

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

10 It is the intent of the General Assembly to:

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

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

16 (3) in the 2026 session:

17 (A) enact updates to career and technical education governance  
18 systems, both at the local and statewide levels, that are reflective of the larger  
19 public education governance transformation;

20 (B) create a coordinated and coherent statewide strategy for career  
21 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 (C) enact student-centered updates to career and technical education  
4 funding within a foundation formula that does not create competition between  
5 sending schools and career and technical education programs for available  
6 funds; and

7 (D) enact updates to special education funding to move from a census  
8 block grant to a weight for special education within the foundation formula;  
9 and

10 (4) while transitioning to a foundation formula and achieving scale,  
11 prioritize the following policy goals within the foundation formula and through  
12 education transformation:

13 (A) expanding early childhood education;

14 (B) increasing afterschool and summer programs in underserved  
15 communities;

16 (C) ensuring every student benefits from essential arts, including  
17 music, fine arts, and world languages;

18 (D) providing additional student access to mental health services;

19 (E) extending and enriching college and career pathways, beginning  
20 in middle school and culminating in graduates being prepared to take on  
21 critical jobs in high-demand industries;

1                   (F) raising teacher salaries; and

2                   (G) ensuring that the funding provided by different weights actually  
3                   benefits the students that qualify for weights.

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

5                   Sec. 2. 2024 Acts and Resolves No. 183, Sec. 1 is amended to read:

6                   Sec. 1. THE COMMISSION ON THE FUTURE OF PUBLIC  
7                   EDUCATION; REPORTS

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

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

- 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;
- 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, including a process for the community to have a
- 8 voice in decisions regarding school closures and, if so, recommendations for
- 9 what that process shall entail; and
- 10 (v) ~~the effective integration of career and technical education in~~
- 11 ~~the recommended education vision of the State~~ an analysis of the impact of
- 12 health care costs on the Education Fund, including recommendations for
- 13 whether, and if so, what, changes need to be made to contain costs.
- 14 (B) ~~Physical size and footprint of the education system. The~~
- 15 ~~Commission shall study and make recommendations regarding how the unique~~
- 16 ~~geographical and socioeconomic needs of different communities should factor~~
- 17 ~~into the provision of education in Vermont, taking into account and building~~
- 18 ~~upon the recommendations of the State Aid to School Construction Working~~
- 19 ~~Group. Recommendations under this subdivision (B) shall include, at a~~
- 20 ~~minimum, the following:~~

1                   ~~(i) an analysis and recommendation for the most efficient and~~  
2                   ~~effective number and location of school buildings, school districts, and~~  
3                   ~~supervisory unions needed to achieve Vermont’s vision for education,~~  
4                   ~~provided that if there is a recommendation for any change, the~~  
5                   ~~recommendation shall include an implementation plan;~~

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

9                   ~~(iii) analysis of whether, and if so, how, collaboration with~~  
10                  ~~Vermont’s postsecondary schools may support the development and retention~~  
11                  ~~of a qualified educator workforce;~~

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

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

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

20                         ~~(v) an analysis of the current use of private therapeutic schools in~~  
21                         ~~the provision of special education services and whether, and if so, what,~~

1 ~~changes are necessary to meet Vermont's special education needs, including~~  
2 ~~the legal and financial impact of funding private therapeutic schools.~~

3 [Repealed.]

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

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

10 (ii) ~~whether Vermont's vision for public education shall include~~  
11 ~~the provision of wraparound supports and collocation of services;~~

12 (iii) ~~whether, and if so, how, collaboration with Vermont's~~  
13 ~~postsecondary schools may support and strengthen the delivery of public~~  
14 ~~education; and~~

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

20 (D) ~~Education finance system. The Commission shall explore the~~  
21 ~~efficacy and potential equity gains of changes to the education finance system,~~

1 ~~including weighted educational opportunity payments as a method to fund~~  
2 ~~public education. The Commission's recommendations shall be intended to~~  
3 ~~result in an education funding system designed to afford substantially equal~~  
4 ~~access to a quality basic education for all Vermont students in accordance with~~  
5 ~~State v. Brigham, 166 Vt. 246 (1997). Recommendations under this~~  
6 ~~subdivision (D) shall include, at a minimum, the following:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

18                   (2) a written report containing its preliminary findings and  
19                   recommendations, including short-term cost containment considerations for the  
20                   2025 legislative session, on or before December 15, 2024; and

1           (3) a written report containing its final findings and recommendations  
2 ~~for a statewide vision for Vermont’s public education system and the policy~~  
3 ~~changes necessary to make that educational vision a reality~~ based on its  
4 analysis of the State-level governance topics contained in subdivision (e)(2)(A)  
5 of this section, on or before December 1, 2025; and September 30, 2025

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

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

16           (h) Meetings.

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

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

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

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

3           (5) The Commission shall cease to exist on ~~December 31, 2025~~ October  
4 15, 2025.

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

10                   \* \* \* School District Boundary Task Force \* \* \*

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

12               MAPS

13           (a) School District Boundary Task Force. There is created the School  
14 District Boundary Task Force that shall determine the most efficient number of  
15 school districts and supervisory unions and proposed boundary lines, based on  
16 educational research; Vermont’s geographic and cultural landscape; historic  
17 attendance patterns; the distribution of equalized grand list value per pupil; the  
18 provision of career and technical education; and a comprehensive analysis of  
19 school locations, facility conditions, student capacity, and transportation  
20 infrastructure. The Task Force shall also make recommendations for an  
21 alternative process to encourage school district consolidation if the General

1 Assembly fails to enact new school district boundaries not later than January  
2 31, 2026.

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

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

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

11 (c) Powers and duties.

12 (1) Boundary proposal. The Task Force shall recommend not less than  
13 one school district and supervisory union boundary proposal to the General  
14 Assembly. All recommendations shall consider the use of supervisory unions  
15 and supervisory districts. In making its recommendations, the Task Force may  
16 also consider and make recommendations for the optimal location of schools,  
17 including CTE programs. The Task Force shall also consider and make  
18 recommendations for the governance models of the new proposed school  
19 districts, including how school board representation models shall be decided.  
20 The proposed school district boundaries and supervisory union boundaries  
21 shall:



1           (A) increase access to excellent educational opportunities for all  
2   students;

3           (B) gain efficiencies and potential cost savings without harming  
4   educational opportunities or community connections;

5           (c) maximize opportunities to support local elementary schools,  
6   central middle schools, and regional high schools, with the least disruption to  
7   students;

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

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

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

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

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

20          (2) Alternative merger proposal. The Task Force shall also make  
21   recommendations for an alternative process to encourage and incentivize

1 school districts to move toward larger, consolidated, and sustainable models of  
2 education governance should the General Assembly fail to enact new school  
3 district and supervisory union boundaries not later than January 31, 2026. The  
4 Task Force’s recommendations shall require the use of the union school district  
5 exploration, formation, and organization processes governed by 16 V.S.A.  
6 chapter 11. The process recommended by the Task Force shall be designed to  
7 encourage local decisions and actions that:

8 (A) provide high-quality, substantially equal educational  
9 opportunities statewide;

10 (B) maximize operational efficiencies that result in education costs  
11 that parents, voters, and taxpayers can afford; and

12 (C) promote transparency and accountability.

