provided in Title 16, Vermont Statutes Annotated, upon the following
 conditions and agreements:

(a) Grades. The union school district shall be organized to provide for the
 education of resident students in grades _____ through _____
 and shall assume full and sole responsibility therefor on July 1,
 20____.

(b) Operation of schools. The union school district shall operate and manage
 one or more schools offering instruction in grades _____ through
 _____. [Amend as necessary if the district will pay tuition for any or all
 grades for which it is organized.]

1 ~~(c) Union school district board. [State method by which representation of each~~
 2 ~~member of the union school board is to be determined pursuant to section 711~~
 3 ~~(vote to elect initial members) of this chapter.]~~

4 ~~(d) Assumption of debts and ownership of school property. The union school~~
 5 ~~district shall assume the indebtedness of forming districts, acquire the school~~
 6 ~~properties of the forming districts, and pay for them, all as specified in the final~~
 7 ~~report and proposed articles of agreement.~~

8 ~~(e) Final report. The provisions of the final report and proposed articles of~~
 9 ~~agreement approved by the State Board of Education on the _____ day~~
 10 ~~of _____, 20_____, which is on file in the office of~~
 11 ~~the clerk of each school district named in this warning, shall govern the union~~
 12 ~~school district.~~

13 ~~Article II. ELECTION OF INITIAL MEMBERS OF THE UNION~~
 14 ~~SCHOOL DISTRICT BOARD~~

15 ~~To elect a total of _____ (-) member(s) to serve as initial~~
 16 ~~members of the proposed union school district board for the terms established~~
 17 ~~in the final report and proposed articles of agreement: [Amend as necessary to~~
 18 ~~reflect method for determining school board membership pursuant to section~~
 19 ~~711 (vote to elect initial members) of this chapter.]~~

20 ~~(a) _____ [Insert number] Board Member[s] to serve until the second~~
 21 ~~annual meeting of the union school district, in 20_____.~~

1 (b) _____ [Insert number] Board Member[s] to serve until the third
2 annual meeting of the union school district, in 20_____.

3 (c) _____ [Insert number] Board Member[s] to serve until the fourth
4 annual meeting of the union school district, in 20_____. Pursuant to
5 the provisions of Title 16 chapter 133, the New Union District Board shall
6 consider and adopt a proposed Fiscal Year 2028 budget to, based on the
7 anticipated funding for Fiscal Year 2028, provide for the operations of the
8 district.

9 § 713. ~~CERTIFICATION OF VOTES; DESIGNATION OF DISTRICT AS~~
10 ~~UNION SCHOOL DISTRICT; RECORDING BY SECRETARY OF~~
11 ~~STATE~~

12 (a) ~~Within 45 days after the vote or 15 days after a vote to reconsider the~~
13 ~~original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each~~
14 ~~school district voting on the proposal to form a union school district shall~~
15 ~~certify the results of that vote to the Secretary of Education. The clerk shall~~
16 ~~submit the certification regardless of whether the district voters approved the~~
17 ~~proposed formation of a union school district.~~

18 (b) ~~If the voters voting in each school district identified as “necessary” to~~
19 ~~formation of the proposed union school district vote to form the district, then~~
20 ~~the “necessary” school districts constitute a union school district, together with~~

1 ~~any school district designated as “advisable” that votes to form the proposed~~
2 ~~union school district.~~

3 ~~(c) If the voters approve formation of a union school district pursuant to~~
4 ~~subsection (b) of this section, then upon receiving the certification of each~~
5 ~~clerk pursuant to subsection (a) of this section, but not sooner than 30 days~~
6 ~~after the initial vote, the~~ Not later than 30 days following the passage of this
7 Act, the Secretary shall designate each of the New Union Districts ~~the newly~~
8 ~~formed district~~ as a union school district. The Secretary shall certify that
9 designation and send the certification together with a copy of this Act ~~the~~
10 ~~clerks’ certifications~~ to the Secretary of State, who shall record the
11 certification.

12 (d) When the Secretary of State records the certification of the Secretary of
13 Education, the union school district shall be a body politic and corporate with
14 the powers incident to a municipal corporation, shall be known by the name or
15 number given in the recorded certification, by that name or number may sue
16 and be sued, and may hold and convey real and personal property for the use of
17 the union school district. The recorded certification shall be notice to all
18 parties of the formation of the union school district with all the powers incident
19 to such a district as provided in this title.

20 (e) The Secretary of State shall file a certified copy of the recorded
21 certification with the clerk of each member district of a new union elementary

1 or union high school district and with the town clerk of each town within a new
2 unified union school district. The Secretary of State shall file the certified
3 copies not later than 14 days after the date on which the Secretary of Education
4 certifies the existence of the union school district to the Secretary of State.
5 Filing a certified copy with each clerk shall be prima facie evidence of full
6 compliance with the requirements for the formation of a union school district
7 as set forth in this subchapter.

8 * * *

9 ~~§ 715. ORGANIZATIONAL MEETING; NOTICE; BUSINESS TO BE~~
10 ~~TRANSACTIONED~~ COMMENCEMENT OF OPERATIONS

11 ~~(a) Meeting. The union school district shall hold an organizational meeting~~
12 ~~within 60 days after the Secretary of State files the certified copy of the~~
13 ~~recorded certification with each clerk pursuant to subsection 713(e) of this~~
14 ~~chapter.~~

15 ~~(b) Notice.~~

16 ~~(1) The Secretary of Education shall prepare and execute a warning for~~
17 ~~the organizational meeting. The warning shall give notice of the day, hour,~~
18 ~~and location of the meeting and shall itemize the business to be transacted.~~

19 ~~(2) The Secretary of Education shall transmit the signed warning to the~~
20 ~~superintendent, who shall post the warning in at least one public place in each~~
21 ~~town within the union school district and shall cause the warning to be~~

1 ~~published once in a newspaper of general circulation in the towns within the~~
2 ~~union school district. Posting and publication shall be made not more than 40~~
3 ~~days nor less than 30 days before the date of the meeting.~~

4 ~~(3) The union school district shall bear the cost of posting and~~
5 ~~publishing the warning.~~

6 ~~(c) Business to be transacted.~~

7 ~~(1) The Secretary or a person designated by the Secretary shall call the~~
8 ~~organizational meeting to order and the registered voters shall consider the~~
9 ~~following items of business:~~

10 ~~(A) Elect a temporary presiding officer and a temporary clerk of the~~
11 ~~union school district from among the voters present at the organizational~~
12 ~~meeting.~~

13 ~~(B) Adopt Robert's or other rules of order, which shall govern the~~
14 ~~parliamentary procedures of the organizational meeting and all subsequent~~
15 ~~meetings of the union school district.~~

16 ~~(C) Elect a moderator of the union school district from among the~~
17 ~~voters.~~

18 ~~(D) Elect a clerk of the union school district from among the voters~~
19 ~~or vote to authorize the school board to appoint a clerk of the union school~~
20 ~~district from among the voters.~~

1 ~~(E) Elect a treasurer of the union school district or vote to authorize~~
2 ~~the school board to appoint a treasurer of the union school district. The~~
3 ~~treasurer may also be the supervisory union treasurer and need not be a~~
4 ~~resident of the union school district.~~

5 ~~(F) Determine the date and location of the union school district's~~
6 ~~annual meeting, which shall be not earlier than February 1 nor later than June~~
7 ~~1, if not previously determined by the voter approved articles of agreement.~~

8 ~~(G) Determine whether compensation shall be paid to the moderator,~~
9 ~~clerk, and treasurer of the union school district elected at the organizational~~
10 ~~meeting and at subsequent annual meetings of the union school district and, if~~
11 ~~so, the amount to be paid to them.~~

12 ~~(H) Determine whether compensation shall be paid to members of the~~
13 ~~union school district board and, if so, the amount to be paid to them.~~

14 ~~(I) Establish provisions for payment by the union school district of~~
15 ~~any expense incurred or to be incurred by or on behalf of the district for the~~
16 ~~period between the date on which the voters approved formation of the union~~
17 ~~school district and the first annual meeting of the union district.~~

18 ~~(J) Determine whether to authorize the initial board of the union~~
19 ~~school district to borrow money pending receipt of payments from the~~
20 ~~Education Fund by the issuance of its note payable not later than one year from~~
21 ~~the date of the note. Regardless of whether the voters provide this~~

1 authorization, the initial board is authorized to borrow sufficient funds to meet
2 pending obligations until the voters approve a budget for the initial year of
3 operation pursuant to subdivision 716(b)(3) of this chapter.

