

1 TO THE HONORABLE SENATE:

2 The Committee on Education to which was referred House Bill No. 454  
3 entitled “An act relating to transforming Vermont’s education governance,  
4 quality, and finance systems” respectfully reports that it has considered the  
5 same and recommends that the Senate propose to the House that the bill be  
6 amended by striking out all after the enacting clause and inserting in lieu  
7 thereof the following:

8 \* \* \* Intent \* \* \*

9 Sec. 1. INTENT; PLAN

10 Intent; plan.

11 (1) It is the intent of the General Assembly to:

12 (A) work strategically, intentionally, and thoughtfully to ensure that  
13 each incremental change made to Vermont’s public education system provides  
14 strength and support to its only constitutionally required governmental service;

15 (B) ensure each student is provided substantially equal educational  
16 opportunities that will prepare them to thrive in a 21st-century world; and

17 (C) while transitioning to a foundation formula and achieving scale,  
18 prioritize the following policy goals within the foundation formula and through  
19 education transformation:

- 1                    (i) expanding early childhood education;
- 2                    (ii) increasing afterschool and summer programs in underserved
- 3 communities;
- 4                    (iii) ensuring every student benefits from essential arts, including
- 5 music, fine arts, and world languages;
- 6                    (iv) providing additional student access to mental health services;
- 7                    (v) extending and enriching college and career pathways,
- 8 beginning in middle school and culminating in graduates being prepared to
- 9 take on critical jobs in high-demand industries; and
- 10                   (vi) raising teacher salaries to ensure that all students have access
- 11 to a high-quality teacher and ensuring teachers are valued as professionals.

12                    (2) It is further the intent of the General Assembly to:

13                    (A) in the 2026 session:

- 14                    (i) enact legislation that creates a school district consolidation
- 15 process;
- 16                    (ii) enact updates to career and technical education governance
- 17 systems, both at the local and statewide levels, that are reflective of the larger
- 18 public education governance transformation to new, larger school districts;
- 19                    (iii) create a coordinated and coherent statewide strategy for career
- 20 and technical education that is responsive to students and the State’s workforce

1 needs and that provides opportunities for more integration between career and  
2 technical education and traditional high school work;

3 (iv) enact student-centered updates to career and technical  
4 education funding within a foundation formula that does not create competition  
5 between sending schools and career and technical education programs for  
6 available funds; and

7 (v) begin the process of determining how school boards will elect  
8 school board members in newly merged school districts;

9 (B) provide or enable the provision of the necessary staffing,  
10 resources, and support to the Agency of Education, the Secretary of State’s  
11 Office, town clerks, and other integral parties to the election system to hold the  
12 first school board member elections within the newly created school districts in  
13 a special election in March 2028; and

14 (C) provide or enable the provision of the necessary staffing,  
15 resources, and support to the Agency of Education, State Board of Education,  
16 and other integral parties to ensure that the necessary guidance and funding is  
17 in place to allow for a smooth and successful transition between the operation  
18 of Vermont’s current 119 school districts to the new, larger school districts,  
19 with new school districts assuming responsibility for the education of all  
20 resident students on July 1, 2029.

1                   \* \* \* Commission on the Future of Public Education \* \* \*

2           Sec. 2. 2024 Acts and Resolves No. 183, Sec. 1 is amended to read:<sup>1</sup>

3                   Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC  
4                                   EDUCATION; REPORTS

5                   (a) Creation. There is hereby created the Commission on the Future of  
6           Public Education in Vermont. The right to education is fundamental for the  
7           success of Vermont’s children in a rapidly changing society and global  
8           marketplace as well as for the State’s own economic and social prosperity.  
9           The Commission shall study the provision of education in Vermont and make  
10          recommendations for a statewide vision for Vermont’s public education system  
11          to ensure that all students are afforded substantially equal educational  
12          opportunities in an efficient, sustainable, and stable education system. The  
13          Commission shall also make recommendations for the strategic policy changes  
14          necessary to make Vermont’s educational vision a reality for all Vermont  
15          students.

16                  (b) Membership. The Commission shall be composed of the following  
17          members and, to the extent possible, the members shall represent the State’s  
18          geographic, gender, racial, and ethnic diversity:

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<sup>1</sup> Changes to the Commission from House version; removed House’s subcommittee; changes to dates highlighted in yellow

- 1 (1) the Secretary of Education or designee;
- 2 (2) the Chair of the State Board of Education or designee;
- 3 (3) the Tax Commissioner or designee;
- 4 (4) one current member of the House of Representatives, appointed by  
5 the Speaker of the House;
- 6 (5) one current member of the Senate, appointed by the Committee on  
7 Committees;
- 8 (6) one representative from the Vermont School Boards Association  
9 (VSBA), appointed by the VSBA Executive Director;
- 10 (7) one representative from the Vermont Principals' Association (VPA),  
11 appointed by the VPA Executive Director;
- 12 (8) one representative from the Vermont Superintendents Association  
13 (VSA), appointed by the VSA Executive Director;
- 14 (9) one representative from the Vermont National Education  
15 Association (VTNEA), appointed by the VTNEA Executive Director;
- 16 (10) one representative from the Vermont Association of School  
17 Business Officials (VASBO) with experience in school construction projects,  
18 appointed by the President of VASBO;
- 19 (11) the Chair of the Census-Based Funding Advisory Group, created  
20 under 2018 Acts and Resolves No. 173;

1           (12) the Executive Director of the Vermont Rural Education  
2 Collaborative; and

3           (13) one representative from the Vermont Independent Schools  
4 Association (VISA), appointed by the President of VISA.

5           (c) Steering group. On or before July 1, 2024, the Speaker of the House  
6 shall appoint two members of the Commission, the Committee on Committees  
7 shall appoint two members of the Commission, and the Governor shall appoint  
8 two members of the Commission to serve as members of a steering group. The  
9 steering group shall provide leadership to the Commission and shall work with  
10 a consultant or consultants to analyze the issues, challenges, and opportunities  
11 facing Vermont’s public education system, as well as develop and propose a  
12 work plan to formalize the process through which the Commission shall seek  
13 to achieve its final recommendations. The formal work plan shall be approved  
14 by a majority of the Commission members. The steering group ~~shall form a~~  
15 ~~subcommittee of the Commission to address education finance topics in greater~~  
16 ~~depth and~~ may form one or more ~~additional~~ subcommittees of the Commission  
17 to address ~~other~~ key topics in greater depth, as necessary. ~~The steering group~~  
18 ~~may appoint non-Commission members to the education finance~~  
19 ~~subcommittee. All other subcommittees shall be composed solely of~~  
20 ~~Commission members.~~

1 (d) Collaboration and information review.