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

17 (e) Assistance. The Task Force shall have the administrative, technical,  
18 and legal assistance of the Office of Legislative Operations, the Office of  
19 Legislative Counsel, the Joint Fiscal Office, and the Agency of Digital  
20 Services, Vermont Center for Geographic Information. The Task Force may

1 also retain the services of one or more independent third parties to provide  
2 contracted resources as the Task Force deems necessary.

3 (f) Report and map. On or before December 15, 2025, the Task Force shall  
4 submit the following to the House and Senate Committees on Education, the  
5 House Committee on Government Operations and Military Affairs, the Senate  
6 Committee on Government Operation, the House Committee on Ways and  
7 Means, and the Senate Committee on Finance:

8 (1) Report. The subcommittee shall submit a written report with a  
9 description of the proposed school district and supervisory union boundaries,  
10 the recommended governance models and representation considerations, and  
11 the alternative consolidation process. The report shall also include details  
12 regarding the policy decisions made to arrive at the proposed boundaries and  
13 alternative consolidation process, including an explanation of how the  
14 proposed boundaries meet the requirements of subdivisions (c)(1)(A)–(G) of  
15 this section and the alternative consolidation process meets the goals contained  
16 in subdivisions (c)(2)(A)–(C) of this section.

17 (2) Map. The subcommittee shall also submit one, or if the committee is  
18 unable to reach a majority consensus, two, detailed maps for each school  
19 district and supervisory union boundary proposal, which, in addition to the  
20 boundaries themselves, shall include:

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

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

5           (C) the location of public schools and nontherapeutic approved  
6           independent schools that are eligible to receive public tuition as of July 1,  
7           2025, and the grades operated by each of those schools;

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

10           (E) 10-year change in enrollment between 2013 and 2023 for each  
11           school;

12           (F) the transportation infrastructure within each supervisory union or  
13           supervisory district, as applicable; and

14           (G) the grand list value within each proposed school district  
15           boundary.

16           (g) Meetings.

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

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

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

2           (4) The Task Force shall cease to exist on January 31, 2026.

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

8           (i) Appropriation. The sum of \$100,000.00 is appropriated to the Office of  
9           Legislative Counsel from the General Fund in fiscal year 2026 to hire one or  
10          more consultants pursuant to subsection (e) of this section.

11                           \* \* \* State Aid for School Construction \* \* \*

12          Sec. 4. 16 V.S.A. § 3440 is added to read:

13          § 3440. STATEMENT OF POLICY

14           It is the intent of this chapter to encourage the efficient use of public funds  
15           to modernize school infrastructure in alignment with current educational needs.  
16           School construction projects supported by this chapter should be developed  
17           taking consideration of standards of quality for public schools under section  
18           165 of this title and prioritizing cost, geographic accessibility, 21st century  
19           education facilities standards, statewide enrollment trends, and capacity and  
20           scale that support best educational practices.

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        (c) The Agency of Education shall provide notice of the transfer to the  
2        Secretary of State and the Legislative Committee on Administrative Rules in  
3        accordance with 3 V.S.A. § 848(d)(2).

4        Sec. 12. REPEALS

5        (a) 16 V.S.A. § 3448 (approval of funding of school construction projects;  
6        renewable energy) is repealed on July 1, 2026.

7        (b) 16 V.S.A. § 3448a (appeal) is repealed on July 1, 2026.

8                                \* \* \* Tuition to Approved Schools \* \* \*

9        Sec. 13. 16 V.S.A. § 828 is amended to read:

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

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

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

13                (2) an approved independent school; ~~an independent school meeting~~  
14       ~~education quality standards, that:~~

15                        (A) is located in Vermont;

16                        (B) is approved under section 166 of this title on or before July 1,  
17       2025;

18                        (C) is located within either :

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

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, 2024;  
3                    and

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

7                    (3) a tutorial program approved by the State Board;

8                    (4) an approved education program; or

9                    (5) an independent school in another state or country approved under the  
10                   laws of that state or country, that a public school located within 25 miles of the  
11                   Vermont border in a bordering state or province, provided that the school is  
12                   approved under the laws of that state or province and complies with the  
13                   reporting requirement under subsection 4010(c) of this title;

14                   (6) an independent school located within 25 miles of the Vermont  
15                   border in a bordering state or province that:

16                   (A) is approved under the laws of that state or province;

17                   (B) had at least one or more Vermont resident students enrolled in  
18                   grades nine through 12 on a district-funded tuition basis pursuant to this  
19                   chapter during the 2023–2024 school year; and

20                   (C) complies with the reporting requirement under subsection  
21                   4010(c) of this title; or

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

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

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

9           (d) As used in this section, “therapeutic approved independent school”  
10           means an approved independent school that limits enrollment for publicly  
11           funded students residing in Vermont to students who are on an individualized  
12           education program or plan under Section 504 of the Rehabilitation Act of  
13           1973, 29 U.S.C. § 794, or who are enrolled pursuant to a written agreement  
14           between a local education agency and the school or pursuant to a court order.

15           Sec. 14. TUITION TRANSITION

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

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

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

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

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

Sec. 16. STATE BOARD OF EDUCATION; REVIEW OF RULES;  
APPROPRIATION

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

1        (b) The sum of \$200,000.00 is appropriated from the General Fund to the  
2        Agency of Education in fiscal year 2026 to provide the State Board of  
3        Education with the contracted resources necessary to review and update the  
4        Board’s rules.

5        Sec. 17. AGENCY OF EDUCATION; REPORTS

6        (a) On or before January 1, 2026, the Agency of Education shall submit a  
7        written report to the House and Senate Committees on Education and the State  
8        Board of Education with recommended standards for statewide proficiency-  
9        based graduation requirements based on standards adopted by the State Board.

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

13       (1) In consultation with educators and administrators, a proposed  
14       implementation plan for statewide financial data and student information  
15       systems.

16       (2) Recommendations for a school construction division within the  
17       Agency of Education, including position descriptions and job duties for each  
18       position within the division, a detailed description of the assistance the division  
19       would provide to the field, and the overall role the Agency would play within a  
20       State aid to school construction program.



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

10           (4) An analysis of how education payments are allocated within school  
11           districts and what, if any, changes are necessary to ensure students who receive  
12           weights are actually benefiting from the additional funding associated with the  
13           applicable weights.

