

* * * Findings and Intent * * *

Sec. 1. FINDINGS; INTENT; PLAN

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(b) Intent; plan.

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(3) It is further the intent of the General Assembly to ensure that the imposition of the new statewide education tax rate contemplated by this act does not result in an increase of education property tax bills relative to Vermont's current education funding system for municipalities across Vermont. The General Assembly intends to mitigate or reduce property tax bills for Vermonters by, among other things:

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

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

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

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

1 (E) evaluating and consolidating education governance structures to
2 reduce administrative costs and burdens;

3 (F) stabilizing education property taxes by transitioning from an
4 education funding system that funds locally-varying budgets to a foundation
5 formula that funds predictable educational opportunity payments;

6 (G) implementing a foundation formula with costs reflective of the
7 most efficient method of delivery of education services to Vermont pupils of
8 all educational needs within Vermont’s existing education structure;

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

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

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

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

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

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

7 (N) replacing the existing property tax credit with a homestead
8 exemption that increases income sensitivity benefits to low- and moderate-
9 income Vermonters and smooths existing income sensitivity benefit cliffs.

10 * * * Calculation of Tuition * * *

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

12 § 823. ~~ELEMENTARY~~ TUITION

13 (a) Tuition for ~~elementary~~ students shall be paid by the district in which the
14 student is a resident. The district shall pay ~~the full tuition charged its students~~
15 ~~attending a public elementary school~~ to a receiving school for each resident
16 student attending the receiving school an amount equal to the base amount
17 contained in subdivision 4001(16) of this title multiplied by the sum of one and
18 any weights applicable to the resident student under section 4010 of this title,
19 plus any amounts charged pursuant to subsections (b) and (c) of this section. If
20 ~~a payment made to a public elementary school is three percent more or less~~
21 ~~than the calculated net cost per elementary pupil in the receiving school district~~

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

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

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

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

17 (3) ~~the average per pupil tuition the district pays for its other resident~~
18 ~~elementary students in the year in which the student is enrolled in the approved~~
19 ~~independent school. In addition to the tuition amount calculated in subsection~~

20 (a), a receiving school that educates students in any subset of grades nine

1 through 12 may charge a sum of the base amount and 0.10 for each student
2 attending the receiving school.

3 (c) In addition to the tuition amount calculated in subsection (a) and the
4 additional sum allowable under subsection (b), an approved independent
5 receiving school that educates students in any subset of grades nine through 12
6 and also functions as an area career and technical center may charge a sum of
7 the base amount and 0.10 for each student attending the receiving school.

8 Sec. 28. REPEALS

9 16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate;
10 calculated net cost per pupil defined), 826 (notice of tuition rates; special
11 education charges), and 836 (tuition overcharge or undercharge) are repealed
12 on July 1, 2029.

13 * * * Effective Dates * * *

14 Sec. 70. EFFECTIVE DATES

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

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

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

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

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

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

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

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

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

3 (9) Sec. 45a (foundation formula report);

4 (10) Sec. 45c (Education Fund Advisory Committee; delay);

5 (11) Sec. 53 (homestead exemption report);

6 (12) Sec. 61a (tax classification data; transition);

7 (13) Sec. 61b (property tax classifications implementation report);

8 (14) Sec. 63 (regional assessment district transition; progress report);

9 (15) Sec. 64 (RAD stakeholder working group);

10 (16) Sec. 65 (inadvertently removed language);

11 (17) Sec. 66 (minimum debt for tax sales);

12 (18) Sec. 68 (property tax credit late fee); and

13 (19) Sec. 69 (statewide adjustment correction).

14 * * *

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

21 (1) Secs. 27 (16 V.S.A. § 823) and 28 (repeals);

- 1 (2) Secs. 34–43 (transition to cost-factor foundation formula);
2 (3) Sec. 45b (educational opportunity payment transition);
3 (4) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental
4 district spending tax);
5 (5) Sec. 46a (supplemental district spending tax; cap; transition);
6 (6) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of
7 homestead exemption); and
8 (7) Sec. 57 (Education Fund Advisory Committee; review of foundation
9 formula).
10 (g) Sec. 62 (regional assessment districts) shall take effect on January 1,
11 2029.