2 (1) The Commission ~~shall~~ may seek input from and collaborate with key  
3 stakeholders, as directed by the steering group. At a minimum, the  
4 Commission shall consult with:

5 (A) the Department of Mental Health;

6 (B) the Department of Labor;

7 (C) the President of the University of Vermont or designee;

8 (D) the Chancellor of the Vermont State Colleges Corporation or  
9 designee;

10 (E) a representative from the Prekindergarten Education  
11 Implementation Committee;

12 (F) the Office of Racial Equity;

13 (G) a representative with expertise in the Community Schools model  
14 in Vermont;

15 (H) the Vermont Youth Council;

16 (I) the Commission on Public School Employee Health Benefits; and

17 (J) an organization committed to ensuring equal representation and  
18 educational equity.

19 (2) The Commission shall also review and take into consideration  
20 existing educational laws and policy, including legislative reports the  
21 Commission deems relevant to its work and, at a minimum, 2015 Acts and

1 Resolves No. 46, 2018 Acts and Resolves No. 173, 2022 Acts and Resolves  
2 No. 127, and 2023 Acts and Resolves No. 76.

3 (e) Duties of the Commission. The Commission shall study Vermont's  
4 public education system and make recommendations to ensure all students are  
5 afforded quality educational opportunities in an efficient, sustainable, and  
6 equitable education system that will enable students to achieve the highest  
7 academic outcomes. The result of the Commission's work shall be a  
8 ~~recommendation for a statewide vision for Vermont's public education system,~~  
9 ~~with recommendations for the policy changes necessary to make Vermont's~~  
10 ~~educational vision a reality~~ recommendations for the State-level education  
11 governance system, including the roles and responsibilities of the Agency of  
12 Education and the State Board of Education. In creating and making its  
13 recommendations, the Commission shall engage in the following:

14 (1) Public engagement. The Commission shall conduct not fewer than  
15 14 public meetings to inform the work required under this section. At least one  
16 meeting of the Commission as a whole or a subcommittee of the Commission  
17 shall be held in each county. The Commission shall publish a draft of its final  
18 recommendations on or before October 1, 2025, solicit public feedback, and  
19 incorporate such feedback into its final recommendations. When submitting its  
20 final recommendations to the General Assembly, the Commission shall include

1 all public feedback received as an addendum to its final report. The public  
2 feedback process shall include:

3 (A) a minimum 30-day public comment period, during which time  
4 the Commission shall accept written comments from the public and  
5 stakeholders; and

6 (B) a public outreach plan that maximizes public engagement and  
7 includes notice of the availability of language assistance services when  
8 requested.

9 (2) Policy considerations. In developing its recommendations, the  
10 Commission shall consider and prioritize the following topics:

11 (A) Governance, resources, and administration. The Commission  
12 shall study and make recommendations regarding education governance at the  
13 State level, including the role of the Agency of Education in the provision of  
14 services and support for the education system. Recommendations under this  
15 subdivision (A) shall include, at a minimum, the following:

16 (i) whether changes need to be made to the structure of the  
17 Agency of Education, including whether it better serves the recommended  
18 education vision of the State as an agency or a department;

1 (ii) what are the staffing needs of the Agency of Education;  
2 (iii) whether changes need to be made to the composition, role,  
3 and function of the State Board of Education to better serve the recommended  
4 education vision of the State; and

5 (iv) what roles, functions, or decisions should be a function of  
6 local control and what roles, functions, or decisions should be a function of  
7 control at the State level; and, including a process for the community served by  
8 an elementary school to have a voice in decisions regarding school closures  
9 and, if so, recommendations for what that process shall entail.

10 ~~(v) the effective integration of career and technical education in~~  
11 ~~the recommended education vision of the State.~~

12 ~~(B) Physical size and footprint of the education system. The~~  
13 ~~Commission shall study and make recommendations regarding how the unique~~  
14 ~~geographical and socioeconomic needs of different communities should factor~~  
15 ~~into the provision of education in Vermont, taking into account and building~~  
16 ~~upon the recommendations of the State Aid to School Construction Working~~  
17 ~~Group. Recommendations under this subdivision (B) shall include, at a~~  
18 ~~minimum, the following:~~

19 ~~(i) an analysis and recommendation for the most efficient and~~  
20 ~~effective number and location of school buildings, school districts, and~~  
21 ~~supervisory unions needed to achieve Vermont's vision for education,~~

1 ~~provided that if there is a recommendation for any change, the~~  
2 ~~recommendation shall include an implementation plan;~~

3 ~~(ii) an analysis of the capacity and ability to staff all public~~  
4 ~~schools with a qualified workforce, driven by data on class size~~  
5 ~~recommendations;~~

6 ~~(iii) analysis of whether, and if so, how, collaboration with~~  
7 ~~Vermont's postsecondary schools may support the development and retention~~  
8 ~~of a qualified educator workforce;~~

9 ~~(iv) an analysis of the current town tuition program and whether,~~  
10 ~~and if so, what, changes are necessary to meet Vermont's vision for education,~~  
11 ~~including the legal and financial impact of funding independent schools and~~  
12 ~~other private institutions, including consideration of the following:~~

13 ~~(I) the role designation, under 16 V.S.A. § 827, should play in~~  
14 ~~the delivery of public education; and~~

15 ~~(II) the financial impact to the Education Fund of public dollars~~  
16 ~~being used in schools located outside Vermont; and~~

17 ~~(v) an analysis of the current use of private therapeutic schools in~~  
18 ~~the provision of special education services and whether, and if so, what,~~  
19 ~~changes are necessary to meet Vermont's special education needs, including~~  
20 ~~the legal and financial impact of funding private therapeutic schools.~~

21 [Repealed.]