14           (c) On or before December 1, 2026, the Agency of Education, in  
15           consultation with the Office of Workforce Strategy and Development, shall  
16           submit a written report with recommendations on how to increase flexible  
17           pathways opportunities for students in the commercial and nonprofit sectors.

18                           \* \* \* Special Education Delivery \* \* \*

19           Sec. 18. STATE OF SPECIAL EDUCATION DELIVERY; AGENCY OF  
20                           EDUCATION; REPORT

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

11           (1) improving the delivery of special education services and managing  
12           the rising extraordinary special education costs;

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

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

18           (4) ensuring adequate staffing to deliver special education that is  
19           responsive to student needs;

20           (5) addressing the root causes leading to the workforce shortage of  
21           special educators; and

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

3           (b) The report shall include:

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

10           (A) disability categories served;

11           (B) grade levels served;

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

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

16           (E) years of experience, training, and tenure of licensed special  
17           education staff;

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

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

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

7           (3) Identification of drivers of accelerating costs within the special  
8           education system.

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

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

14          (6) An assessment of whether Vermont’s current special education laws  
15          ensure equitable access for all students with disabilities to education alongside  
16          their peers in a way that is consistent with the Vermont education quality  
17          standards for public schools and the right to a free appropriate public education  
18          (FAPE) under the Individuals with Disabilities Education Act, 20 U.S.C.  
19          §§ 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 the oversight of therapeutic schools within  
21          the school governance framework both at a State and local level, including

1 whether the Agency has capacity to ensure timely review of approved  
2 independent schools and provide sufficient oversight for specialized programs  
3 in nonprofit independent schools and for-profit independent schools.

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

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

13 Sec. 19. SPECIAL EDUCATION STRATEGIC PLAN; AGENCY OF  
14 EDUCATION

15 (a) Strategic plan. In consultation with the State Advisory Panel on Special  
16 Education established under 16 V.S.A. § 2945, the Agency of Education shall  
17 develop a three-year strategic plan for the delivery of special education  
18 services in Vermont. The strategic plan shall include unambiguous measurable  
19 outcomes and a timeline for implementation. The strategic plan shall be  
20 informed by the analysis and findings of the report required of the Agency  
21 under Sec. 20 of this act and be designed to ensure successful implementation

1 of 2018 Acts and Resolves No. 173 (Act 173). The strategic plan shall also  
2 include contingency recommendations for special education funding in the  
3 event federal special education funding under the Individuals with Disabilities  
4 Education Act, 20 U.S.C. §§ 1400–1482, is no longer available or transitions  
5 to a system that requires more planning and management on the part of the  
6 State to ensure funds are distributed equitably.

7 (b) Reports.

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

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

18 Sec. 20. POSITION; AGENCY OF EDUCATION

19 (a) Establishment of one new permanent, classified position is authorized  
20 in the Agency of Education in fiscal year 2026, to support development and

1 implementation of the three-year strategic plan required under Sec. 19 of this  
2 act.

3 (b) The sum of \$150,000.00 is appropriated from the General Fund to the  
4 Agency of Education's base budget in fiscal year 2026 for the purposes of  
5 funding the position created in subsection (a) of this section. The Agency shall  
6 include funding for this permanent position in their annual base budget request  
7 in subsequent years.

8 \* \* \* Tuition \* \* \*

9 Sec. 21. 16 V.S.A. § 823 is amended to read:

10 § 823. ~~ELEMENTARY~~ TUITION

11 (a) Tuition for ~~elementary~~ students shall be paid by the district in which the  
12 student is a resident. The district shall pay ~~the full tuition charged its students~~  
13 ~~attending a public elementary school~~ to a receiving school an amount equal to  
14 the base amount contained in subdivision 4001(16) of this title multiplied by  
15 the sum of one and any weights applicable to the resident student under section  
16 4010 of this title for each resident student attending the receiving school. If a  
17 ~~payment made to a public elementary school is three percent more or less than~~  
18 ~~the calculated net cost per elementary pupil in the receiving school district for~~  
19 ~~the year of attendance, the district shall be reimbursed, credited, or refunded~~  
20 ~~pursuant to section 836 of this title. Notwithstanding the provisions of this~~  
21 ~~subsection or of subsection 825(b) of this title, the boards of both the receiving~~



1 ~~and sending districts may enter into tuition agreements with terms differing~~  
2 ~~from the provisions of those subsections, provided that the receiving district~~  
3 ~~must offer identical terms to all sending districts, and further provided that the~~  
4 ~~statutory provisions apply to any sending district that declines the offered~~  
5 ~~terms.~~

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

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

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

14 (3) ~~the average per pupil tuition the district pays for its other resident~~  
15 ~~elementary students in the year in which the student is enrolled in the approved~~  
16 ~~independent school~~ Notwithstanding subsection (a) of this section, the district  
17 shall pay the full tuition charged its students attending an approved  
18 independent school in Vermont functioning as an approved area career  
19 technical center.

20 Sec. 22. REPEALS; TUITION

1       16 V.S.A. §§ 824 (high school tuition), 825 (maximum tuition rate;  
2       calculated net cost per pupil defined), 826 (notice of tuition rates; special  
3       education charges), and 836 (tuition overcharge or undercharge) are repealed  
4       on July 1, 2027.

5                               \* \* \* State Funding of Public Education \* \* \*

6       Sec. 23. 16 V.S.A. § 4001 is amended to read:

7       § 4001. DEFINITIONS

8       As used in this chapter:

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

12                               \* \* \*

13               (6) ~~“Education spending” means the amount of the school district~~  
14       ~~budget, any assessment for a joint contract school, career technical center~~  
15       ~~payments made on behalf of the district under subsection 1561(b) of this title,~~  
16       ~~and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is~~  
17       ~~paid for by the school district, but excluding any portion of the school budget~~  
18       ~~paid for from any other sources such as endowments, parental fundraising,~~  
19       ~~federal funds, nongovernmental grants, or other State funds such as special~~  
20       ~~education funds paid under chapter 101 of this title.~~

21               (A) ~~[Repealed.]~~

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

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

\* \* \*

(16) “Base amount” means a per pupil amount of \$14,870.00, which shall be adjusted for inflation annually on or before November 15 by the Secretary of Education. As used in this subdivision, “adjusted for inflation” means adjusting the base dollar amount by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investment published by the U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the fiscal year for which the amount is being determined, and rounding upward to the nearest whole dollar amount.

1           (17) “Educational opportunity payment” means the base amount  
2           multiplied by the school district’s weighted long-term membership as  
3           determined under section 4010 of this title.

4           Sec. 24. 16 V.S.A. § 4010 is amended to read:

5           § 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP

6                   AND ~~PER PUPIL EDUCATION SPENDING~~ EDUCATION

7                   OPPORTUNITY PAYMENT

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

9                   (1) “EL pupils” means pupils described under section 4013 of this title.