4 ~~(K) Transact any other business, the subject matter of which has been~~
5 ~~included in the warning, that the voters have power to transact at any annual or~~
6 ~~special meeting and transact any nonbinding business that may legally come~~
7 ~~before the voters.~~

8 ~~(2) When there is only one nominee for temporary presiding officer,~~
9 ~~temporary clerk, moderator, district clerk, or district treasurer, the voters may,~~
10 ~~by acclamation, instruct an officer to elect the nominee by casting one ballot,~~
11 ~~and upon the ballot being cast, the nominee shall be legally elected and shall~~
12 ~~thereupon be sworn.~~

13 ~~(3) The elected officers listed in subdivisions (1)(A) (temporary~~
14 ~~presiding officer and temporary clerk), (C) (moderator of the union school~~
15 ~~district), (D) (clerk of the union school district), and (E) (treasurer of the union~~
16 ~~school district) of this subsection shall be sworn in before entering upon the~~
17 ~~duties of their offices and a record made by the district clerk. They shall~~
18 ~~assume office upon being sworn in. The officers listed in subdivisions (1)(C),~~
19 ~~(D), and (E) of this subsection shall serve terms as set forth in section 735~~
20 ~~(unified union school districts; officers) or 753 (union elementary and union~~

1 ~~high school district; officers) of this chapter unless the voters extend the term~~
2 ~~length up to three years.~~

3 (4) ~~Any member of the union school district board not sworn in before the~~
4 ~~organizational meeting pursuant to section 714 of this chapter may be sworn in~~
5 ~~at or after the organizational meeting.~~ The New Union District, through its
6 Board, has and shall exercise all of the authority that is necessary for it to
7 prepare for full educational operations beginning on July 1, 2027. On or
8 before June 30, 2027, the New Union District Board shall perform all planning,
9 transitional, and other related duties necessary to begin operations of the New
10 Union District on July 1, 2027, including preparing for and negotiating
11 contractual agreements, and transacting any other lawful business that comes
12 before the Board, provided however, that the exercise of such authority by the
13 New Union District shall not be construed to limit or alter the authority or
14 responsibilities of each Forming District, which shall remain responsible for
15 providing for the education of its resident students until July 1, 2027.

16 ***

17 § 724. ~~WITHDRAWAL FROM OR DISSOLUTION OF A UNIFIED~~
18 ~~UNION SCHOOL DISTRICT~~ [Repealed.]

19 ***

20 Sec. 15. 16 V.S.A. § 564 is added to read:

21 § 564. SCHOOL ADVISORY COMMITTEES

1 (a) Each school district shall establish a local school advisory committee
2 for each school. These committees shall have membership from parents,
3 community members and students to represent the gender, racial, and
4 socioeconomic diversity of the school community, and shall serve in an
5 advisory role to the school administration.

6 (b) Building level principals will administer the application and
7 membership process for the school advisory committees. School advisory
8 committees shall provide input to the school board on equitable budgeting
9 parameters and feedback on the proposed school district budget each year.

10 (c) A school advisory committee shall, through the administration of the
11 building level principal, direct a designated portion of the funding allocated to
12 the school it represents. Annually, the school board shall determine the
13 amount that each school advisory committee will have authority to direct,
14 which shall be equitable with respect to school size or school budget size.
15 Before funds are expended, the school board shall approve the proposed plan
16 developed by the school advisory committee.

17 Sec. 16. 16 V.S.A. § 821 is amended to read:

18 § 821. School district to maintain public elementary schools ~~or pay tuition~~

19 (a) Each school district shall maintain one or more approved schools within
20 the district in which elementary education for its resident students in
21 kindergarten through grade six is provided ~~unless:~~

1 ~~(1) the electorate authorizes the school board to provide for the~~
2 ~~elementary education of the students by paying tuition in accordance with law~~
3 ~~to one or more public elementary schools in one or more school districts;~~

4 ~~(2) the school district is organized to provide only high school education~~
5 ~~for its students; or~~

6 ~~(3) the General Assembly provides otherwise.~~

7 (b) A school board shall adopt a policy on intra-district grade K-8 choice
8 and update the policy as appropriate. The policy shall state whether and to
9 what extent resident students in elementary grades can choose a school
10 operated by the school district other than the school designated by the district
11 for the student's town of residence.

12 ~~(c) Notwithstanding subsection (a) of this section, without previous~~
13 ~~authorization by the electorate, a school board in a district that operates an~~
14 ~~elementary school may pay tuition for elementary students who reside near a~~
15 ~~public elementary school in an adjacent district upon request of the student's~~
16 ~~parent or guardian, if in the board's judgment the student's education can be~~
17 ~~more conveniently furnished there due to geographic considerations. Within 30~~
18 ~~days of the board's decision, a parent or guardian who is dissatisfied with the~~
19 ~~decision of the board under this subsection may request a determination by the~~
20 ~~Secretary, who shall have authority to direct the school board to pay all, some,~~
21 ~~or none of the student's tuition and whose decision shall be final.~~

1 ~~(d) Notwithstanding subdivision (a)(1) of this section, the electorate of a~~
2 ~~school district that does not maintain an elementary school may grant general~~
3 ~~authority to the school board to pay tuition for an elementary student at an~~
4 ~~approved independent elementary school or an independent school meeting~~
5 ~~education quality standards pursuant to sections 823 and 828 of this chapter~~
6 ~~upon notice given by the student's parent or legal guardian before April 15 for~~
7 ~~the next academic year.~~

8 Sec. 17. 16 V.S.A. § 822 is amended to read:

9 § 822. SCHOOL DISTRICT TO MAINTAIN PUBLIC HIGH SCHOOLS ~~OR~~
10 PAY TUITION; SCHOOL CHOICE SCHOOLS

11 (a) Each school district shall maintain one or more approved high schools
12 in which high school education is provided for its resident students ~~unless:~~

13 ~~(1) the electorate authorizes the school board to close an existing high~~
14 ~~school and to provide for the high school education of its students by paying~~
15 ~~tuition to a public high school, an approved independent high school, or an~~
16 ~~independent school meeting education quality standards, to be selected by the~~
17 ~~parents or guardians of the student, within or outside the State; or~~

18 ~~(2) the school district is organized to provide only elementary education~~
19 ~~for its students.~~

20 (b) ~~For purposes of this section, a school district that is organized to~~
21 ~~provide kindergarten through grade 12 and maintains a program of education~~

1 ~~for only the first eight years of compulsory school attendance shall be~~
2 ~~obligated to pay tuition for its resident students for at least four additional~~
3 ~~years.~~ A school board shall designate at least one public or independent school
4 that operates grades 9–12 to receive incoming students. This school shall be
5 known as a School Choice School. The school board is not required to
6 designate an independent school if it instead designates one or more public
7 schools. If the School Choice School(s) designated by the district is an
8 independent school, it shall first be certified by the Agency of Education as
9 meeting School Choice School requirements in 16 V.S.A. 166. Any such
10 designation shall be for a period of five years.

11 (1) After reviewing the portfolio of school options for grades 9–12 in
12 the district, the school board shall adopt a policy on grade 9–12 school choice
13 and update the policy as appropriate. The policy shall take into consideration
14 historic patterns of attendance, capacity of schools, and attendance and
15 geographic needs of the district, along with student interest for specialized
16 educational programming. The policy shall state a number of resident students
17 in grades 9–12 that can participate in school choice, which shall be no less than
18 10% of the number of resident students in grades 9–12 for a given year.

19 (2) If the district will operate one or more of its public schools as a
20 school choice school, then the school board shall annually announce the
21 capacity for incoming students to attend each such school(s).

1

2

(c) Lottery

3

(1) ~~A school district may both maintain a high school and furnish high school education by paying tuition:~~

4

5

~~(A) to a public school as in the judgment of the school board may best serve the interests of the students; or~~

6

7

~~(B) to an approved independent school or an independent school meeting education quality standards if the school board judges that a student has unique educational needs that cannot be served within the district or at a nearby public school. Subject to the provisions of subsection (a)(1) of this section, if more than the allowable number of students wish to participate in school choice, then the district shall use a nondiscriminatory lottery system for determining which students may participate in school choice.~~

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(2) ~~The judgment of the board shall be final in regard to the institution the students may attend at public cost. Subject to the provisions of subsection (a)(2) of this section, if more than the allowable number of students wish to transfer to a school choice school operated by the district, then the district shall use a nondiscriminatory lottery system for determining which students may transfer to the school choice school.~~

1 (A) the district shall give preference to the school choice request of a
2 student whose request to participate in school choice was denied in a prior
3 year;

4 (B) the district shall give preference to siblings of students who are
5 currently enrolled in the school choice school;

6 (C) the district shall give preference to students who reside closer to
7 the school choice school than a different school operated by the district.

8 Sec. 18. REPEALS

9 16 V.S.A. § 822a (public high school choice) and 16 V.S.A. § 823
10 (elementary tuition) are repealed on July 1, 2027.

11 Sec. 19. 16 V.S.A. § 824 is amended to read:

12 § 824. HIGH SCHOOL TUITION PAYMENT TO SCHOOL CHOICE
13 SCHOOLS

14 (a) Tuition Payment for high school students attending a school choice
15 school that is an independent school as defined in section 166 of this title shall
16 be paid by the school district in which the student is a resident Agency of
17 Education in an amount equal to the weighted base education amount per
18 student as described in section 4001 of this title. The Agency of Education
19 shall establish rules to govern the schedule and procedures for such payments.