1           (C) ~~The role of public schools. The Commission shall study and~~  
2 ~~make recommendations regarding the role public schools should play in both~~  
3 ~~the provision of education and the social and emotional well-being of students.~~  
4 ~~Recommendations under this subdivision (C) shall include, at a minimum, the~~  
5 ~~following:~~

6                   (i) ~~how public education in Vermont should be delivered;~~

7                   (ii) ~~whether Vermont’s vision for public education shall include~~  
8 ~~the provision of wraparound supports and collocation of services;~~

9                   (iii) ~~whether, and if so, how, collaboration with Vermont’s~~  
10 ~~postsecondary schools may support and strengthen the delivery of public~~  
11 ~~education; and~~

12                   (iv) ~~what the consequences are for the Commission’s~~  
13 ~~recommendations regarding the role of public schools and other service~~  
14 ~~providers, including what the role of public schools means for staffing,~~  
15 ~~funding, and any other affected system, with the goal of most efficiently~~  
16 ~~utilizing State funds and services and maximizing federal funding. [Repealed.]~~

17           (D) ~~Education finance system. The Commission shall explore the~~  
18 ~~efficacy and potential equity gains of changes to the education finance system,~~  
19 ~~including weighted educational opportunity payments as a method to fund~~  
20 ~~public education. The Commission’s recommendations shall be intended to~~  
21 ~~result in an education funding system designed to afford substantially equal~~

1 ~~access to a quality basic education for all Vermont students in accordance with~~  
2 ~~State v. Brigham, 166 Vt. 246 (1997). Recommendations under this~~  
3 ~~subdivision (D) shall include, at a minimum, the following:~~

4 ~~(i) allowable uses for the Education Fund that shall ensure~~  
5 ~~sustainable and equitable use of State funds;~~

6 ~~(ii) the method for setting tax rates to sustain allowable uses of the~~  
7 ~~Education Fund;~~

8 ~~(iii) whether, and if so, what, alternative funding models would~~  
9 ~~create a more affordable, sustainable, and equitable education finance system~~  
10 ~~in Vermont, including the consideration of a statutory, formal base amount of~~  
11 ~~per pupil education spending and whether school districts should be allowed to~~  
12 ~~spend above the base amount;~~

13 ~~(iv) adjustments to the excess spending threshold, including~~  
14 ~~recommendations that target specific types of spending;~~

15 ~~(v) the implementation of education spending caps on different~~  
16 ~~services, including administrative and support services and categorical aid;~~

17 ~~(vi) how to strengthen the understanding and connection between~~  
18 ~~school budget votes and property tax bills;~~

19 ~~(vii) adjustments to the property tax credit thresholds to better~~  
20 ~~match need to the benefit;~~

1                   ~~(viii) a system for ongoing monitoring of the Education Fund and~~  
2 ~~Vermont’s education finance system, to include consideration of a standing~~  
3 ~~Education Fund advisory committee;~~

4                   ~~(ix) an analysis of the impact of healthcare health care costs on the~~  
5 ~~Education Fund, including recommendations for whether, and if so, what,~~  
6 ~~changes need to be made to contain costs; and~~

7                   ~~(x) implementation details for any recommended changes to the~~  
8 ~~education funding system. [Repealed.]~~

9                   ~~(E) Additional considerations. The Commission may consider any~~  
10 ~~other topic, factor, or issue that it deems relevant to its work and~~  
11 ~~recommendations. [Repealed.]~~

12           (f) Reports. The Commission shall prepare and submit to the General  
13 Assembly the following:

14                   (1) a formal, written work plan, which shall include a communication  
15 plan to maximize public engagement, on or before September 15, 2024;

16                   (2) a written report containing its preliminary findings and  
17 recommendations, including short-term cost containment considerations for the  
18 2025 legislative session, on or before December 15, 2024; and

19                   (3) a written report containing its final findings and recommendations  
20 ~~for a statewide vision for Vermont’s public education system and the policy~~  
21 ~~changes necessary to make that educational vision a reality based on its~~

1 analysis of the State-level governance topics contained in subdivision (e)(2)(A)  
2 of this section, on or before December 1, 2025; and August 1, 2025

3 ~~(4) proposed legislative language to advance any recommendations for~~  
4 ~~the education funding system on or before December 15, 2025.~~

5 (g) Assistance. The Agency of Education shall contract with one or more  
6 independent consultants or facilitators to provide technical and legal assistance  
7 to the Commission for the work required under this section. For the purposes  
8 of scheduling meetings and providing administrative assistance, the  
9 Commission shall have the assistance of the Agency of Education. The  
10 Agency shall also provide the educational and financial data necessary to  
11 facilitate the work of the Commission. School districts shall comply with  
12 requests from the Agency to assist in data collections.

13 (h) Meetings.

14 (1) The Secretary of Education shall call the first meeting of the  
15 Commission to occur on or before July 15, 2024.

16 (2) The Speaker of the House and the President Pro Tempore shall  
17 jointly select a Commission chair.

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

19 (4) Meetings shall be conducted in accordance with Vermont's Open  
20 Meeting Law pursuant to 1 V.S.A. chapter 5, subchapter 2.

1 (5) The Commission shall cease to exist on ~~December 31, 2025~~ August  
2 15, 2025.

3 (i) Compensation and reimbursement. Members of the Commission shall  
4 be entitled to per diem compensation and reimbursement of expenses as  
5 permitted under 32 V.S.A. § 1010 for not more than 30 meetings, including  
6 subcommittee meetings. These payments shall be made from monies  
7 appropriated to the Agency of Education.

8 \* \* \* School District Boundary Task Force \* \* \*

9 Sec. 3. SCHOOL DISTRICT BOUNDARY TASK FORCE; REPORT;

10 MAPS

11 (a) School District Boundary Task Force. There is created the School  
12 District Boundary Task Force that shall determine the most efficient number of  
13 school districts and supervisory unions and proposed boundary lines, based on  
14 educational research; Vermont’s geographic and cultural landscape; historic  
15 attendance patterns; the distribution of equalized grand list value per pupil; the  
16 provision of career and technical education; and a comprehensive analysis of  
17 school locations, facility conditions, student capacity, and transportation  
18 infrastructure. The Task Force shall also make recommendations for an  
19 alternative process to encourage school district consolidation if the General  
20 Assembly fails to enact new school district boundaries not later than January  
21 31, 2026.

1        (b) Membership. The Task Force shall be composed of the following  
2        members:

3            (1) three current members of the House of Representatives, not all from  
4        the same political party nor from the same school district, who shall be  
5        appointed by the Speaker of the House; and

6            (2) three current members of the Senate, not all from the same political  
7        party nor from the same school district, who shall be appointed by the  
8        Committee on Committees.

9        (c) Powers and duties.