10                  (2) “FPL” means the Federal Poverty Level.

11                  (3) “Weighting categories” means the categories listed under subsection  
12           (b) of this section.

13                  (4) “English language proficiency level” means each of the English  
14                  language proficiency levels published as a standardized measure of academic  
15                  language proficiency in WIDA ACCESS for ELLs 2.0 and available to  
16                  members of the WIDA consortium of state departments of education.

17                  (5) “Newcomer or SLIFE” means a pupil identified as a New American  
18                  or as a student with limited or interrupted formal education.

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

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

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

(A) pupils in prekindergarten;

(B) pupils in kindergarten through grade five;

(C) pupils in grades six through eight;

(D) pupils in grades nine through 12;

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

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

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

~~and~~

(F) EL pupils who have been most recently assessed at an English language proficiency level of:

(i) Level 1;

(ii) Level 2 or 3;

(iii) Level 4; or

(iv) Level 5 or 6; and

(G) EL pupils who are identified as Newcomer or SLIFE.

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

5                     ~~(i) fewer than 36 persons per square mile;~~

6                     ~~(ii) 36 or more persons per square mile but fewer than 55 persons~~  
7           ~~per square mile; or~~

8                     ~~(iii) 55 or more persons per square mile but fewer than 100 persons~~  
9           ~~per square mile.~~

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

13           ~~(C) Using average daily membership, list for each school district that~~  
14           ~~has low population density the number of pupils in each of subdivisions~~  
15           ~~(A)(i)–(iii) of this subdivision (2). [Repealed.]~~

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

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

19                     ~~(ii) 100 or more pupils but fewer than 250 pupils.~~

20           (B) As used in subdivision (A) of this subdivision (3), “average two-  
21           year enrollment” means the average enrollment of the two most recently

1 completed school years, and “enrollment” means the number of pupils who are  
2 enrolled in a school operated by the district on October 1. A pupil shall be  
3 counted as one whether the pupil is enrolled as a full-time or part-time student.

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

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

18 (d) Determination of weighted long-term membership. For each weighting  
19 category except the small schools weighting category under subdivision (b)(3)  
20 of this section, the Secretary shall compute the weighting count by using the

1 long-term membership, as defined in subdivision 4001(7) of this title, in that  
2 category.

3 (1) ~~The Secretary shall first apply grade~~ Grade-level weights. Each  
4 pupil included in long-term membership shall ~~count as one, multiplied by the~~  
5 ~~following amounts~~ receive an additional weighting amount, based on the  
6 pupil's grade level, of:

7 (A) ~~prekindergarten—negative 0.54~~ 0.02, if the pupil is in one of  
8 grades six through eight; and

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

10 (C) ~~grades nine through 12—0.39~~ 0.10, if the pupil is in one of  
11 grades nine through 12.

12 (2) ~~The Secretary shall next apply a~~ Economic disadvantage weight for  
13 ~~pupils whose family is at or below 185 percent of FPL.~~ Each pupil included in  
14 long-term membership whose family is at or below 185 percent of FPL shall  
15 receive an additional weighting amount of ~~1.03~~ 1.02.

16 (3) ~~The Secretary shall next apply a~~ EL proficiency weight for ~~EL~~  
17 ~~pupils.~~ Each EL pupil included in long-term membership shall receive an  
18 additional weighting amount, based on the EL pupil's English language  
19 proficiency level, of ~~2.49~~:

20 (A) 2.11, if assessed as Level 1;

21 (B) 1.41, if assessed as Level 2 or 3;



1                    (C) 1.20, if assessed as Level 4; or

2                    (D) 0.12, if assessed as Level 5 or 6.

3                    (4) ~~The Secretary shall then apply a weight for pupils living in low~~  
4 ~~population density school districts~~ EL Newcomer/SLIFE weight. Each EL  
5 pupil who is a Newcomer or SLIFE included in long-term membership  
6 ~~residing in a low population density school district, measured by the number of~~  
7 ~~persons per square mile residing within the land area of the geographic~~  
8 ~~boundaries of the district as of July 1 of the year of determination,~~ shall receive  
9 an additional weighting amount of: 0.42

10                    ~~(A) 0.15, where the number of persons per square mile is fewer than~~  
11 ~~36 persons;~~

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

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

16                    (5) ~~The Secretary shall lastly apply a~~ Small school ~~weight for pupils~~  
17 ~~who attend a small school~~. If the number of persons per square mile residing  
18 within the land area of the geographic boundaries of a school district as of July  
19 1 of the year of determination is fewer than 55 or fewer, then, for each pupil  
20 listed under subdivision (b)(3)(C) of this section (pupils who attend small  
21 schools):

~~(B) where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment.~~

\* \* \*

\* \* \*

1       (h) ~~Updates to weights. On or before January 1, 2027 and on or before~~  
2       ~~January 1 of every fifth year thereafter, the Agency of Education and the Joint~~  
3       ~~Fiscal Office shall calculate, based on their consensus view, updates to the~~  
4       ~~weights to account for cost changes underlying those weights and shall issue a~~  
5       ~~written report on their work to the House and Senate Committees on~~  
6       ~~Education, the House Committee on Ways and Means, and the Senate~~  
7       ~~Committee on Finance. The General Assembly shall update the weights under~~  
8       ~~this section and transportation reimbursement under section 4016 of this title~~  
9       ~~not less than every five years and the implementation date for the updated~~  
10       ~~weights and transportation reimbursement shall be delayed by a year in order~~  
11       ~~to provide school districts with time to prepare their budgets. Updates to the~~  
12       ~~weights may include recalibration, recalculation, adding or eliminating~~  
13       ~~weights, or any combination of these actions. [Repealed.]~~

14       Sec. 25. 16 V.S.A. § 4011 is amended to read:

15       § 4011. EDUCATION PAYMENTS

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

1 (b) For each fiscal year, the categorical base ~~education~~ amount shall be  
2 \$6,800.00, which shall be adjusted for inflation annually on or before  
3 November 15 by the Secretary of Education. As used in this subsection,  
4 “adjusted for inflation” means adjusting the categorical base dollar amount by  
5 the National Income and Product Accounts (NIPA) implicit price deflator for  
6 state and local government consumption expenditures and gross investment  
7 published by the U.S. Department of Commerce, Bureau of Economic  
8 Analysis, from fiscal year 2005 through the fiscal year for which the amount is  
9 being determined, and rounding upward to the nearest whole dollar amount.

