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1 Sec. 11. [Deleted.]

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

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

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

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

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

7 (2) an approved independent school; that:

8 (A) is located in Vermont;

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

10 2025;

11 (C) is located within either:

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

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

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

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

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

(3) an independent school meeting education quality standards;

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

(5) an approved education program, or;

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

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

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

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

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

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

* * * Calculation of Tuition * * *

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

§ 823. ~~ELEMENTARY~~ TUITION

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

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

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1 that the statutory provisions apply to any sending district that declines the
2 offered terms.

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

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

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

11 (3) the average per pupil tuition the district pays for its other resident
12 elementary students in the year in which the student is enrolled in the approved
13 independent school.

14 (1) In addition to the tuition amount calculated in
15 subsection (a), a receiving school may charge, and a sending school shall be
16 required to pay, an additional fee in the amount of the product of the base
17 amount and up to 0.05 for each student attending the receiving school in grades
nines through 12 only if the following conditions are met:

18 (A) the receiving school has received approval from the State Board
19 of Education to charge the additional fee under this subsection (b), which
20 approval shall be granted in accordance with rules adopted by the State Board;

21 and

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

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

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

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

18 Sec. 28. REPEALS

19 16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate;
20 calculated net cost per pupil defined), 826 (notice of tuition rates; special

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education charges), and 836 (tuition overcharge or undercharge) are repealed
on July 1, 2029.

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

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

Sec. 32. AGENCY OF EDUCATION; TRANSFORMATION

APPROPRIATION

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

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

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

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

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

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

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

13 (1) suitable geographic measures for determining sparsity within the
14 foundation formula;

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

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

20 (b) The contractors shall submit the foundation formula, analysis of
21 geographic measures, and the other recommendations required under

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1 subsection (a) of this section, along with a detailed analysis to support the
2 contractor's recommendations, to the House Committee on Ways and Means,
3 the Senate Committee on Finance, and the House and Senate Committees on
4 Education on or before December 1, 2026.

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

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

11 * * * Effective Dates * * *

12 Sec. 70. EFFECTIVE DATES

13 (a) This section and the following sections shall take effect on passage:

14 (1) Sec. 1 (findings; intent; plan);

15 (2) Sec. 2 (Commission on the Future of Public Education);

16 (3) Sec. 3 (School District Redistricting Task Force);

17 (4) Sec. 4 (School District Voting Ward Working Group);

18 (5) Sec. 32 (Agency of Education transformation support);

19 (6) Sec. 33. (Agency of Education positions);

20 (7) Sec. 44 (transportation reimbursement guidelines);

21 (8) Sec. 45 (inflationary measures; prekindergarten; reports);

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- 1 (9) Sec. 45a (foundation formula report);
- 2 (10) Sec. 45c (Education Fund Advisory Committee; delay);
- 3 (11) Sec. 53 (homestead exemption report);
- 4 (12) Sec. 61a (tax classification data; transition);
- 5 (13) Sec. 61b (property tax classifications implementation report);
- 6 (14) Sec. 61c (tax classifications intent)
- 7 (15) Sec. 63 (regional assessment district transition; progress report);
- 8 (16) Sec. 64 (RAD stakeholder working group);
- 9 (17) Sec. 65 (inadvertently removed language);
- 10 (18) Sec. 66 (minimum debt for tax sales);
- 11 (19) Sec. 68 (property tax credit late fee); and
- 12 (20) Sec. 69 (statewide adjustment correction).
- 13 (b) The following sections shall take effect on July 1, 2025:
- 14 (1) Sec. 5 (scale; intent);
- 15 (2) Sec. 8 (SBE rules; report);
- 16 (3) Sec. 9 (AOE report; school calendar; graduation requirements);
- 17 (4) Sec. 10 (SBE rule review; appropriation);
- 18 (5) Sec. 14 (16 V.S.A. § 3443);
- 19 (6) Sec. 15 (School Construction Advisory Board sunset);
- 20 (7) Sec. 21 (16 V.S.A. § 828);
- 21 (8) Sec. 22 (tuition transition);

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(16) Sec. 67 (PVR hearing officer pay).

* * *

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

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