10           (1) Boundary proposal. The Task Force shall recommend not less than  
11        one school district and supervisory union boundary proposal to the General  
12        Assembly. All recommendations shall maintain the use of supervisory unions  
13        and supervisory districts. In making its recommendations, the Task Force may  
14        also consider and make recommendations for the optimal location of schools,  
15        including CTE programs. The proposed school district boundaries and  
16        supervisory union boundaries shall:

17            (A) increase access to excellent educational opportunities for all  
18        students;

19            (B) maximize opportunities for modern, local elementary schools,  
20        central middle schools, and regional high schools, with the least disruption to  
21        students;

1           (C) provide access to education for their resident students in grades  
2           kindergarten through 12;

3           (D) provide access to career and technical education (CTE) for all  
4           grade-eligible students;

5           (E) to the extent practical, not separate towns within school districts  
6           as those boundaries exist on July 1, 2025;

7           (F) to the extent practical, consider the availability of regional  
8           services for students, such as designated agencies, and how those services  
9           would integrate into the new proposed school district boundaries; and

10           (G) allow for the continuation of a tuitioning system that provides  
11           continued access to independent schools that have served geographic areas that  
12           do not operate public schools for the grades served by the independent schools.

13           (2) Alternative merger proposal. The Task Force shall also make  
14           recommendations for an alternative process to encourage and incentivize  
15           school districts to move toward larger, consolidated, and sustainable models of  
16           education governance should the General Assembly fail to enact new school  
17           district and supervisory union boundaries not later than January 31, 2026. The  
18           Task Force’s recommendations shall require the use of the union school district  
19           exploration, formation, and organization processes governed by 16 V.S.A.  
20           chapter 11. The process recommended by the Task Force shall be designed to  
21           encourage local decisions and actions that:

1           (A) provide substantially equal educational opportunities statewide;

2           (B) create exceptional educational opportunities for every Vermont  
3 student;

4           (C) maximize operational efficiencies;

5           (D) promote transparency and accountability; and

6           (E) are delivered at a cost that parents, voters, and taxpayers value.

7           (d) Public engagement. The Task Force shall maximize public input and  
8 feedback regarding the development of both the proposed new school district  
9 and supervisory union boundaries, as well as the alternative consolidation  
10 process recommendations.

11           (e) Assistance. The Task Force shall have the administrative, technical,  
12 and legal assistance of the Office of Legislative Operations, the Office of  
13 Legislative Counsel, the Joint Fiscal Office, and the Agency of Digital  
14 Services, Vermont Center for Geographic Information. The Joint Fiscal Office  
15 may also retain the services of one or more independent third parties to provide  
16 facilitation and mediation services to the Task Force.

17           (f) Proposed legislation and map. On or before November 15, 2025, the  
18 Task Force shall submit the following to the House and Senate Committees on  
19 Education, the House Committee on Government Operations and Military  
20 Affairs, the Senate Committee on Government Operation, the House  
21 Committee on Ways and Means, and the Senate Committee on Finance:

1           (1) Proposed legislation. The Task Force shall submit its findings and  
2           recommendations in the form of proposed legislation to the General Assembly,  
3           which shall include:

4                   (A) the boundary proposal recommendation or recommendations;  
5           and

6                   (B) the Task Force’s recommendations for an alternative process to  
7           encourage and incentivize school districts to move toward larger, consolidated,  
8           and sustainable models of education governance as required pursuant to  
9           subdivision (c)(2) of this section.

10           (2) Map. The subcommittee shall also submit one, or if the committee is  
11           unable to reach a majority consensus, two, detailed maps for each school  
12           district and supervisory union boundary proposal, which, in addition to the  
13           boundaries themselves, shall include a narrative explanation for the policy  
14           decisions made to arrive at the proposed boundaries, as well as:

15                   (A) average daily membership for each proposed supervisory union  
16           or supervisory district, as applicable, for the 2023–2024 school year;

17                   (B) the member towns for each supervisory union or supervisory  
18           district, as applicable;

19                   (C) the location of public schools and nontherapeutic approved  
20           independent schools that are eligible to receive public tuition as of July 1,  
21           2025, and the grades operated by each of those schools;

1           (D) the five-year facility condition index score for each public  
2 school;

3           (E) PCB testing score for each school;

4           (F) 10-year change in enrollment between 2013 and 2023 for each  
5 school; and

6           (G) the transportation infrastructure within each supervisory union or  
7 supervisory district, as applicable.

8           (g) Meetings.

9           (1) The Office of Legislative Counsel shall call the first meeting of the  
10 Task Force to occur on or before July 15, 2025.

11           (2) The Task Force shall select co-chairs from among its members at the  
12 first meeting, one a member of the House and the other a member of the  
13 Senate.

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

15           (4) The Task Force shall cease to exist on December 31, 2025.

16           (h) Compensation and reimbursement. For attendance at meetings during  
17 adjournment of the General Assembly, members of the Working Group shall  
18 be entitled to per diem compensation and reimbursement of expenses pursuant  
19 to 2 V.S.A. § 23 for not more than 12 meetings. These payments shall be  
20 made from monies appropriated to the General Assembly.



1 Sec. 5. 16 V.S.A. § 3442 is added to read:

2 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

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

6 (1) reviewing all preliminary applications for State school construction  
7 aid and issuing an approval or denial in accordance with section 3445 of this  
8 chapter;

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

13 (3) including as part of its budget submitted to the Governor pursuant to  
14 subdivision 212(21) of this title its annual school construction funding request;

15 (4) developing a prequalification and review process for project delivery  
16 consultants and architecture and engineering firms specializing in  
17 prekindergarten through grade 12 school design, renovation, or construction  
18 and maintaining a list of such prequalified firms and consultants;

19 (5) providing technical assistance and guidance to school districts and  
20 supervisory unions on all phases of school capital projects;

1           (6) providing technical advice and assistance, training, and education to  
2           school districts, supervisory unions, general contractors, subcontractors,  
3           construction or project managers, designers, and other vendors in the planning,  
4           maintenance, and establishment of school facility space;

5           (7) maintaining a current list of school construction projects that have  
6           received preliminary approval, projects that have received final approval, and  
7           the priority points awarded to each project;

8           (8) collecting, maintaining, and making publicly available quarterly  
9           progress reports of all ongoing school construction projects that shall include,  
10           at a minimum, the costs of the project and the time schedule of the project;

11           (9) recommending policies and procedures designed to reduce  
12           borrowing for school construction programs at both State and local levels;

13           (10) conducting a needs survey at least every five years to ascertain the  
14           capital construction, reconstruction, maintenance, and other capital needs for  
15           all public schools and maintaining such data in a publicly accessible format;

16           (11) developing a formal enrollment projection model or using  
17           projection models already available;

18           (12) encouraging school districts and supervisory unions to investigate  
19           opportunities for the maximum utilization of space in and around the district or  
20           supervisory union;

1           (13) collecting and maintaining a clearinghouse of prototypical school  
2           plans, as appropriate, that may be consulted by eligible applicants;

3           (14) retaining the services of consultants, as necessary, to effectuate the  
4           roles and responsibilities listed within this section; and

5           (15) notwithstanding 2 V.S.A. § 20(d), annually on or before December  
6           15, submitting a written report to the General Assembly regarding the status  
7           and implementation of the State Aid for School Construction Program,  
8           including the data required to be collected pursuant to this section.