10 (c) Annually, each school district shall receive ~~an education spending~~  
11 ~~payment~~ for support of education costs its educational opportunity payment  
12 determined pursuant to subsection 4010(f) of this chapter and a dollar amount  
13 equal to its supplemental district spending, if applicable to that school district,  
14 as defined in 32 V.S.A. § 5401. ~~An unorganized town or gore shall receive an~~  
15 ~~amount equal to its per pupil education spending for that year for each student.~~  
16 ~~No district shall receive more than its education spending amount.~~

17 (d) [Repealed.]

18 (e) [Repealed.]

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 an amount equal to 26 percent of the

1 categorical base ~~education~~ amount for each student who completes the  
2 diagnostic portions of the program, based on an average of the previous two  
3 years; 40 percent of the payment required under this subsection shall be from  
4 State funds appropriated from the Education Fund and 60 percent of the  
5 payment required under this subsection shall be from State funds appropriated  
6 from the General Fund.

7 \* \* \*

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

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

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

15 Sec. 26. EDUCATIONAL OPPORTUNITY PAYMENTS; TRANSITION;

16 FYS 2028–2030;

17 (a) Notwithstanding 16 V.S.A. § 4001(16), in each of fiscal years 2028,  
18 2029, and 2030, the educational opportunity payment for a school district shall  
19 equal the educational opportunity payment for the school district as calculated  
20 pursuant to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

21 (1) in fiscal year 2028, the transition gap multiplied by 0.75;

1           (2) in fiscal year 2029, the transition gap multiplied by 0.50; and

2           (3) in fiscal year 2030, the transition gap multiplied by 0.25.

3           (b) As used in this section:

4           (1) “Adjusted for inflation” means adjusting the school district’s  
5           education spending by the National Income and Product Accounts (NIPA)  
6           implicit price deflator for state and local government consumption  
7           expenditures and gross investment published by the U.S. Department of  
8           Commerce, Bureau of Economic Analysis, from fiscal year 2025 through the  
9           fiscal year for which the amount is being determined and rounding upward to  
10           the nearest whole dollar amount.

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

17           Sec. 27. 16 V.S.A. § 4025 is amended to read:

18           § 4025. EDUCATION FUND

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

20           (1) all revenue paid to the State from the statewide education tax on  
21           nonhomestead and homestead property under 32 V.S.A. chapter 135;

\* \* \*

\* \* \*

\* \* \*

\* \* \*

1       (e) ~~The enactment of this chapter and other provisions of the Equal~~  
2       ~~Educational Opportunity Act of which it is a part have been premised upon~~  
3       ~~estimates of balances of revenues to be raised and expenditures to be made~~  
4       ~~under the act for such purposes as education spending payments, categorical~~  
5       ~~State support grants, provisions for property tax income sensitivity, payments~~  
6       ~~in lieu of taxes, current use value appraisals, tax stabilization agreements, the~~  
7       ~~stabilization reserve established by this section, and for other purposes.~~ If the  
8       stabilization reserve established under this section should in any fiscal year be  
9       less than 5.0 percent of the prior fiscal year's appropriations from the  
10      Education Fund, as defined in subsection (b) of this section, the Joint Fiscal  
11      Committee shall review the information provided pursuant to 32 V.S.A.  
12      § 5402b and provide the General Assembly its recommendations for change  
13      necessary to restore the stabilization reserve to the statutory level provided in  
14      subsection (b) of this section.

15      Sec. 29. 16 V.S.A. § 4028 is amended to read:

16      § 4028. FUND PAYMENTS TO SCHOOL DISTRICTS

17      (a) On or before September 10, December 10, and April 30 of each school  
18      year, one-third of ~~the education spending payment under section 4011 of this~~  
19      ~~title~~ each school district's educational opportunity payment as determined  
20      under subsection 4010(f) of this chapter and supplemental district spending, as  
21      defined in 32 V.S.A. § 5401, shall become due to school districts, ~~except that~~



1 ~~districts that have not adopted a budget by 30 days before the date of payment~~  
2 ~~under this subsection shall receive one quarter of the base education amount~~  
3 ~~and upon adoption of a budget shall receive additional amounts due under this~~  
4 ~~subsection.~~

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

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

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

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

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

\* \* \*

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

\* \* \*

1           (11)(A) Shall prepare and distribute annually a proposed budget for the  
2           next school year according to such major categories as may from time to time  
3           be prescribed by the Secretary.

4           (B) [Repealed.]

5           (C) At a school district's annual or special meeting, the electorate  
6           may vote to provide notice of availability of the school budget required by this  
7           subdivision to the electorate in lieu of distributing the budget. If the electorate  
8           of the school district votes to provide notice of availability, it must specify how  
9           notice of availability shall be given, and such notice of availability shall be  
10          provided to the electorate at least 30 days before the district's annual meeting.  
11          The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days  
12          before a sum of money is voted on by the electorate. Any proposed budget  
13          shall show the following information in a format prescribed by the Secretary:

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

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

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

6 (iv) the definition of “~~education spending~~ supplemental district  
7 spending,” the ~~number of pupils and number of equalized pupils in long-term~~  
8 membership of the school district, and the district’s ~~education spending~~ per  
9 ~~equalized pupil~~ supplemental district spending in the proposed budget and in  
10 each of the prior three years; and

11 (v) the supplemental district spending yield.

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

14 “Article #1 (School Budget):

15 Shall the voters of the school district approve the school board  
16 to expend \$ \_\_\_\_\_, which is the amount the school board has determined to  
17 be necessary in excess of the school district’s educational opportunity payment  
18 for the ensuing fiscal year?

19 The \_\_\_\_\_ District estimates that this proposed budget, if  
20 approved, will result in per pupil ~~education~~ supplemental district spending of  
21 \$\_\_\_\_\_, which is \_\_\_\_\_% higher/lower than per pupil ~~education~~

1 supplemental district spending for the current year, and a supplemental district  
2 spending tax rate of \_\_\_\_\_ per \$100.00 of equalized education property  
3 value.”

4 \* \* \*

5 Sec. 31. REPEALS

6 (a) 16 V.S.A. § 4031 (unorganized towns and gores) is repealed.

7 (b) 2022 Acts and Resolves No. 127, Sec. 8 (suspension of excess spending  
8 penalty, hold harmless provision, and ballot language requirement) is repealed.

9 Sec. 32. 16 V.S.A. § 4032 is added to read

10 § 4032. SUPPLEMENTAL DISTRICT SPENDING RESERVE

11 (a) There is hereby created the Supplemental District Spending Reserve  
12 within the Education Fund. Any recapture, as defined in 32 V.S.A. § 5401,  
13 paid to the Education Fund as part of the revenue from the supplemental  
14 district spending tax imposed pursuant to 32 V.S.A. § 5402(f) shall be reserved  
15 within the Supplemental District Spending Reserve.