20 ~~(b) Except as otherwise provided for technical students, the district shall~~
21 ~~pay the full tuition charged its students attending a public high school in~~

1 ~~Vermont or an adjoining state or a public or approved independent school in~~
2 ~~Vermont functioning as an approved area career technical center, or an~~
3 ~~independent school meeting education quality standards; provided:~~

4 (1) ~~If a payment made to a public high school or an independent school~~
5 ~~meeting education quality standards is three percent more or less than the~~
6 ~~calculated net cost per secondary pupil in the receiving school district or~~
7 ~~independent school for the year of attendance then the district or school shall~~
8 ~~be reimbursed, credited, or refunded pursuant to section 836 of this title.~~

9 (2) ~~Notwithstanding the provisions of this subsection or of subsection~~
10 ~~825(b) of this title, the board of the receiving public school district, public or~~
11 ~~approved independent school functioning as an area career technical center, or~~
12 ~~independent school meeting education quality standards may enter into tuition~~
13 ~~agreements with the boards of sending districts that have terms differing from~~
14 ~~the provisions of those subsections, provided that the receiving district or~~
15 ~~school must offer identical terms to all sending districts, and further provided~~
16 ~~that the statutory provisions apply to any sending district that declines the~~
17 ~~offered terms.~~

18 (c) ~~The district shall pay an amount not to exceed the average announced~~
19 ~~tuition of Vermont union high schools for the year of attendance for its~~
20 ~~students enrolled in an approved independent school not functioning as a~~

1 ~~Vermont area career technical center, or any higher amount approved by the~~
2 ~~electorate at an annual or special meeting warned for that purpose.~~

3 Sec. 20. 16 V.S.A. § 1071 is amended to read:

4 § 1071. SCHOOL YEAR AND SCHOOL DAY

5 (a) Minimum number of days. Except as provided in this section, each
6 public school shall be maintained and operated for:

7 (1) At least ~~175~~ 180 student attendance days in each school year. For
8 purposes of this section, a majority of students enrolled in a school must be
9 recorded on the school roll as in attendance on any day counted as a student
10 attendance day.

11 (2) At least five teacher in-service education days, during which time
12 activities shall be conducted without students present in order to increase the
13 competency of the staff, improve the curriculum of the school, enable teachers
14 to attend State educational meetings, or disseminate student progress
15 information to parents or the community.

16 (b) Hours of operation. Within the minimum set by the ~~State Board~~
17 Agency of Education, the school board shall fix the number of hours that shall
18 constitute a school day, ~~subject to change upon the order of the State Board.~~

19 (c) Unanticipated closings. When a public school is closed for cause
20 beyond the control of the school board, it may petition the ~~State Board~~ Agency
21 of Education for a waiver of the requirements of this section. The petition

1 shall be filed with the State Board within 10 days of each occurrence and not
2 later than June 15 of the school year involved; and the State Board shall act on
3 the petition at its next meeting Agency on a form provided by the Agency. If
4 the petition is approved and a waiver granted, the school district shall be
5 deemed to have satisfied the requirements of this section. ~~If the State Board~~
6 ~~fails to act at that meeting, the petition shall be deemed to have been approved~~
7 ~~and the waiver granted.~~

8 (d) [Repealed.]

9 (e) ~~Regional calendar. Before April 1 of each year, the superintendents of~~
10 ~~schools and the headmasters of public schools not managed by school boards~~
11 ~~in an area shall meet, and by majority vote, establish a uniform calendar within~~
12 ~~that area for the following school year. The Secretary shall establish a single~~
13 ~~statewide calendar. The calendar shall be published before May 1 of each year~~
14 ~~for the following school year. The calendar shall include student attendance~~
15 ~~days, periods of vacation, holidays, and teacher in-service education days and~~
16 ~~shall comply with subsection (a) of this section. Unless permitted by the~~
17 ~~Secretary, no area served by a regional career technical center shall be divided~~
18 ~~into two or more calendar regions.~~

19 (f) Additional days. Nothing in this section prohibits a school from
20 scheduling additional days for student attendance or teacher in-service

1 education. However, those days shall not conflict with any applicable school
2 calendar.

3 (g) Upon application of one or more school districts, after approval by the
4 voters of each such district, the ~~State Board~~ Agency may grant a waiver of the
5 requirements of subsection (a) of this section if it is satisfied that equivalent
6 educational programming will be maintained or improved. The waiver may be
7 granted for any purpose, including the conservation of energy.

8 Sec. 21. 16 V.S.A. § 1121 is amended to read:

9 § 1121. ATTENDANCE BY CHILDREN OF SCHOOL AGE REQUIRED

10 A person having the control of a child between the ages of ~~six~~ five and 16
11 years shall cause the child to attend a public school, an approved or recognized
12 independent school, an approved education program, or a home study program
13 for the full number of days for which that school is held, unless the child:

14 (1) is mentally or physically unable so to attend; or

15 (2) has completed the tenth grade; or

16 (3) is excused by the superintendent or a majority of the school directors
17 as provided in this chapter; or

18 (4) is enrolled in and attending a postsecondary school, as defined in
19 subdivision 176(b)(1) of this title, which is approved or accredited in Vermont
20 or another state.

21 * * * State Funding of Public Education * * *

1 Sec. 22. TRANSITION YEAR ONE FUNDING

2 In Fiscal Year 2026, each school district shall receive the funding approved
3 by its electorate pursuant to 16 V.S.A. Ch 133.

4 Sec. 23. TRANSITION YEAR TWO FUNDING

5 In Fiscal Year 2027, each school district shall receive an amount equal to
6 the funding received in Fiscal Year 2026, multiplied by 3 percent. Payments
7 shall be made consistent with 16 V.S.A. § 4011.

8 Sec. 24. 16 V.S.A. chapter 133 is amended to read:

9 CHAPTER 133. STATE FUNDING OF PUBLIC EDUCATION

10 Subchapter 1. General Provisions

11 § 4000. STATEMENT OF POLICY

12 (a) The intent of this chapter is to make educational opportunity available
13 to each student in each town on substantially equal terms, in accordance with
14 the Vermont Constitution and the Vermont Supreme Court decision of
15 February 5, 1997, *Brigham v. State of Vermont*.

16 (b) [Repealed.]

17 § 4001. DEFINITIONS

18 As used in this chapter:

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

1 (A) The full-time equivalent enrollment of students, as defined by the
2 ~~State Board Agency~~ Agency by rule, who are legal residents of the district or
3 municipality attending a school owned and operated by the district, ~~attending a~~
4 ~~public school outside the district under section 822a of this title, or for whom~~
5 ~~the district pays tuition to one or more approved independent schools or public~~
6 ~~schools outside the district~~ during the annual census period. The census period
7 consists of the 11th day through the 30th day of the school year in which
8 school is actually in session.

9 (B) The full-time equivalent enrollment in the year before the last
10 census period, of any State-placed students as defined in subdivision 11(a)(28)
11 of this title. ~~A school district that provides for the education of its students by~~
12 ~~paying tuition to an approved independent school or public school outside the~~
13 ~~district shall not count a State-placed student for whom it is paying tuition for~~
14 ~~purposes of determining average daily membership.~~ A school district that is
15 receiving the full amount, as defined by the ~~State Board Agency~~ Agency by rule, of the
16 student's education costs under subsection 2950(a) of this title shall not count
17 the student for purposes of determining average daily membership. A State-
18 placed student who is counted in average daily membership shall be counted as
19 a student for the purposes of determining weighted student count.

20 (C) The full-time equivalent enrollment for each prekindergarten
21 child as follows: If a child is enrolled in 10 or more hours of prekindergarten

1 education per week or receives 10 or more hours of essential early education
2 services per week, the child shall be counted as one full-time equivalent pupil.
3 If a child is enrolled in six or more but fewer than 10 hours of prekindergarten
4 education per week or if a child receives fewer than 10 hours of essential early
5 education services per week, the child shall be counted as a percentage of one
6 full-time equivalent pupil, calculated as one multiplied by the number of hours
7 per week divided by ten. A child enrolled in prekindergarten education for
8 fewer than six hours per week shall not be included in the district's average
9 daily membership. There is no limit on the total number of children who may
10 be enrolled in prekindergarten education or who receive essential early
11 education services.

12 (2) "Equalized grand list" has the same meaning that equalized
13 education property tax grand list has in 32 V.S.A. chapter 135.

14 (3), (4), (5) [Repealed.]

15 ~~(6) "Education spending" means the amount of the school district~~
16 ~~budget, any assessment for a joint contract school, career technical center~~
17 ~~payments made on behalf of the district under subsection 1561(b) of this title,~~
18 ~~and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is~~
19 ~~paid for by the school district, but excluding any portion of the school budget~~
20 ~~paid for from any other sources such as endowments, parental fundraising,~~

1 federal funds, nongovernmental grants, or other State funds such as special
2 education funds paid under chapter 101 of this title.

3 (A) [Repealed.]

4 (B) For all bonds approved by voters prior to July 1, 2024, voter-
5 approved bond payments toward principal and interest shall not be included in
6 “education spending” for purposes of calculating excess spending pursuant to
7 ~~32 V.S.A. § 5401(12)~~. [Repealed.]

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

10 (A) average of the district’s average daily membership, excluding
11 full-time equivalent enrollment of State-placed students, over two school years,
12 the latter of which is the current school year, plus

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

15 (8) [Repealed.]

16 (9) “Public school” means an elementary school or secondary school for
17 which the governing board is publicly elected. A public school may maintain
18 evening or summer school for its students and it shall be considered a public
19 school.

20 (10) “School district” means ~~a town school district, city school district,~~
21 ~~incorporated school district, the member school districts of an interstate school~~

1 ~~district, a union school district, a unified union district, or an unorganized town~~
2 ~~or gore.~~

3 (11) “School year” means a year beginning on July 1 and ending on the
4 following June 30.

5 (12) “Weighted long-term membership” of a school district in any
6 school year means the long-term membership adjusted pursuant to section
7 4010 of this title.

8 (13) ~~“Base education amount~~ Categorical base amount” means a number
9 used to calculate categorical grants awarded under this title that is equal to
10 \$6,800.00 per equalized pupil, adjusted as required under section 4011 of this
11 title.