9           Sec. 6. 16 V.S.A. § 3443 is added to read:

10          § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

11                   BOARD

12          (a) Creation. There is hereby created the State Aid for School Construction  
13          Advisory Board, which shall advise the Agency on the implementation of the  
14          State Aid for School Construction Program in accordance with the provisions  
15          of this chapter, including the adoption of rules, setting of statewide priorities,  
16          criteria for project approval, and recommendations for project approval and  
17          prioritization.

18          (b) Membership.

19                  (1) Composition. The Board shall be composed of the following eight  
20          members:

1           (A) four members who shall serve as ex officio members:

2                   (i) the State Treasurer or designee;

3                   (ii) the Commissioner of Buildings and General Services or  
4           designee;

5                   (iii) the Executive Director of the Vermont Bond Bank or  
6           designee; and

7                   (iv) the Chair of the State Board of Education or designee; and

8           (B) four members, none of whom shall be a current member of the  
9           General Assembly, who shall serve four-year terms as follows:

10                   (i) two members, appointed by the Speaker of the House, each of  
11           whom shall have expertise in education or construction, real estate, or finance  
12           and one of whom shall represent a supervisory union; and

13                   (ii) two members, appointed by the Committee on Committees,  
14           each of whom shall have expertise in education or construction, real estate, or  
15           finance and one of whom shall be an educator.

16           (2) Members with four-year terms.

17                   (A) A member with a term limit shall serve a term of four years and  
18           until a successor is appointed. A term shall begin on January 1 of the year of  
19           appointment and run through December 31 of the last year of the term. Terms  
20           of these members shall be staggered so that not all terms expire at the same  
21           time.

1           (B) A vacancy created before the expiration of a term shall be filled  
2           in the same manner as the original appointment for the unexpired portion of the  
3           term.

4           (C) A member with a term limit shall not serve more than two  
5           consecutive terms. A member appointed to fill a vacancy created before the  
6           expiration of a term shall not be deemed to have served a term for the purpose  
7           of this subdivision (C).

8           (c) Duties. The Board shall advise the Agency on the implementation of  
9           the State Aid for School Construction Program in accordance with the  
10          provisions of this chapter, including:

11           (1) rules pertaining to school construction and capital outlay;

12           (2) project priorities;

13           (3) proposed legislation the Board deems desirable or necessary related  
14          to the State Aid for School Construction Program, the provisions of this  
15          chapter, and any related laws;

16           (4) policies and procedures designed to reduce borrowing for school  
17          construction programs at both State and local levels;

18           (5) development of a formal enrollment projection model or the  
19          consideration of using projection models already available;

1           (6) processes and procedures necessary to apply for, receive, administer,  
2           and comply with the conditions and requirements of any grant, gift,  
3           appropriation of property, services, or monies;

4           (7) the collection and maintenance of a clearinghouse of prototypical  
5           school plans that may be consulted by eligible applicants and recommended  
6           incentives to utilize such prototypes;

7           (8) the determination of eligible cost components of projects for funding  
8           or reimbursement, including partial or full eligibility for project components  
9           for which the benefit is shared between the school and other municipal and  
10           community entities;

11           (9) development of a long-term vision for a statewide capital plan in  
12           accordance with needs and projected funding;

13           (10) collection and maintenance of data on all public school facilities in  
14           the State, including information on size, usage, enrollment, available facility  
15           space, and maintenance;

16           (11) advising districts on the use of a needs survey to ascertain the  
17           capital construction, reconstruction, maintenance, and other capital needs for  
18           schools across the State; and

19           (12) encouraging school districts and supervisory unions to investigate  
20           opportunities for the maximum utilization of space in and around the district or  
21           supervisory union.

1        (d) Meetings.

2            (1) The Chair of the State Board of Education shall call the first meeting  
3 of the Board to occur on or before September 1, 2025.

4            (2) The Board shall select a chair from among its members at the first  
5 meeting.

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

7            (4) The Board shall meet not more than six times per year.

8        (e) Assistance. The Board shall have the administrative, technical, and  
9 legal assistance of the Agency of Education.

10        (f) Compensation and reimbursement. Members of the Board shall be  
11 entitled to per diem compensation and reimbursement of expenses as permitted  
12 under 32 V.S.A. § 1010 for not more than six meetings per year.

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

1       Sec. 7. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL  
2                   CONSTRUCTION ADVISORY BOARD

3           16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is  
4 repealed on July 1, 2035.

5       Sec. 8. 16 V.S.A. § 3444 is added to read:

6       § 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

7           (a) Creation. There is created the School Construction Aid Special Fund,  
8 to be administered by the Agency of Education. Monies in the Fund shall be  
9 used for the purposes of:

10           (1) awarding aid to school construction projects under section 3445 of  
11 this title;

12           (2) awarding grants through the Facilities Master Plan Grant Program  
13 established in section 3441 of this title;

14           (3) funding administrative costs of the State Aid for School  
15 Construction Program; and

16           (4) awarding emergency aid under section 3445 of this title.

17       (b) Funds. The Fund shall consist of:

18           (1) any amounts transferred or appropriated to it by the General  
19 Assembly;

20           (2) any amounts deposited in the Fund from the Supplemental District  
21 Spending Reserve; and

1           (3) any interest earned by the Fund.

2           Sec. 9. 16 V.S.A. § 3445 is added to read:

3           § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION  
4                           PROJECTS

5           (a) Construction aid.

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

13                  (2) Approval of preliminary application.

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

16                           (i) regional educational opportunities and needs, including school  
17                   building capacities across school district boundaries, and available  
18                   infrastructure in neighboring communities;

19                           (ii) economic efficiencies;

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

1                    (iv) statewide educational initiatives.