16 (b) In any fiscal year in which the amounts raised through the supplemental  
17 district spending tax imposed pursuant to 32 V.S.A. § 5402(f) are insufficient  
18 to cover payment to each school district of its supplemental district spending,  
19 the Supplemental District Spending Reserve shall be used by the  
20 Commissioner of Finance and Management to the extent necessary to offset  
21 the deficit as determined by generally accepted accounting principles.

1        (c) Any funds remaining in the Supplemental District Spending Reserve at  
2        the close of the fiscal year after accounting for the process under subsection (b)  
3        of this section shall be transferred into the School Construction Aid Special  
4        Fund established in section 3444 of this title.

5        Sec. 33. AGENCY OF EDUCATION; TRANSPORTATION

6                REIMBURSEMENT GUIDELINES

7        On or before December 15, 2025, the Agency of Education shall submit a  
8        written report to the House Committees on Ways and Means and on Education  
9        and the Senate Committees on Finance and on Education on clear and  
10       equitable guidelines for minimum transportation to be provided and covered by  
11       transportation reimbursement grant under 16 V.S.A. § 4016 as part of  
12       Vermont's education transformation.

13       Sec. 34. REPORT; JOINT FISCAL OFFICE; INFLATIONARY

14                MEASURES; PREKINDERGARTEN EDUCATION FUNDING

15       (a) On or before December 15, 2025, the Joint Fiscal Office shall submit a  
16       report to the House Committees on Ways and Means and on Education and the  
17       Senate Committees on Finance and on Education that analyzes the National  
18       Income and Product Accounts (NIPA) implicit price deflator for state and local  
19       government consumption expenditures and gross investment published by the  
20       U.S. Department of Commerce, Bureau of Economic Analysis, and alternative  
21       inflationary measures that may be applied to state education funding systems.

1 As part of the report, the Joint Fiscal Office shall analyze options and provide  
2 considerations for selecting an inflationary measure appropriate to Vermont’s  
3 education funding system.

4 (b) On or before December 15, 2025, the Joint Fiscal Office shall submit a  
5 report to the House Committee on Ways and Means, the Senate Committee on  
6 Finance, and the House and Senate Committees on Education on the current  
7 funding systems for prekindergarten education, the Child Care Financial  
8 Assistance Program, or any other early care and learning systems. The report  
9 shall review financial incentives in these existing early care and learning  
10 systems. As part of the report, the Joint Fiscal Office shall provide  
11 considerations for changing the funding streams associated with these early  
12 care and learning systems to align with the education transformation initiatives  
13 envisioned in this act.

14 \* \* \* Education Property Tax Rate Formula \* \* \*

15 Sec. 35. 32 V.S.A. § 5401 is amended to read:

16 § 5401. DEFINITIONS

17 As used in this chapter:

18 \* \* \*

19 (8) ~~“Education spending” means “education spending” as defined in 16~~  
20 ~~V.S.A. § 4001(6).~~ [Repealed.]

21 \* \* \*

1           (12) “~~Excess spending~~” means:

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

5                   (B) ~~In excess of 118 percent of the statewide average district per~~  
6                   ~~pupil education spending increased by inflation, as determined by the Secretary~~  
7                   ~~of Education on or before November 15 of each year based on the passed~~  
8                   ~~budgets to date. As used in this subdivision, “increased by inflation” means~~  
9                   ~~increasing the statewide average district per pupil education spending for fiscal~~  
10                  ~~year 2025 by the most recent New England Economic Project cumulative price~~  
11                  ~~index, as of November 15, for state and local government purchases of goods~~  
12                  ~~and services, from fiscal year 2025 through the fiscal year for which the~~  
13                  ~~amount is being determined. [Repealed.]~~

14                  (13)(A) ~~“Education property tax spending adjustment” means the~~  
15                  ~~greater of one or a fraction in which the numerator is the district’s per pupil~~  
16                  ~~education spending plus excess spending for the school year, and the~~  
17                  ~~denominator is the property dollar equivalent yield for the school year, as~~  
18                  ~~defined in subdivision (15) of this section.~~

19                  (B) ~~“Education income tax spending adjustment” means the greater~~  
20                  ~~of one or a fraction in which the numerator is the district’s per pupil education~~  
21                  ~~spending plus excess spending for the school year, and the denominator is the~~



1 ~~income dollar equivalent yield for the school year, as defined in subdivision~~  
2 ~~(16) of this section. [Repealed.]~~

3 \* \* \*

4 (15) ~~“Property dollar equivalent yield” means the amount of per pupil~~  
5 ~~education spending that would result if the homestead tax rate were \$1.00 per~~  
6 ~~\$100.00 of equalized education property value and the statutory reserves under~~  
7 ~~16 V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

8 (16) ~~“Income dollar equivalent yield” means the amount of per pupil~~  
9 ~~education spending that would result if the income percentage in subdivision~~  
10 ~~6066(a)(2) of this title were 2.0 percent and the statutory reserves under 16~~  
11 ~~V.S.A. § 4026 and section 5402b of this title were maintained. [Repealed.]~~

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

15 (18) “Recapture” means the amount of revenue raised through  
16 imposition of the supplemental district spending tax pursuant to subsection  
17 5402(f) of this chapter that is in excess of the school district’s supplemental  
18 district spending.

19 (19) “Supplemental district spending” means the spending that the  
20 voters of a school district approve in excess of the school district’s educational  
21 opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year,

1 provided that the voters of a school district other than an interstate school  
2 district shall not approve spending in excess of 10 percent of the school  
3 district’s educational opportunity payment for the fiscal year.

4 (20) “Supplemental district spending yield” means the amount of  
5 property tax revenue per long-term membership as defined in 16 V.S.A.  
6 § 4001(7) that would be raised in the school district with the lowest taxing  
7 capacity using a supplemental district spending tax rate of \$1.00 per \$100.00  
8 of equalized education property value.

9 (21) “Per pupil supplemental district spending” means the per pupil  
10 amount of supplemental district spending resulting from dividing a school  
11 district’s supplemental district spending by its long-term membership as  
12 defined in 16 V.S.A. § 4001(7).

13 (22) “School district with the lowest taxing capacity” means the school  
14 district other than an interstate school district anticipated to have the lowest  
15 aggregate equalized education property tax grand list of its municipal members  
16 per long-term membership as defined in 16 V.S.A. § 4001(7) in the following  
17 fiscal year.