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

15 (15) “Prekindergarten child” means a three- or four-year-old child who
16 is enrolled in a prekindergarten program offered by or through a school district
17 pursuant to rules adopted under section 829 of this title or who is receiving
18 essential early education services offered pursuant to section 2956 of this title.

19 Prekindergarten child also means a five-year-old child who otherwise meets
20 the terms of this definition if that child is not yet eligible for ~~or enrolled in~~
21 kindergarten.

1 (16) “Base amount” means a per pupil amount of \$13,200.00 in fiscal
2 year 2025, which shall be adjusted for inflation annually on or before
3 November 15 by the Secretary of Education. As used in this subdivision,
4 “adjusted for inflation” means adjusting the base dollar amount by the most
5 recent New England Economic Project cumulative price index, as of
6 November 15, for state and local government purchases of goods and services,
7 from fiscal year 2025 through the fiscal year for which the amount is being
8 determined.

9 (17) “Foundation formula amount” means the base amount multiplied
10 by the school district’s weighted long-term membership as determined under
11 16 V.S.A. § 4010.

12 § 4002. PAYMENT; ALLOCATION

13 (a) State and federal funds appropriated for services delivered by the
14 ~~supervisory union~~ school district and payable through the Agency shall be paid
15 to the order of the ~~supervisory union~~ school district and administered in
16 accordance with the plan adopted under subdivision 261a(4) of this title.
17 Funding for special education services under section 2969 of this title shall be
18 paid to the ~~supervisory unions~~ school districts in accordance with that section.

19 (b) The Secretary shall notify the superintendent or chief executive officer
20 of each ~~supervisory union~~ school district in writing of federal or State funds
21 disbursed to ~~member~~ school districts.

1 § 4003. CONDITIONS

2 (a) No school district shall receive any aid under this chapter unless that
3 school district complies with the provisions of law relative to teachers'
4 salaries, appointment of superintendents, detailed financial reports to the
5 Agency, and any other requirements of law.

6 (b) Aid to any district shall not be denied unless the district unreasonably
7 refuses to comply with the requirements of law. Any school district denied aid
8 by reason of the provisions of this section shall have the right within 60 days
9 from the date of such denial to appeal to the Superior Court in the county
10 where the district is situated.

11 Subchapter 2. General State Funding of Public Education

12 § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP
13 ~~AND PER PUPIL EDUCATION SPENDING~~

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

15 (1) "EL pupils" means pupils described under section 4013 of this title.

16 (2) "FPL" means the Federal Poverty Level.

17 (3) "Weighting categories" means the categories listed under subsection
18 (b) of this section.

19 (b) Determination of average daily membership and weighting categories.

20 On or before the first day of December during each school year, the Secretary
21 shall determine the average daily membership, as defined in subdivision

1 4001(1) of this title, of each school district for the current school year and shall
2 perform the following tasks.

3 (1) Using average daily membership, list for each school district the
4 number of:

5 (A) pupils in prekindergarten;

6 (B) pupils in kindergarten through grade five;

7 (C) pupils in grades six through eight;

8 (D) pupils in grades nine through 12;

9 (E) pupils whose families are at or below 185 percent of FPL, using
10 the highest number of pupils in the district:

11 (i) that meet this definition under the universal income declaration
12 form; or

13 (ii) who are directly certified for free and reduced-priced meals;

14 and

15 (F) EL pupils.

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

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

1 (ii) 36 or more persons per square mile but fewer than 55 persons
2 per square mile; or

3 (iii) 55 or more persons per square mile but fewer than 100
4 persons per square mile.

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

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

10 (A)(i)–(iii) of this subdivision (2).

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

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

14 (ii) ~~100 or more pupils but fewer than 250 pupils~~ For each school
15 district, identify any school with less than 450 students.

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

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

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

15 (d) Determination of weighted long-term membership. For each weighting
16 category except the small schools weighting category under subdivision (b)(3)
17 of this section, the Secretary shall compute the weighting count by using the
18 long-term membership, as defined in subdivision 4001(7) of this title, in that
19 category.

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

4 ~~(A) prekindergarten—negative 0.54;~~

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

6 ~~(C) grades nine through 12—0.39. [Repealed.]~~

7 (2) The Secretary shall next apply a weight for pupils whose family is at
8 or below 185 percent of FPL. Each pupil included in long-term membership
9 whose family is at or below 185 percent of FPL shall receive an additional
10 weighting amount of ~~1.03~~ 0.75.

11 (3) The Secretary shall next apply a weight for EL pupils. Each EL
12 pupil included in long-term membership shall receive an additional weighting
13 amount of ~~2.49~~ 1.50.

14 (4) The Secretary shall then apply a weight for pupils living in low
15 population density school districts. Each pupil included in long-term
16 membership residing in a low population density school district, measured by
17 the number of persons per square mile residing within the land area of the
18 geographic boundaries of the district as of July 1 of the year of determination,
19 shall receive an additional weighting amount of:

20 (A) 0.15, where the number of persons per square mile is fewer than
21 36 persons;

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

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

5 (5) The Secretary shall lastly apply a weight for pupils who attend a an
6 eligible small school. ~~If the number of persons per square mile residing within~~
7 ~~the land area of the geographic boundaries of a school district as of July 1 of~~
8 ~~the year of determination is 55 or fewer, then~~ Then, for each pupil listed under
9 subdivision (b)(3)(C) of this section (pupils who attend small schools):

10 ~~(A) where the school has fewer than 100 pupils in average two year~~
11 ~~enrollment, the school district shall receive an additional weighting amount of~~
12 ~~0.21 for each pupil included in the small school's average two year enrollment;~~
13 ~~or~~

14 ~~(B) where the small school has 100 or more but fewer than 250~~
15 ~~pupils, the school district shall receive an additional weighting amount of 0.07~~
16 ~~for each pupil included in the small school's average two year enrollment,~~
17 each student in an eligible small school will receive a weighted FTE that is the
18 result of applying the following formula to each eligible small school: (-
19 0.158*natural log of (school enrollment)) +0.964 with the result rounded to
20 two decimal places.

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

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

8 ~~(f) Determination of per pupil education spending. As soon as reasonably~~
9 ~~possible after a school district budget is approved by voters, the Secretary shall~~
10 ~~determine the per pupil education spending for the next fiscal year for the~~
11 ~~school district. Per pupil education spending shall equal a school district's~~
12 ~~education spending divided by its weighted long-term membership.~~

13 [Repealed.]

14 (g) Guidelines. The Secretary shall develop guidelines to enable clear and
15 consistent identification of pupils to be counted under this section.

16 (h) Updates to weights, base education amount and transportation
17 payments. On or before January 1, 2027 and on or before January 1 of every
18 fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall
19 calculate, based on their consensus view, updates to the weights and the base
20 education amount to account for cost changes underlying those weights and the
21 cost of providing a high quality education and shall issue a written report on

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

11 (i) On or before July 1, 2026 the Secretary shall, through rule-making,
12 establish eligibility criteria for students that may receive the small school
13 adjustment as defined in d(5) of this subsection.

14 § 4011. EDUCATION PAYMENTS

15 (a) Annually, the General Assembly shall appropriate funds to pay for
16 ~~statewide education spending~~ the foundation formula amount as defined under
17 subdivision 4001(17) of this title and the State guarantee as defined under
18 32 V.S.A. § 5401(19), and a portion of the ~~base education~~ categorical aid

19 amount for each adult education ~~and secondary credential program~~ student as
20 defined in this subsection (f).

1 (b) For each fiscal year, the categorical aid base ~~education~~ amount shall be
2 \$6,800.00, increased by the most recent New England Economic Project
3 Cumulative Price Index, as of November 15, for state and local government
4 purchases of goods and services from fiscal year 2005 through the fiscal year
5 for which the amount is being determined, plus an additional one-tenth of one
6 percent.

7 (c) Annually, each school district shall receive ~~an education spending~~
8 ~~payment~~ its foundation formula amount as defined under subdivision 4001(17)
9 of this title and its State guarantee, if applicable to that school district, as
10 defined under 32 V.S.A. § 5401(19) for support of education costs. ~~An~~
11 ~~unorganized town or gore shall receive an amount equal to its per pupil~~
12 ~~education spending for that year for each student.~~ No school district shall
13 receive more than ~~its education spending~~ the amount under this subsection.

14 (d) [Repealed.]

15 (e) [Repealed.]

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

1 appropriated from the Education Fund and 60 percent of the payment required
2 under this subsection shall be from State funds appropriated from the General
3 Fund.

4 ~~(g) The Secretary shall pay to a school district a percentage of the base~~
5 ~~education amount for each resident student for whom the district is paying a~~
6 ~~technical tuition to a regional career technical center but who is not enrolled in~~
7 ~~the district and therefore not counted in the average daily membership of the~~
8 ~~district. The percentage of the base education amount to be paid shall be the~~
9 ~~percentage of the student's full-time equivalent attendance at the career~~
10 ~~technical center multiplied by 87 percent.~~

11 (h) The Secretary shall make all payments required by subchapter 5 of
12 chapter 23 of this title.

13 (i) Annually, on or before October 1, the Secretary shall send to school
14 boards for inclusion in town reports and publish on the Agency website the
15 following information:

16 ~~(1) the statewide average district per pupil education spending for the~~
17 ~~current fiscal year; and~~

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

20 * * *

21 § 4013. ENGLISH LEARNERS SERVICES; STATE AID

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

2 (1) “Applicable federal laws” mean the Equal Education Opportunities
3 Act (20 U.S.C. § 1703), Title VI of the Civil Rights Act of 1964 (42 U.S.C.
4 §§ 2000d et seq.), and Titles I and III of the Elementary and Secondary
5 Education Act of 1965 (20 U.S.C. §§ 6301 et seq. and 20 U.S.C. §§ 6801 et
6 seq.), each as amended.