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

3                    (i)(I) the project or part of the project fulfills a need occasioned  
4 by:

5                    (aa) conditions that threaten the health or safety of students  
6 or employees;

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

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

11                    (dd) deterioration of an existing building; or

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

16                    (ii) the need addressed by the project cannot reasonably be met by  
17 another means;

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

1                    (iv) the applicant achieves the level of “proficiency” in the school  
2                    district quality standards regarding facilities management adopted by rule by  
3                    the Agency; and

4                    (v) the applicant has completed a facilities master planning  
5                    process that:

6                    (I) engages robust community involvement;

7                    (II) considers regional solutions;

8                    (III) evaluates environmental contaminants; and

9                    (IV) produces a facilities master plan that unites the applicant’s  
10                  vision statement, educational needs, enrollment projections, renovation needs,  
11                  and construction projects.

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

18                  (4) Request for legislative appropriation. The Agency shall submit its  
19                  annual school construction funding request to the Governor as part of its  
20                  budget pursuant to subdivision 212(21) of this title. Following submission of  
21                  the Governor’s recommended budget to the General Assembly pursuant to

1 32 V.S.A. § 306, the House Committee on Education and the Senate  
2 Committee on Education shall recommend a total school construction  
3 appropriation for the next fiscal year to the General Assembly.

4 (5) Final approval for construction aid.

5 (A) Unless approved by the Secretary for good cause in advance of  
6 commencement of construction, a school district shall not begin construction  
7 before the Secretary approves a final application. A school district may submit  
8 a written final application to the Secretary at any time following approval of a  
9 preliminary application.

10 (B) The Secretary may approve a final application for a project  
11 provided that:

12 (i) the project has received preliminary approval;

13 (ii) the district has voted funds or authorized a bond for the total  
14 estimated cost of the project;

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

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

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

20 (vi) if the proposed project includes a playground, the project  
21 includes a requirement that the design and construction of playground

1 equipment follow the guidelines set forth in the U.S. Consumer Product Safety  
2 Commission Handbook for Public Playground Safety; and

3 (vii) if the total estimated cost of the proposed project is less than  
4 \$50,000.00, no performance bond or irrevocable letter of credit shall be  
5 required.

6 (C) The Secretary may provide that a grant for a high school project  
7 is conditioned upon the agreement of the recipient to provide high school  
8 instruction for any high school pupil living in an area prescribed by the Agency  
9 who may elect to attend the school.

10 (D) A district may begin construction upon receipt of final approval.  
11 However, a district shall not be reimbursed for debt incurred due to borrowing  
12 of funds in anticipation of aid under this section.

13 (6) Award of construction aid.

14 (A) The base amount of an award shall be 20 percent of the eligible  
15 debt service cost of a project. Projects are eligible for additional bonus  
16 incentives as specified in rule for up to an additional 20 percent of the eligible  
17 debt service cost. Amounts shall be awarded annually.

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

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

5        Sec. 10. 16 V.S.A. § 3446 is added to read:

6        § 3446. APPEAL

7        Any municipal corporation as defined in section 3447 of this title aggrieved  
8        by an order, allocation, or award of the Agency of Education may, within 30  
9        days, appeal to the Superior Court in the county in which the project is located.

10       Sec. 11. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF  
11       RULES

12       (a) The statutory authority to adopt rules by the State Board of Education  
13       pertaining to school construction and capital outlay adopted under 16 V.S.A.  
14       § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of  
15       Education to the Agency of Education.

16       (b) All rules pertaining to school construction and capital outlay adopted by  
17       the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026  
18       shall be deemed the rules of the Agency of Education and remain in effect until  
19       amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter  
20       25.



1                   (ii) a supervisory union with one or more member school districts  
2                   that does not operate a public school for some or all grades as of July 1, 2025;  
3                   and

4                   (D) has at least 25 percent of its student enrollment composed of  
5                   students attending on a district-funded tuition basis pursuant to chapter 21 of  
6                   this title during the 2023–2024 school year;

7                   (3) an independent school meeting education quality standards;

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

9                   (5) an approved education program;

10                  (6) ~~an independent school in another state or country approved under the~~  
11                  ~~laws of that state or country, that complies with the reporting requirement~~  
12                  ~~under subsection 4010(e) of this title,~~ a public or independent school located in  
13                  a bordering state or province, provided that the school is approved under the  
14                  laws of that state or province.

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

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

19                  (c) Unless otherwise provided, a person who is aggrieved by a decision of a  
20                  school board relating to eligibility for tuition payments, the amount of tuition

1 payable, or the school the person may attend, may appeal to the State Board  
2 and its decision shall be final.

3 (d) As used in this section, “therapeutic approved independent school”  
4 means an approved independent school that limits enrollment for publicly  
5 funded students residing in Vermont to students who are on an individualized  
6 education program or plan under Section 504 of the Rehabilitation Act of  
7 1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement  
8 between a local education agency and the school or pursuant to a court order.

9 Sec. 14. TUITION TRANSITION

10 A school district that pays tuition pursuant to the provisions of 16 V.S.A.  
11 chapter 21 in effect on June 30, 2025 shall continue to pay tuition on behalf of  
12 a resident student enrolled for the 2024–2025 school year in or who has been  
13 accepted for enrollment for the 2025–2026 school year by an approved  
14 independent school subject to the provisions of 16 V.S.A. § 828 in effect on  
15 June 30, 2025, until such time as the student graduates from that school.

16 \* \* \* Reports and Rule Updates \* \* \*

17 Sec. 15. STATE BOARD OF EDUCATION; RULES; REPORT

18 (a) Rules.

19 (1) Statewide graduation requirements. On or before July 1, 2027, State  
20 Board of Education shall initiate rulemaking to amend the Education Quality  
21 Standards rule 2000 series, Agency of Education, Education Quality Standards

1 (22-000-003), pursuant to 3 V.S.A. chapter 25, to adopt standards for statewide  
2 proficiency-based graduation requirements based on standards adopted by the  
3 State Board and recommendations from the Agency of Education, which shall  
4 take effect beginning in the 2027–2028 school year for the graduating class of  
5 2031 and every graduating class thereafter.

6 (2) On or before August 1, 2026, the State Board of Education shall  
7 initiate rulemaking to amend the approved independent school rule 2200 series,  
8 Agency of Education, Independent School Program Approval (22-000-004),  
9 pursuant to 3 V.S.A. chapter 25, to ensure compliance with the requirements of  
10 16 V.S.A. § 828 applicable to approved independent schools.