18 Sec. 36. 32 V.S.A. § 5402 is amended to read:

19 § 5402. EDUCATION PROPERTY TAX LIABILITY

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

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

~~(2) The tax rate for homestead property shall be \$1.00 multiplied by the education property tax spending adjustment for the municipality per \$100.00 of equalized education property value as most recently determined under section 5405 of this title. The homestead property tax rate for each municipality that is a member of a union or unified union school district shall be calculated as required under subsection (e) of this section. a rate sufficient to cover expenditures from the Education Fund under 16 V.S.A. § 4025(b) other than supplemental district spending, after accounting for the forecasted available revenues. It is the intention of the General Assembly that the statewide education tax rate under this section shall be adopted for each fiscal year by act of the General Assembly. The statewide education tax rate shall be adjusted for homestead property and each general class of nonhomestead property provided under section 4152a of this title as follows:~~

<u>If the tax classification of the</u>	<u>then the statewide education tax rate</u>
<u>property subject to taxation is:</u>	<u>is multiplied by a factor of:</u>

<u>Homestead</u>	<u>1.0</u>
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<u>Nonhomestead, Apartment</u>	<u>1.0</u>
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<u>Nonhomestead, Nonresidential</u>	<u>1.0</u>
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<u>Nonhomestead, Residential</u>	<u>1.0</u>
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1 (b) The statewide education tax shall be calculated as follows:

2 (1) The Commissioner of Taxes shall determine for each municipality  
3 the education tax rates under subsection (a) of this section divided by the  
4 ~~number resulting from dividing the~~ municipality's most recent common level  
5 of appraisal ~~by the statewide adjustment~~. The legislative body in each  
6 municipality shall then bill each property taxpayer at the ~~homestead or~~  
7 ~~nonhomestead~~ applicable rate determined by the Commissioner under this  
8 subdivision, multiplied by the education property tax grand list value of the  
9 property, properly classified as homestead or nonhomestead property and  
10 without regard to any other tax classification of the property not authorized  
11 under this chapter. Statewide education property tax bills shall show the tax  
12 due and the calculation of the rate determined under subsection (a) of this  
13 section, divided by ~~the number resulting from dividing~~ the municipality's most  
14 recent common level of appraisal ~~by the statewide adjustment~~, multiplied by  
15 the current grand list value of the property to be taxed. Statewide education  
16 property tax bills shall also include language provided by the Commissioner  
17 pursuant to subsection 5405(g) of this title.

18 (2) Taxes assessed under this section shall be assessed and collected in  
19 the same manner as taxes assessed under chapter 133 of this title with no tax  
20 classification other than ~~as homestead or nonhomestead property~~ those  
21 required by this section; provided, however, that the tax levied under this

1 chapter shall be billed to each taxpayer by the municipality in a manner that  
2 clearly indicates the tax is separate from any other tax assessed and collected  
3 under chapter 133, including an itemization of the separate taxes due. The bill  
4 may be on a single sheet of paper with the statewide education tax and other  
5 taxes presented separately and side by side.

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

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

20 (2) The ~~Secretary of Education~~ Commissioner of Taxes shall determine  
21 each municipality's net ~~nonhomestead~~ education tax payment ~~and its net~~

1 ~~homestead education tax payment~~ to the State based on grand list information  
2 received by the ~~Secretary~~ Commissioner not later than the March 15 prior to  
3 the June 1 net payment. Payment shall be accompanied by a return prescribed  
4 by the ~~Secretary of Education~~ Commissioner of Taxes. Each municipality may  
5 retain 0.225 of one percent of the total education tax collected, only upon  
6 timely remittance of net payment to the State Treasurer or to the applicable  
7 school district or districts. ~~Each municipality may also retain \$15.00 for each~~  
8 ~~late property tax credit claim filed after April 15 and before September 2, as~~  
9 ~~notified by the Department of Taxes, for the cost of issuing a new property tax~~  
10 ~~bill.~~

11 (d) [Repealed.]

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

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

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

20 ~~(A) Determine the municipal district homestead tax rate using the~~  
21 ~~base rate determined under subdivision (a)(2) of this section and a spending~~

1 ~~adjustment under subdivision 5401(13) of this title based on the per pupil~~  
2 ~~education spending in the municipality who attends a school other than the~~  
3 ~~union school.~~

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

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

19 (f)(1) A supplemental district spending tax is imposed on all homestead  
20 and nonhomestead property in each member municipality of a school district  
21 that approves spending pursuant to a budget presented to the voters of a school

1 district under 16 V.S.A. § 563. The Commissioner of Taxes shall determine  
2 the supplemental district spending tax rate for each school district by dividing  
3 the school district's per pupil supplemental district spending as certified by the  
4 Secretary of Education by the supplemental district spending yield. The  
5 legislative body in each member municipality shall then bill each property  
6 taxpayer at the rate determined by the Commissioner under this subsection,  
7 divided by the municipality's most recent common level of appraisal and  
8 multiplied by the current grand list value of the property to be taxed. The bill  
9 shall show the tax due and the calculation of the rate.

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

20 (3) The treasurer of each municipality shall on or before December 1 of  
21 the year in which the tax is levied and on or before June 1 of the following year



1 pay to the State Treasurer for deposit in the Education Fund one-half of the  
2 municipality's supplemental district spending tax, as determined under  
3 subdivision (1) of this subsection.

4 (4) The Commissioner of Taxes shall determine each municipality's net  
5 supplemental district spending tax payment to the State based on grand list  
6 information received by the Commissioner not later than the March 15 prior to  
7 the June 1 net payment. Payment shall be accompanied by a return prescribed  
8 by the Commissioner of Taxes. Each municipality may retain 0.225 of one  
9 percent of the total supplemental district spending tax collected, only upon  
10 timely remittance of net payment to the State Treasurer or to the applicable  
11 school district.

12 Sec. 37. 32 V.S.A. § 5402b is amended to read:

13 § 5402b. STATEWIDE EDUCATION TAX ~~YIELDS~~ RATE;

14 SUPPLEMENTAL DISTRICT SPENDING YIELD;

15 RECOMMENDATION OF THE COMMISSIONER

16 (a) Annually, not later than December 1, the Commissioner of Taxes, after  
17 consultation with the Secretary of Education, the Secretary of Administration,  
18 and the Joint Fiscal Office, shall calculate and recommend ~~a property dollar~~  
19 ~~equivalent yield, an income dollar equivalent yield, and a nonhomestead~~  
20 ~~property tax rate~~ the statewide education property tax rate pursuant to  
21 subsection 5402(a) of this chapter and the supplemental district spending yield

1 for the following fiscal year. In making these calculations, the Commissioner  
2 shall assume: the statutory reserves are maintained at five percent pursuant to  
3 16 V.S.A. § 4026 and the amounts in the Supplemental District Spending  
4 Reserve are unavailable for any purpose other than that specified in 16 V.S.A.  
5 § 4032(b)

6 ~~(1) the homestead base tax rate in subdivision 5402(a)(2) of this title is~~  
7 ~~\$1.00 per \$100.00 of equalized education property value;~~

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

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

11 ~~(4) the percentage change in the average education tax bill applied to~~  
12 ~~nonhomestead property and the percentage change in the average education tax~~  
13 ~~bill of homestead property and the percentage change in the average education~~  
14 ~~tax bill for taxpayers who claim a credit under subsection 6066(a) of this title~~  
15 ~~are equal;~~

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

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

19 (b) For each fiscal year, the ~~property dollar equivalent~~ supplemental district  
20 spending yield ~~and the income dollar equivalent yield~~ shall be the same as in  
21 the prior fiscal year, unless set otherwise by the General Assembly.