7 (2) “EL services” mean instructional and support personnel and services
8 that are required under applicable federal laws for EL students and their
9 families.

10 (3) “EL students” or “EL pupils” mean students who have been
11 identified as English learners through the screening protocols required under
12 20 U.S.C. § 6823(b)(2).

13 (b) Required EL services. Each school district shall:

14 (1) screen students to determine which students are EL students and
15 therefore qualify for EL services;

16 (2) assess and monitor the progress of EL students;

17 (3) provide EL services;

18 (4) budget sufficient resources through a combination of State and
19 federal categorical aid and local education spending to provide EL services;

1 (5) report expenditures on EL services annually to the Agency of
2 Education through the financial reporting system as required by the Agency;
3 and

4 (6) evaluate the effectiveness of their EL programs and report
5 educational outcomes of EL students as required by the Agency and applicable
6 federal laws.

7 (c) Agency of Education support and quality assurance. The Agency of
8 Education shall:

9 (1) provide guidance and program support to all school districts with EL
10 students as required under applicable federal law, including:

11 (A) professional development resources for EL teachers and support
12 personnel; and

13 (B) information on best practices and nationally recognized language
14 development standards; and

15 (2) prescribe, collect, and analyze financial and student outcome data
16 from school districts to ensure that districts are providing high-quality EL
17 services and expending sufficient resources to provide these services.

18 ~~(d) Categorical aid. In addition to the EL weight under section 4010 of this~~
19 ~~title, a school district that has, as determined annually on October 1 of the year:~~

20 ~~(1) one to five EL students enrolled shall receive State aid of \$25,000.00~~
21 ~~for that school year; or~~

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

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

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

16 § 4016. REIMBURSEMENT FOR TRANSPORTATION EXPENDITURES

17 (a) A school district ~~or supervisory union~~ that incurs allowable
18 transportation expenditures shall receive a transportation reimbursement grant
19 each year. The grant shall be equal to ~~50~~ 100 percent of allowable
20 transportation expenditures.; ~~provided, however, that in any year the total~~
21 ~~amount of grants under this subsection shall not exceed the total amount of~~

1 ~~adjusted base year transportation grant expenditures. The total amount of base~~
2 ~~year transportation grant expenditures shall be \$10,000,000.00 for fiscal year~~
3 ~~1997, increased each year thereafter by the annual price index for state and~~
4 ~~local government purchases of goods and services. If in any year the total~~
5 ~~amount of the grants under this subsection exceed the adjusted base year~~
6 ~~transportation grant expenditures, the amount of each grant awarded shall be~~
7 ~~reduced proportionately. Transportation grants paid under this section shall be~~
8 ~~paid from the Education Fund and shall be added to education spending~~
9 ~~payment receipts paid under section 4011 of this title.~~

10 (b) In this section, “allowable transportation expenditures” means the costs
11 of transporting students to and from school for regular classroom services and
12 shall not include expenditures for transporting students participating in
13 curricular activities that take place off the school grounds or for transporting
14 students participating in cocurricular activities. ~~The State Board~~ Agency of
15 Education, through rule-making, shall further define allowable transportation
16 expenditures ~~by rule.~~

17 (c) ~~A district or supervisory union may apply and the Secretary may pay~~
18 ~~for extraordinary transportation expenditures incurred due to geographic or~~
19 ~~other conditions such as the need to transport students out of the school district~~
20 ~~to attend another school because the district does not maintain a public school.~~
21 ~~The State Board~~ Agency of Education shall define extraordinary transportation

1 expenditures by rule. The total amount of base year extraordinary
2 transportation grant expenditures shall be \$250,000.00 for fiscal year 1997,
3 increased each year thereafter by the annual price index for state and local
4 government purchases of goods and services. Extraordinary transportation
5 expenditures shall not be paid out of the funds appropriated under subsection
6 (b) of this section for other transportation expenditures. Grants paid under this
7 section shall be paid from the Education Fund and shall be added to education
8 spending payment receipts paid under section 4011 of this title.

9 * * *

10 § 4025. EDUCATION FUND

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

12 (1) all revenue paid to the State from the statewide education tax on
13 nonhomestead and homestead property under 32 V.S.A. chapter 135, which
14 shall not include any revenue raised from the school district spending tax under
15 32 V.S.A. § 5402(f);

16 * * *

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

18 (1) To make payments to school districts ~~and supervisory unions~~ for the
19 support of education in accordance with the provisions of section 4028 of this
20 title, other provisions of this chapter, the provisions of 32 V.S.A. chapter 135,

1 and the Flexible Pathways Initiative established by section 941 of this title, but
2 excluding adult education and literacy programs under section 945 of this title.

3 (2) To cover the cost of fund auditing, accounting, revenue collection,
4 and of short-term borrowing to meet fund cash flow requirements.

5 (3) ~~To make payments required under 32 V.S.A. § 6066(a)(1) and only~~
6 ~~that portion attributable to education taxes, as determined by the Commissioner~~
7 ~~of Taxes, of payments required under 32 V.S.A. § 6066(a)(3). The State~~
8 ~~Treasurer shall withdraw funds from the Education Fund upon warrants issued~~
9 ~~by the Commissioner of Finance and Management based on information~~
10 ~~supplied by the Commissioner of Taxes. The Commissioner of Finance and~~
11 ~~Management may draw warrants for disbursements from the Fund in~~
12 ~~anticipation of receipts. All balances in the Fund at the end of any fiscal year~~
13 ~~shall be carried forward and remain a part of the Fund. Interest accruing from~~
14 ~~the Fund shall remain in the Fund. [Repealed.]~~

15 * * *

16 § 4026. EDUCATION FUND BUDGET STABILIZATION RESERVE;
17 CREATION AND PURPOSE

18 * * *

19 (e) ~~The enactment of this chapter and other provisions of the Equal~~
20 ~~Educational Opportunity Act of which it is a part have been premised upon~~
21 ~~estimates of balances of revenues to be raised and expenditures to be made~~

1 ~~under the act for such purposes as education spending payments, categorical~~
2 ~~State support grants, provisions for property tax income sensitivity, payments~~
3 ~~in lieu of taxes, current use value appraisals, tax stabilization agreements, the~~
4 ~~stabilization reserve established by this section, and for other purposes.~~ If the
5 stabilization reserve established under this section should in any fiscal year be
6 less than 5.0 percent of the prior fiscal year's appropriations from the
7 Education Fund, as defined in subsection (b) of this section, the Joint Fiscal
8 Committee shall review the information provided pursuant to 32 V.S.A.
9 § 5402b and provide the General Assembly its recommendations for change
10 necessary to restore the stabilization reserve to the statutory level provided in
11 subsection (b) of this section.

12 § 4027. EDUCATION FUND TRANSFER AMOUNTS

13 ~~(a) [Repealed.]~~

14 ~~(b) Annually, on or before June 1, each superintendent shall report to the~~
15 ~~Agency, on a form prescribed by the Secretary, each education budget that was~~
16 ~~adopted by May 1 for the following fiscal year by the member districts of the~~
17 ~~supervisory union and for which no petition for reconsideration has been filed.~~
18 ~~A superintendent shall report a budget adopted following May 1, to the~~
19 ~~Agency, between 30 to 40 days following adoption or, if a petition for~~
20 ~~reconsideration has been filed, within 10 days of final adoption of the budget~~
21 the final adopted budget approved by the district school board.

1 § 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

2 (a) On or before September 10, December 10, and April 30 of each school
3 year, one-third of the ~~education spending payment under section 4011 of this~~
4 ~~title~~ base amount as determined under subdivision 4001(17) of this title and
5 any State guarantee as defined under 32 V.S.A. § 5401(19) shall become due
6 to school districts, ~~except that districts that have not adopted a budget by 30~~
7 ~~days before the date of payment under this subsection shall receive one-quarter~~
8 ~~of the base education amount and upon adoption of a budget shall receive~~
9 ~~additional amounts due under this subsection.~~

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

14 (c)(1) ~~Any district that has adopted a school budget that includes high~~
15 ~~spending, as defined in 32 V.S.A. § 5401(12), shall, upon timely notice, be~~
16 ~~authorized to use a portion of its high spending penalty to reduce future~~
17 ~~education spending;~~

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

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

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

5 ~~(2) To the extent approved by the Secretary, the Agency shall pay the~~
6 ~~district from the property tax revenue to be generated by the high spending~~
7 ~~increase to the district's spending adjustment as estimated by the Secretary, up~~
8 ~~to a maximum of \$5,000.00. For the purposes of this subsection, "timely~~
9 ~~notice" means written notice from the district to the Secretary by September 30~~
10 ~~of the budget year. If the district enters into a contract with a consultant~~
11 ~~pursuant to this subsection, the consultant shall not be an employee of the~~
12 ~~district or of the Agency. A copy of the consultant's final recommendations or~~
13 ~~a copy of the district's recommendations regarding reorganization, as~~
14 ~~appropriate, shall be submitted to the Secretary, and each affected town shall~~
15 ~~include in its next town report an executive summary of the consultant's or~~
16 ~~district's final recommendations and notice of where a complete copy is~~
17 ~~available. No district is authorized to obtain funds under this section more than~~
18 ~~one time in every five years. [Repealed.]~~

19 (d) The Joint Fiscal Office shall prepare a fiscal note for any legislation
20 that requires a ~~supervisory union or~~ school district to perform any action with
21 an associated cost, but does not provide money or a funding mechanism for

1 fulfilling that obligation. Any fiscal note prepared under this subsection shall
2 be completed not later than the date that the legislation is considered for a vote
3 in the first committee to which it is referred.