11 (b) Report. On or before December 1, 2025, the State Board of Education  
12 shall submit a written report to the House and Senate Committees on  
13 Education with proposed standards for schools to be deemed “small by  
14 necessity.”

15 Sec. 16. AGENCY OF EDUCATION; GRADUATION REQUIREMENTS;

16 REPORT

17 (a) Statewide graduation requirements. On or before January 1, 2026, the  
18 Agency of Education shall recommend to the State Board of Education  
19 standards for statewide proficiency-based graduation requirements based on  
20 standards adopted by the State Board.

1        (b) Report. On or before December 1, 2025, the Agency of Education shall  
2        submit a written report and recommended legislative language, as applicable,  
3        to the House and Senate Committees on Education with the following:

4            (1) In consultation with educators and administrators, a proposed  
5        implementation plan for statewide financial data and student information  
6        systems.

7            (2) Recommendations for a school construction division within the  
8        Agency of Education, including position descriptions and job duties for each  
9        position within the division, a detailed description of the assistance the division  
10       would provide to the field, and the overall role the Agency would play within a  
11       State aid to school construction program.

12           (3) A progress report regarding the development of clear, unambiguous  
13        guidance that would be provided to school officials and school board members  
14        regarding the business processes and transactions that would need to occur to  
15        facilitate school district mergers into larger, consolidated school districts,  
16        including the merging of data systems, asset and liability transfers, and how to  
17        address collective bargaining agreements for both educators and staff. The  
18        report shall include a detailed description of how the Agency will provide  
19        support and consolidation assistance to the field in each of these areas and an  
20        estimate of the costs associated with such work.

1           (4) In consultation with superintendents, directors of therapeutic  
2           independent schools, special education directors, and, in the opinion of the  
3           Agency, other experts, recommendations for the need for cooperative  
4           education services and the oversight of therapeutic schools within the school  
5           governance framework both at a State and local level.

6           Sec. 17. STATE BOARD OF EDUCATION; REVIEW OF RULES;

7                           APPROPRIATION

8           (a) The State Board of Education shall review each rule series the State  
9           Board is responsible for and make a determination as to the continuing need  
10           for, appropriateness of, or need for updating of said rules. On or before  
11           December 1, 2026, the State Board of Education shall submit a written report  
12           to the House and Senate Committees on Education with its recommendation  
13           for rules that are no longer needed and a plan to update rules that are still  
14           necessary, including the order in which the Board proposes to update the rules  
15           and any associated costs or staffing needs.

16           (b) The sum of \$200,000.00 is appropriated from the General Fund to the  
17           Agency of Education in fiscal year 2026 to provide the State Board of  
18           Education with the contracted resources necessary to review and update the  
19           Board's rules.

20                           \* \* \* Adult Education Funding \* \* \*

1 Sec. 18. 16 V.S.A. § 4011 is amended to read:

2 § 4011. EDUCATION PAYMENTS

3 (a) Annually, the General Assembly shall appropriate funds to pay for  
4 statewide education spending and a portion of a base education amount for  
5 each adult education and secondary credential program student.

6 (b) For each fiscal year, the base education amount shall be \$6,800.00,  
7 ~~increased by the most recent New England Economic Project Cumulative Price~~  
8 ~~Index, as of November 15, for state and local government purchases of goods~~  
9 ~~and services which shall be adjusted for inflation annually on or before~~  
10 ~~November 15 by the Secretary of Education. As used in this subsection,~~  
11 ~~“adjusted for inflation” means adjusting the base education amount by the~~  
12 ~~National Income and Product Accounts (NIPA) implicit price deflator for state~~  
13 ~~and local government consumption expenditures and gross investment~~  
14 ~~published by the U.S. Department of Commerce, Bureau of Economic~~  
15 ~~Analysis, from fiscal year 2005 through the fiscal year for which the amount is~~  
16 ~~being determined, plus an additional one tenth of one percent and rounding~~  
17 ~~upward to the nearest whole dollar amount.~~

18 \* \* \*

19 (f) Annually, ~~the Secretary shall pay to a local adult education and literacy~~  
20 ~~provider, as defined in section 942 of this title, that provides an adult education~~  
21 ~~and secondary credential program~~ from funds appropriated for this subsection

1 to the Agency in an amount equal to 26 percent of the base education amount  
2 for each student who completes the diagnostic portions of ~~the~~ an adult  
3 education and secondary credential program, based on an average of the  
4 previous two years;~~40,~~ the Secretary shall pay to a local adult education and  
5 literacy provider, as defined in section 942 of this title, that provides an adult  
6 education and secondary credential program an amount that shall be calculated  
7 pursuant to the funding formula contained in the State Board of Education  
8 adult education rules. Forty percent of the payment required under this  
9 subsection shall be from State funds appropriated from the Education Fund and  
10 60 percent of the payment required under this subsection shall be from State  
11 funds appropriated from the General Fund.

12 \* \* \*

13 Sec. 19. ADULT EDUCATION; FUNDING; REPORT

14 (a) On or before December 1, 2025, the Agency of Education, in  
15 consultation with local adult education and literacy providers, shall submit a  
16 written report to the House Committee on Commerce and Economic  
17 Development, the Senate Committee on Economic Development, Housing and  
18 General Affairs, and the House and Senate Committees on Education with  
19 recommendations to modernize adult education funding to ensure funds are  
20 distributed equitably across all regions of the State.

1        (b) For fiscal year 2026, the Agency of Education shall negotiate in good  
2        faith to extend the existing contracts with local adult education and literacy  
3        providers for a term of one year. The Agency shall endeavor to maintain the  
4        terms of the existing contracts to the greatest extent possible.

5        Sec. 20. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF  
6        EDUCATION; REPORT

7        (a) On or before September 1, 2025, the Agency of Education shall submit  
8        a written report to the House and Senate Committees on Education, the House  
9        Committee on Ways and Means, and the Senate Committee on Finance  
10       addressing the factors contributing to growth in extraordinary special education  
11       reimbursement costs. The report shall include detailed information regarding  
12       the current state of special education delivery in Vermont, including an update  
13       on the implementation of special education changes enacted pursuant to 2018  
14       Acts and Resolves No. 173 (Act 173). The report shall include a description of  
15       the current state of support for students with disabilities in Vermont and  
16       recommended changes to structure, practice, and law with the goal of:

17        (1) improving the delivery of special education services and managing  
18        the rising extraordinary special education;

19        (2) ensuring better, more inclusive services in the least restrictive  
20        environment in a way that makes efficient and effective use of limited  
21        resources while resulting in the best outcomes;

1           (3) responding to the challenges of fully implementing Act 173 and the  
2           lessons learned from implementation efforts to date;

3           (4) ensuring that the delivery of special education is responsive to  
4           student needs; and

5           (5) addressing drivers of growth of extraordinary expenditures in special  
6           education.