4 * * *

5 § 4030. DATA SUBMISSION; CORRECTIONS

6 (a) Upon discovering an error or change in data submitted to the Secretary
7 for the purpose of determining payments to or from the Education Fund, a
8 school district shall report the error or change to the Secretary as soon as
9 possible. Any budget deficit or surplus due to the error or change shall be
10 carried forward to the following year.

11 (b) The Secretary shall use data submitted on or before January 15 prior to
12 the fiscal year that begins the following July 1 in order to calculate the
13 amounts due each school district for any fiscal year for transportation aid due
14 under section 4016 of this title.

15 (c) The Secretary shall use data corrections regarding approved district
16 budget amounts submitted on or before June 15 prior to the fiscal year that
17 begins the following July 1, in order to calculate the education payments due
18 under section 4011 of this title. However, the Secretary may use data
19 submitted after June 15 and prior to July 15 due to unusual or exceptional
20 circumstances as determined by the Secretary.

1 (d) The Secretary shall not use data corrected due to an error submitted
 2 following the deadlines to recalculate weighted long-term membership under
 3 section 4010 of this title. The Secretary shall not adjust average daily
 4 membership counts if an error or change is reported more than three fiscal
 5 years following the date that the original data was due.

6 (e) The ~~State Board~~ Agency of Education may adopt rules as necessary to
 7 implement the provisions of this section.

8 § 4031. UNORGANIZED TOWNS AND GORES

9 ~~(a) For a municipality that, as of January 1, 2004, is an unorganized town~~
 10 ~~or gore, its education property tax spending adjustment under 32 V.S.A.~~
 11 ~~§ 5401(13) shall be one for purposes of determining the tax rate under 32~~
 12 ~~V.S.A. § 5402(a)(2).~~

13 ~~(b) For purposes of a claim for property tax credit under 32 V.S.A. chapter~~
 14 ~~154 by a taxpayer in a municipality affected under this section, the applicable~~
 15 ~~percentage shall not be multiplied by a spending adjustment under 32 V.S.A.~~
 16 ~~§ 5401(13). [Repealed.]~~

17 * * * Education Property Tax Rate Formula * * *

18 Sec. 25. 32 V.S.A. § 5401 is amended to read:

19 § 5401. DEFINITIONS

20 As used in this chapter:

21 * * *

1 (7) “Homestead”:

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

8 * * *

9 (8) “Education spending” means “education spending” as defined in 16
10 V.S.A. § 4001(6).

11 * * *

12 (12) ~~“Excess spending” means:~~

13 (A) ~~The per pupil spending amount of the district’s education~~
14 ~~spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be~~
15 ~~added from a capital construction reserve fund under 24 V.S.A. § 2804(b).~~

16 (B) ~~In excess of 118 percent of the statewide average district per~~
17 ~~pupil education spending increased by inflation, as determined by the Secretary~~
18 ~~of Education on or before November 15 of each year based on the passed~~
19 ~~budgets to date. As used in this subdivision, “increased by inflation” means~~
20 ~~increasing the statewide average district per pupil education spending for fiscal~~
21 ~~year 2025 by the most recent New England Economic Project cumulative price~~

1 index, as of November 15, for state and local government purchases of goods
2 and services, from fiscal year 2025 through the fiscal year for which the
3 amount is being determined. [Repealed.]

4 (13)(A) “Education property tax spending adjustment” means the greater
5 of one or a fraction in which:

6 (i)(A) the numerator is the district’s per pupil education spending
7 plus excess spending for the school year, and

8 (ii)(B) the denominator is the property dollar equivalent yield for
9 the school year, as defined in subdivision (15) of this section, multiplied by the
10 statewide adjustment.

11 (B) “Education income tax spending adjustment” means the greater
12 of one or a fraction in which the numerator is the district’s per pupil education
13 spending plus excess spending for the school year, and the denominator is the
14 income dollar equivalent yield for the school year, as defined in subdivision
15 (16) of this section. [Repealed.]

16 * * *

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

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

4 (17) ~~“Statewide adjustment” means the ratio of the aggregate education~~
5 ~~property tax grand list of all municipalities to the aggregate value of the~~
6 ~~equalized education property tax grand list of all municipalities. [Repealed.]~~

7 (18) “School district-approved spending” means the spending that a
8 school district approves in excess of the foundation formula amount as defined
9 in 16 V.S.A. § 4001(17) for the fiscal year and for which no existing revenue
10 source is available, provided that no school district shall approve spending in
11 excess of [X] percent of the school district’s foundation formula amount for
12 the fiscal year.

13 (19) “State guarantee” means an amount equal to the school district’s
14 State guarantee rate multiplied by the school district’s approved spending.

15 (20) “State guarantee rate” means one minus the ratio of the anticipated
16 aggregate equalized education property tax grand list of the municipal
17 members of a school district per the average daily membership as defined
18 under 16 V.S.A. § 4001(1) of that school district in the following fiscal year to
19 the anticipated aggregate equalized education property tax grand list of the
20 municipal members of a school district per the average daily membership as
21 defined under 16 V.S.A. § 4001(1) of that school district that is the median in

1 the State in the following fiscal year, provided that no school district's State
2 guarantee rate under this subdivision shall be less than zero.

3 Sec. 26. 32 V.S.A. § 5402 is amended to read:

4 § 5402. EDUCATION PROPERTY TAX LIABILITY

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

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

9 ~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the~~
10 ~~education property tax spending adjustment for the municipality per \$100.00 of~~
11 ~~equalized education property value as most recently determined under section~~
12 ~~5405 of this title. The homestead property tax rate for each municipality that is~~
13 ~~a member of a union or unified union school district shall be calculated as~~
14 ~~required under subsection (e) of this section~~ a rate sufficient to raise the
15 foundation formula amount for the school district for the fiscal year after
16 accounting for the forecasted available revenues and the State guarantee. It is
17 the intention of the General Assembly that the statewide education tax rate
18 under this section shall be adopted for each fiscal year by act of the General
19 Assembly.

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

1 (1) The Commissioner of Taxes shall determine for each municipality
2 the education tax ~~rates~~ rate under subsection (a) of this section divided by the
3 ~~number resulting from dividing the~~ municipality's most recent common level
4 of appraisal ~~by the statewide adjustment~~. The legislative body in each
5 municipality shall then bill each property taxpayer at the ~~homestead or~~
6 ~~nonhomestead~~ rate determined by the Commissioner under this subdivision,
7 multiplied by the education property tax grand list value of the property,
8 properly classified as homestead or nonhomestead property and without regard
9 to any other tax classification of the property. Statewide education property tax
10 bills shall show the tax due and the calculation of the rate determined under
11 subsection (a) of this section, divided by ~~the number resulting from dividing~~
12 the municipality's most recent common level of appraisal ~~by the statewide~~
13 ~~adjustment~~, multiplied by the current grand list value of the property to be
14 taxed. Statewide education property tax bills shall also include language
15 provided by the Commissioner pursuant to subsection 5405(g) of this title.

16 (2) Taxes assessed under this section shall be assessed and collected in
17 the same manner as taxes assessed under chapter 133 of this title with no tax
18 classification other than as homestead or nonhomestead property; provided,
19 however, that the tax levied under this chapter shall be billed to each taxpayer
20 by the municipality in a manner that clearly indicates the tax is separate from
21 any other tax assessed and collected under chapter 133, including an

1 itemization of the separate taxes due. The bill may be on a single sheet of
2 paper with the statewide education tax and other taxes presented separately and
3 side by side.

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

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

18 (2) The Secretary of Education shall determine each municipality's net
19 ~~nonhomestead~~ education tax payment ~~and its net homestead education tax~~
20 ~~payment~~ to the State based on grand list information received by the Secretary
21 not later than the March 15 prior to the June 1 net payment. Payment shall be

1 accompanied by a return prescribed by the Secretary of Education. Each
2 municipality may retain 0.225 of one percent of the total education tax
3 collected, only upon timely remittance of net payment to the State Treasurer or
4 to the applicable school district or districts. ~~Each municipality may also retain~~
5 ~~\$15.00 for each late property tax credit claim filed after April 15 and before~~
6 ~~September 2, as notified by the Department of Taxes, for the cost of issuing a~~
7 ~~new property tax bill.~~

8 (d) [Repealed.]

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

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

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

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

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

5 ~~(C) Determine a combined homestead tax rate by calculating the~~
6 ~~weighted average of the rates determined under subdivisions (A) and (B) of~~
7 ~~this subdivision (2), with weighting based upon the ratio of union school long-~~
8 ~~term membership, as defined in 16 V.S.A. § 4001(7), from the member~~
9 ~~municipality to total long term membership of the member municipality; and~~
10 ~~the ratio of long term membership attending a school other than the union~~
11 ~~school to total long term membership of the member municipality. Total long-~~
12 ~~term membership of the member municipality is based on the number of pupils~~
13 ~~who are legal residents of the municipality and attending school at public~~
14 ~~expense. If necessary, the Commissioner may adopt a rule to clarify and~~
15 ~~facilitate implementation of this subsection (e). Repealed.~~

16 (f)(1) A school district spending tax is imposed on all homestead and
17 nonhomestead property in each member municipality of a school district that
18 approves spending pursuant to subdivision 5401(18) of this chapter. The
19 Commissioner of Taxes shall determine the school district spending tax rate for
20 each school district at a rate sufficient to raise the amount of the school
21 district's approved spending as certified by the Secretary of Education after

1 accounting for any State guarantee due to the school district. The legislative
2 body in each member municipality shall then bill each property taxpayer at the
3 rate determined by the Commissioner under this subsection multiplied by the
4 current grand list value of the property to be taxed. The bill shall show the tax
5 due and the calculation of the rate.

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

16 (3) The treasurer of each municipality shall pay all revenue raised from
17 the school district spending tax imposed under this subsection to its school
18 district pursuant to 16 V.S.A. § 426.

1 Sec. 27. 32 V.S.A. § 5402b is amended to read:

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

4 RECOMMENDATION OF THE COMMISSIONER

5 (a) Annually, not later than December 1, the Commissioner of Taxes, after
6 consultation with the Secretary of Education, the Secretary of Administration,
7 and the Joint Fiscal Office, shall estimate the base amount as defined in 32
8 V.S.A. § 4001(16) for the following fiscal year and calculate and recommend a
9 ~~property dollar equivalent yield, an income dollar equivalent yield, and a~~
10 ~~nonhomestead property tax rate~~ statewide education property tax rate pursuant
11 to subdivision 5402(a)(1) of this chapter for the following fiscal year. In
12 making these calculations, the Commissioner shall assume the statutory
13 reserves are maintained at five percent pursuant to 16 V.S.A. § 4026;

14 (1) ~~the homestead base tax rate in subdivision 5402(a)(2) of this title is~~
15 ~~\$1.00 per \$100.00 of equalized education property value;~~

16 (2) ~~the applicable percentage in subdivision 6066(a)(2) of this title is~~
17 ~~2.0;~~

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

20 (4) ~~the percentage change in the average education tax bill applied to~~
21 ~~nonhomestead property and the percentage change in the average education tax~~

1 ~~bill of homestead property and the percentage change in the average education~~
2 ~~tax bill for taxpayers who claim a credit under subsection 6066(a) of this title~~
3 ~~are equal;~~

4 ~~(5) the equalized education grand list is multiplied by the statewide~~
5 ~~adjustment in calculating the property dollar equivalent yield; and~~

6 ~~(6) the nonhomestead rate is divided by the statewide adjustment.~~

7 ~~(b) For each fiscal year, the property dollar equivalent yield and the income~~
8 ~~dollar equivalent yield shall be the same as in the prior fiscal year, unless set~~
9 ~~otherwise by the General Assembly. [Repealed.]~~

10 (c) Annually, on or before December 1, the Joint Fiscal Office shall
11 prepare and publish an official, annotated copy of the Education Fund Outlook.
12 The Emergency Board shall review the Outlook at its meetings. As used in this
13 section, "Education Fund Outlook" means the projected revenues and expenses
14 associated with the Education Fund for the following fiscal year, including
15 projections of different categories of educational expenses and costs.

16 (d) Along with the recommendations made under this section, the
17 Commissioner shall include the range of ~~per pupil~~ school district-approved
18 spending between all districts in the State for the previous year.

19 * * *

1 Sec. 30. 32 V.S.A. § 5410(g) is amended to read:

2 (g) ~~If the property identified in a declaration under subsection (b) of this~~
3 ~~section is not the taxpayer's homestead or if the owner of a homestead fails to~~
4 ~~declare a homestead as required under this section, the Commissioner shall~~
5 ~~notify the municipality, and the municipality shall issue a corrected tax bill that~~
6 ~~may, as determined by the governing body of the municipality, include a~~
7 ~~penalty of up to three percent of the education tax on the property. However, if~~
8 ~~the property incorrectly declared as a homestead is located in a municipality~~
9 ~~that has a lower homestead tax rate than the nonhomestead tax rate or if an~~
10 ~~undeclared homestead is located in a municipality that has a lower~~
11 ~~nonhomestead tax rate than the homestead tax rate, then the governing body of~~
12 ~~the municipality may include a penalty of up to eight percent of the education~~
13 ~~tax liability on the property. If the Commissioner determines that the~~
14 ~~declaration or failure to declare was with fraudulent intent, then the~~
15 ~~municipality shall assess the taxpayer a penalty in an amount equal to 100~~
16 ~~percent of the education tax on the property, plus any interest and late payment~~
17 ~~fee or commission that may be due. Any penalty imposed under this section~~
18 ~~and any additional property tax interest and late payment fee or commission~~
19 ~~shall be assessed and collected by the municipality in the same manner as a~~
20 ~~property tax under chapter 133 of this title. Notwithstanding section 4772 of~~
21 ~~this title, issuance of a corrected bill issued under this section does not extend~~

1 ~~the time for payment of the original bill nor relieve the taxpayer of any interest~~
 2 ~~or penalties associated with the original bill. If the corrected bill is less than the~~
 3 ~~original bill and there are also no unpaid current year taxes, interest, or~~
 4 ~~penalties and no past year delinquent taxes or penalties and interest charges,~~
 5 ~~any overpayment shall be reflected on the corrected tax bill and refunded to the~~
 6 ~~taxpayer. [Repealed.]~~

7 * * * Statewide Property Tax Credit Repeal; Homestead Exemption Created *

8 * *

9 Sec. 31. 32 V.S.A. § 5400 is amended to read:

10 § 5400. STATUTORY PURPOSES

11 * * *

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

18 * * *

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

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

2 Chapter 154: Homestead Property Tax Exemption, Municipal Property Tax
3 Credit, and Renter Credit

4 § 6061. DEFINITIONS

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

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

10 * * *

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

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

16 (10) [Repealed.]

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

1 dwelling units, not more than two acres per dwelling unit up to a maximum of
2 10 acres per parcel.

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

5 (13) “Homestead” means a homestead as defined under subdivision
6 5401(7) of this title, but not under subdivision 5401(7)(G) of this title, and
7 declared on or before October 15 in accordance with section 5410 of this title.

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

12 * * *

13 (21) “Homestead property tax exemption” means a reduction in the
14 amount of housesite value subject to the statewide education tax and the school
15 district spending tax in the claim year as authorized under sections 6066 and
16 6066a of this chapter.

17 § 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

18 * * *

19 (d) Whenever a housesite is an integral part of a larger unit such as a farm or
20 a multi-purpose or multi-dwelling building, property taxes paid shall be that
21 percentage of the total property tax as the value of the housesite is to the total

1 value. Upon a claimant’s request, the listers shall certify to the claimant the
2 value of ~~his or her~~ the claimant’s homestead and housesite.

3 * * *

4 § 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT
5 AT TIME OF
6 TRANSFER

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

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

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

18 (2) any homestead property tax exemption related to that residence
19 based on the transferor’s age and household income under subdivision
20 6066(a)(1) of this chapter shall cease to be in effect upon transfer; and

1 taxpayers to a resource where they can find versions of the notice translated
 2 into the five most common non-English languages in the State. A town shall
 3 include such notice in each tax bill and notice of delinquent taxes that it mails
 4 to taxpayers who own in that town a residential property, without regard for
 5 whether the property was declared a homestead pursuant to subdivision
 6 5401(7) of this title.

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

11 § 6066. COMPUTATION OF HOMESTEAD PROPERTY TAX
 12 EXEMPTION, MUNICIPAL
 13 PROPERTY TAX CREDIT, AND RENTER CREDIT

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

- 17 ~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~
- 18 ~~(i) the statewide education tax rate, multiplied by the equalized~~
 - 19 ~~value of the housesite in the taxable year;~~
 - 20 ~~(ii) minus (if less) the sum of:~~

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

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

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

8 ~~(i) the income percentage of household income for the taxable~~
9 ~~year; plus~~

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

12 ~~(C) For a claimant whose household income does not exceed~~
13 ~~\$47,000.00, the statewide education tax rate, multiplied by the equalized value~~
14 ~~of the housesite in the taxable year, minus the lesser of:~~

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

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

20 ~~(2) “Income percentage” in this section means two percent, multiplied~~
21 ~~by the education income tax spending adjustment under subdivision~~

1 ~~5401(13)(B) of this title for the property tax year that begins in the claim year~~
2 ~~for the municipality in which the homestead residence is located~~

3 (1) An eligible claimant who owned the homestead on April 1 of the claim
4 year shall be entitled to a homestead property tax exemption in the claim year
5 in an amount determined as follows:

6 (A) for a claimant whose household income is equal to or less than
7 \$47,000.00 and who is 65 years of age or more as of December 31 of the year
8 in which the claimant's household income is taken into account, the exemption
9 shall be 70 percent of the claimant's housesite value, provided the exempt
10 amount of housesite value shall not exceed \$200,000.00;

11 (B) for a claimant whose household income is equal to or less than
12 \$47,000.00 and who is less than 65 years of age as of December 31 of the year
13 in which the claimant's household income is taken into account, the exemption
14 shall be 60 percent of the claimant's housesite value, provided the exempt
15 amount of housesite value shall not exceed \$200,000.00;

16 (C) for a claimant whose household income is greater than
17 \$47,000.00 but equal to or less than \$90,000.00, the exemption shall be 50
18 percent of the claimant's housesite value, provided the exempt amount of
19 housesite value shall not exceed \$200,000.00;

20 (D) for a claimant whose household income is greater than
21 \$90,000.00 but equal to or less than \$125,000.00, the exemption shall be 10

1 percent of the claimant’s housesite value, provided the exempt amount of
 2 housesite value shall not exceed \$50,000.00; and

3 (E) for a claimant whose household income is greater than
 4 \$125,000.00, no amount of housesite value shall be exempt under this section.