7           (b) The report shall include:

8           (1) An analysis of the costs of and services provided for students with  
9           extraordinary needs in specialized settings, separated by school-district-  
10           operated specialized programs, independent nonprofit programs, and  
11           independent for-profit programs. The report shall include a geographic map  
12           with the location of all specialized programs within the State of Vermont, as  
13           well as the following information for each individual specialized program:

14           (A) disability categories served;

15           (B) grade levels served;

16           (C) the number of students with IEPs and the average duration of  
17           time each student spent in the program over the last 10 years;

18           (D) average cost per pupil, inclusive of extraordinary spending and  
19           any costs in excess of general tuition rates;

20           (E) years of experience, training, and tenure of licensed special  
21           education staff;

1           (F) a review of the findings of all investigations conducted by the  
2           Agency of Education; and

3           (G) a review of the Agency’s public assurance capabilities, with  
4           respect to special education programs in all settings, and an analysis of the  
5           effectiveness of current oversight or rule, and recommended changes if needed.

6           (2) An evaluation of the state of implementation of Act 173, including  
7           examples of where implementation has been successful, where it has not, and  
8           why.

9           (3) Identification of drivers of accelerating costs within the special  
10          education system.

11          (4) Identification of barriers to the success of students with disabilities.

12          (5) A description of how specialized programs for students with  
13          extraordinary needs operated by school districts, independent nonprofit  
14          schools, and independent for-profit schools are funded, with an analysis of the  
15          benefits and risks of each funding model.

16          (6) An assessment of whether Vermont’s current special education laws  
17          ensure equitable access for all students with disabilities to education alongside  
18          their peers in a way that is consistent with the Vermont education quality  
19          standards for public schools and the right to a free appropriate public education  
20          (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C.  
21          §§ 1400–1482.

1           (7) A review of the capacity of the Agency to support and guide school  
2           districts on the effective support of students with disabilities, as well as  
3           compliance with federal law, which shall include:

4                   (A) a review of final reports of investigations conducted by the  
5           Agency in school-district-operated specialized programs, independent  
6           nonprofit programs, and independent for-profit programs in the previous 10  
7           years and an evaluation of what practices could reduce adverse findings in  
8           these settings;

9                   (B) an assessment of the ability of the State to ensure State resources  
10           are used in the most efficient and effective way possible to support the success  
11           of students with disabilities and their access to a free and appropriate public  
12           education;

13                   (C) a review of any pending and recent federal findings against the  
14           State or school districts, as well as progress on corrective actions;

15                   (D) a review of the Agency’s staffing and capacity to review and  
16           conduct monitoring and visits to schools;

17                   (E) a description of the process and status of reviews and approvals  
18           of approved independent schools that provide special education and therapeutic  
19           schools; and

20                   (F) recommendations for whether the Agency has capacity to ensure  
21           timely review of approved independent schools and provide sufficient

1 oversight for specialized programs in nonprofit independent schools and for-  
2 profit independent schools.

3 (8) Recommendations for needed capacity at the Agency to provide  
4 technical assistance and support to school districts in the provision of special  
5 education services.

6 (9) If warranted, a review of options for changes to practice, structure,  
7 and law that ensure students with disabilities are provided access to quality  
8 education, in the least restrictive environment, in a cost-effective way that is  
9 consistent with State and federal law, which may include a review of the  
10 possible role of BOCES and the impact of larger districts on effective, high-  
11 quality support for students with disabilities.

12 Sec. 21. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF  
13 EDUCATION

14 (a) Strategic plan. In consultation with the State Advisory Panel on Special  
15 Education established under 16 V.S.A. § 2945, the Agency of Education shall  
16 develop a three-year strategic plan for the delivery of special education  
17 services in Vermont. The strategic plan shall include unambiguous measurable  
18 outcomes and a timeline for implementation. The strategic plan shall be  
19 informed by the analysis and findings of the report required of the Agency  
20 under Sec. 20 of this act and be designed to ensure successful implementation  
21 of 2018 Acts and Resolves No. 173 (Act 173). The strategic plan shall also

1 include contingency recommendations for special education funding in the  
2 event federal special education funding under the Individuals with Disabilities  
3 Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions  
4 to a system that requires more planning and management on the part of the  
5 State to ensure funds are distributed equitably.

6 (b) Reports.

7 (1) On or before December 1, 2025, the Agency shall submit the three-  
8 year strategic plan created pursuant to subsection (a) of this section to the  
9 House and Senate Committees on Education, the House Committee on Ways  
10 and Means, and the Senate Committee on Finance.

11 (2) On or before December 1 of 2026, 2027, 2028, and 2029, the  
12 Agency shall submit a written report to the House and Senate Committees on  
13 Education, the House Committee on Ways and Means, and the Senate  
14 Committee on Finance with a detailed update on the Agency’s implementation  
15 of its strategic plan and any recommendations for legislative changes needed to  
16 ensure continued successful implementation of Act 173.

17 Sec. 22. POSITION; AGENCY OF EDUCATION

18 (a) Establishment of one new permanent, classified position is authorized  
19 in the Agency of Education in fiscal year 2026, to support development and  
20 implementation of the three-year strategic plan required under Sec. 21 of this  
21 act.



- 1           (8) Sec. 20 (special education report);
- 2           (9) Sec. 21 (AOE special education strategic plan); and
- 3           (10) Sec. 22 (AOE position).

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

- 5           (1) Sec. 4 (school construction policy);
- 6           (2) Sec. 5 (16 V.S.A. § 3442);
- 7           (3) Sec. 8 (16 V.S.A. § 3444);
- 8           (4) Sec. 9 (16 V.S.A. § 3445);
- 9           (5) Sec. 10 (16 V.S.A. § 3446);
- 10          (6) Sec. 11 (transfer of rulemaking authority); and
- 11          (7) Sec. 12 (school construction program repeals).

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(Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

FOR THE COMMITTEE