5 ~~(3)~~(2) A An eligible claimant who owned the homestead on April 1 of
 6 the claim year and whose household income does not exceed \$47,000.00 shall
 7 also be entitled to an additional a credit amount from against the claimant’s
 8 municipal taxes for the upcoming fiscal year that is equal to the amount by
 9 which the municipal property taxes for the municipal fiscal year that began in
 10 the taxable year upon the claimant’s housesite exceeds a percentage of the
 11 claimant’s household income for the taxable year as follows:

12	If household income (rounded	then the taxpayer is entitled to
13	credit for the	
14	to the nearest dollar) is:	reduced property tax in excess of
15		this percent
16		of that income:
17	\$0.00 — 9,999.00	1.50
18	\$10,000.00 — 47,000.00	3.00

19 ~~(4) A claimant whose household income does not exceed \$47,000.00~~
 20 ~~shall also be entitled to an additional credit amount from the claimant’s~~
 21 ~~statewide education tax for the upcoming fiscal year that is equal to the amount~~

1 by which the education property tax for the municipal fiscal year that began in
 2 the taxable year upon the claimant's housesite, reduced by the credit amount
 3 determined under subdivisions (1) and (2) of this subsection, exceeds a
 4 percentage of the claimant's household income for the taxable year as follows:

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

9	\$0.00 — 9,999.00	_____	0.5
10	\$10,000.00 — 24,999.00	_____	1.5
11	\$25,000.00 — 47,000.00	_____	2.0

12 ~~(5)~~(3) In no event shall the homestead property tax exemption provided
 13 for in subdivision (1) of this subsection reduce the housesite value below zero.

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

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

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* * *

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

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

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

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

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

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

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

17 (f) [Repealed.]

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

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

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

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

1 § 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX
2 EXEMPTION AND
3 MUNICIPAL PROPERTY TAX CREDIT

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

19 (b) The Commissioner shall include in the total homestead property tax
20 exemption and municipal property tax credit amount determined under
21 subsection (a) of this section, for credit to the taxpayer for ~~homestead~~ statewide

1 education property tax and school district spending tax liabilities, any income
2 tax overpayment remaining after allocation under section 3112 of this title and
3 setoff under section 5934 of this title, which the taxpayer has directed to be
4 used for payment of property taxes.

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

10 (d) [Repealed.]

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

19 (f)(1) For taxpayers and amounts stated in the notice to towns on or before
20 July 1, municipalities shall create and send to taxpayers a ~~homestead~~ property
21 tax bill, instead of the bill required under subdivision 5402(b)(1) of this title,

1 providing the total amount allocated to payment of ~~homestead~~ statewide
2 education property tax liabilities and notice of the balance due. Municipalities
3 shall apply the amount of the homestead property tax exemption allocated
4 under this chapter to current year property taxes in equal amounts to each of
5 the taxpayers' property tax installments that include education taxes and the
6 amount of the municipal property tax credit allocated under this chapter to
7 current year municipal property taxes in equal amounts to each of the
8 taxpayers' property tax installments that include municipal taxes.

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

18 (2) For homestead property tax exemption and municipal property tax
19 credit amounts for which municipalities receive notice after November 1,
20 municipalities shall issue a new ~~homestead~~ property tax bill with notice to the

1 taxpayer of the total amount allocated to payment of ~~homestead~~ property tax
2 liabilities and notice of the balance due.

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

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

20 (g) The Commissioner of Taxes shall pay monthly to each municipality the
21 amount of municipal property tax credit of which the municipality was last

1 notified related to municipal property tax on homesteads within that
2 municipality, as determined by the Commissioner of Taxes.

3 § 6067. ~~CREDIT CLAIM~~ CREDIT CLAIM LIMITATIONS

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

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

10 (c) Dollar amount. No ~~taxpayer claimant~~ shall receive a renter credit under
11 subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer claimant~~
12 shall receive a municipal property tax credit under subdivision 6066(a)(~~3~~)(2) of
13 this title greater than \$2,400.00 ~~or cumulative credit under subdivisions~~
14 ~~6066(a)(1)-(2) and (4) of this title greater than \$5,600.00.~~

15 § 6068. APPLICATION AND TIME FOR FILING

16 (a) A homestead property tax exemption or municipal property tax credit
17 claim or request for allocation of an income tax refund to ~~homestead~~ statewide
18 education property tax payment shall be filed with the Commissioner on or
19 before the due date for filing the Vermont income tax return, without
20 extension, and shall describe the school district in which the homestead
21 property is located and shall particularly describe the homestead property for

1 which the exemption or credit ~~or allocation~~ is sought, including the school
2 parcel account number prescribed in subsection 5404(b) of this title. A renter
3 credit claim shall be filed with the Commissioner on or before the due date for
4 filing the Vermont income tax return, without extension.

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

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

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

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

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

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

1 § 6070. DISALLOWED CLAIMS

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

5 § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

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

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

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

8 (c) ~~In any case in which a homestead is rented by a person from another~~
9 ~~person under circumstances deemed by the Commissioner to be not at arms-~~
10 ~~length, the Commissioner may determine the rent constituting property tax for~~
11 ~~purposes of this chapter. [Repealed.]~~

12 * * *

13 § 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

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

16 § 6074. AMENDMENT OF CERTAIN CLAIMS

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

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

2 Sec. 33. 11 V.S.A. § 1608 is amended to read:

3 § 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

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

8 Sec. 34. 32 V.S.A. § 3102(j) is amended to read:

9 (j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of this
10 title showing only the amount of total tax due shall not be considered
11 confidential return information under this section. For the purposes of
12 calculating ~~credits~~ the homestead property tax exemption and the municipal
13 property tax credit under chapter 154 of this title, information provided by the
14 Commissioner to a municipality under subsection 6066a(a) of this title and
15 information provided by the municipality to a taxpayer under subsection
16 6066a(f) shall be considered confidential return information under this section.

17 Sec. 35. 32 V.S.A. § 3206(b) is amended to read:

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

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

4 * * * Education Fund Advisory Committee * * *

5 Sec. 36. REPEAL; EDUCATION FUND ADVISORY COMMITTEE

6 The following are repealed on July 1, 2025:

7 (1) 32 V.S.A. § 5414 (Creation; Education Fund Advisory Committee).

8 (2) 2024 Acts and Resolves No. 183, Sec. 12 (Education Fund Advisory
9 Committee sunset).

10 * * * Effective Dates * * *

11 Sec. 37. EFFECTIVE DATES

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

13 (1) Sec. 1 (findings and intent);

14 (2) Sec. 2 (16 V.S.A. § 43);

15 (3) Sec. 3 (16 V.S.A. § 212);

16 (4) Sec. 4 (16 V.S.A. § 164);

17 (5) Sec. 5 (16 V.S.A. § 165);

18 (6) Sec. 7 (therapeutic schools and salary schedule report);

19 (7) Sec. 10 (repeal of 16 V.S.A. chapter 7);

20 (8) Sec. 11 (new union school districts);

21 (9) Sec. 12 (16 V.S.A. § 2);

- 1 (10) Sec. 14 (16 V.S.A. chapter 11);
- 2 (11) Sec. 18 (repeals of 16 V.S.A. §§ 822a and 823);
- 3 (12) Sec. 22 (transition year one funding);
- 4 (13) Sec. 23 (transition year two funding);
- 5 (14) Sec. 35 (Education Fund Advisory Committee); and
- 6 (15) Sec. 36 (effective dates).

7 (b) The following sections shall take effect on July 1, 2027:

- 8 (1) Sec. 6 (16 V.S.A. § 166);
- 9 (2) Sec. 8 (16 V.S.A. § 241);
- 10 (3) Sec. 9 (16 V.S.A. § 242);
- 11 (4) Sec. 13 (16 V.S.A. § 563);
- 12 (5) Sec. 15 (16 V.S.A. § 564);
- 13 (6) Sec. 16 (16 V.S.A. § 821);
- 14 (7) Sec. 17 (16 V.S.A. § 822);
- 15 (8) Sec. 19 (16 V.S.A. § 824);
- 16 (9) Sec. 20 (16 V.S.A. § 1071);
- 17 (10) Sec. 21 (16 V.S.A. § 1121);
- 18 (11) Sec. 24 (16 V.S.A. chapter 133);
- 19 (12) Sec. 25 (32 V.S.A. § 5401);
- 20 (13) Sec. 26 (32 V.S.A. § 5402);
- 21 (14) Sec. 27 (32 V.S.A. § 5402b);

1 (15) Sec. 28 (32 V.S.A. § 5404a);

2 (16) Sec. 29 (32 V.S.A. § 5405);

3 (17) Sec. 30 (32 V.S.A. § 5410);

4 (18) Sec. 31 (32 V.S.A. § 5400);

5 (19) Sec. 32 (32 V.S.A. chapter 154);

6 (20) Sec. 33 (11 V.S.A. § 1608);

7 (21) Sec. 34 (32 V.S.A. § 3102); and

8 (22) Sec. 35 (32 V.S.A. § 3206).

UNEDITED DRAFT