\* \* \*

(d) Along with the recommendations made under this section, the  
Commissioner shall include:

(1) the base amount as defined in 16 V.S.A. § 4001(16);

(2) for each school district, the estimated long-term membership,  
weighted long-term membership, and aggregate equalized education property  
tax grand list of its municipal members;

(3) for each school district, the estimated aggregate equalized education  
property tax grand list of its municipal members per long-term membership;

(4) the estimated school district with the lowest taxing capacity; and

(5) the range of per pupil supplemental district spending between all  
districts in the State for the previous year.

\* \* \*

\* \* \* Conforming Revisions; Statewide Property Tax Rate \* \* \*

Sec. 38. 32 V.S.A. § 5404a(b)(1) is amended to read:

(b)(1) An agreement affecting the education property tax grand list defined  
under subsection (a) of this section shall reduce the municipality's education  
property tax liability under this chapter for the duration of the agreement or  
exemption without extension or renewal, and for a maximum of 10 years. A  
municipality's property tax liability under this chapter shall be reduced by any  
difference between the amount of the education property taxes collected on the

1 subject property and the amount of education property taxes that would have  
2 been collected on such property if its fair market value were taxed at the  
3 equalized ~~nonhomestead~~ rate for the tax year.

4 Sec. 39. 32 V.S.A. § 5405(g) is amended to read:

5 (g) The Commissioner shall provide to municipalities for the front of  
6 property tax bills the ~~district homestead property~~ statewide education tax rate  
7 before equalization, ~~the nonresidential tax rate before equalization~~, and the  
8 calculation process that creates the equalized homestead and nonhomestead tax  
9 rates. The Commissioner shall further provide to municipalities for the back of  
10 property tax bills an explanation of the common level of appraisal, including  
11 its origin and purpose.

12 \* \* \* Statewide Property Tax Credit Repeal; Homestead Exemption

13 Created \* \* \*

14 Sec. 40. 32 V.S.A. § 5400 is amended to read:

15 § 5400. STATUTORY PURPOSES

16 \* \* \*

17 (c) The statutory purpose of the exemption for qualified housing in  
18 subdivision 5404a(a)(6) of this title is to ensure that taxes on this rent-  
19 restricted housing provided to Vermonters of low and moderate income are  
20 more equivalent to property taxed ~~using the State as a homestead rate property~~

1 and to adjust the costs of investment in rent-restricted housing to reflect more  
2 accurately the revenue potential of such property.

3 \* \* \*

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

7 Sec. 41. 32 V.S.A. chapter 154 is amended to read:

8 CHAPTER 154. HOMESTEAD PROPERTY TAX EXEMPTION,  
9 MUNICIPAL PROPERTY TAX CREDIT, AND RENTER CREDIT

10 § 6061. DEFINITIONS

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

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

16 \* \* \*

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

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

1

2

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1 supplemental district spending tax in the claim year as authorized under  
2 sections 6066 and 6066a of this chapter.

3 § 6062. NUMBER AND IDENTITY OF CLAIMANTS; APPORTIONMENT

4 \* \* \*

5 (d) Whenever a housesite is an integral part of a larger unit such as a farm  
6 or a multi-purpose or multi-dwelling building, property taxes paid shall be that  
7 percentage of the total property tax as the value of the housesite is to the total  
8 value. Upon a claimant's request, the listers shall certify to the claimant the  
9 value of ~~his or her~~ the claimant's homestead and housesite.

10 \* \* \*

11 § 6063. CLAIM AS PERSONAL; CREDIT AND EXEMPTION AMOUNT

12 AT TIME OF TRANSFER

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

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

(3) a transferee who is eligible to declare the residence as a homestead but for the requirement to own the residence on April 1 of the claim year shall, notwithstanding subdivision 5401(7) and subsection 5410(b) of this title, be eligible to apply for a homestead property tax exemption in the claim year when the transfer occurs by filing with the Commissioner of Taxes a homestead declaration pursuant to section 5410 of this title and a claim for exemption on or before the due date prescribed under section 6068 of this chapter.

\* \* \*

## § 6065. FORMS; TABLES; NOTICES

(a) In administering this chapter, the Commissioner shall provide suitable claim forms with tables of allowable claims, instructions, and worksheets for claiming a homestead property tax exemption and municipal property tax credit.



1 (b) Prior to June 1, the Commissioner shall also prepare and supply to each  
2 town in the State notices describing the homestead property tax exemption and  
3 municipal property tax credit for inclusion in property tax bills. The notice  
4 shall be in simple, plain language and shall explain how to file for a homestead  
5 property tax exemption and a municipal property tax credit, where to find  
6 assistance filing for a credit or an exemption, or both, and any other related  
7 information as determined by the Commissioner. The notice shall direct  
8 taxpayers to a resource where they can find versions of the notice translated  
9 into the five most common non-English languages in the State. A town shall  
10 include such notice in each tax bill and notice of delinquent taxes that it mails  
11 to taxpayers who own in that town a residential property, without regard for  
12 whether the property was declared a homestead pursuant to subdivision  
13 5401(7) of this title.

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

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

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

~~(1)(A) For a claimant with household income of \$90,000.00 or more:~~

~~(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;~~

~~(ii) minus (if less) the sum of:~~

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

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

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

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

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

1           ~~(C) For a claimant whose household income does not exceed~~  
2           ~~\$47,000.00, the statewide education tax rate, multiplied by the equalized value~~  
3           ~~of the housesite in the taxable year, minus the lesser of:~~

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

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

9           ~~(2) “Income percentage” in this section means two percent, multiplied by~~  
10           ~~the education income tax spending adjustment under subdivision 5401(13)(B)~~  
11           ~~of this title for the property tax year that begins in the claim year for the~~  
12           ~~municipality in which the homestead residence is located~~

13           (1) An eligible claimant who owned the homestead on April 1 of the  
14           claim year shall be entitled to a homestead property tax exemption in the claim  
15           year in an amount determined as follows:

16                     (A) for a claimant whose household income is equal to or less than  
17                     \$25,000.00, the exemption shall be 95 percent of the claimant’s housesite  
18                     value;

19                     (B) for a claimant whose household income is greater than  
20                     \$25,000.00 but equal to or less than \$47,000.00, the exemption shall be 90  
21                     percent of the claimant’s housesite value;

1           (C) for a claimant whose household income is greater than  
2           \$47,000.00 but equal to or less than \$50,000.00, the exemption shall be 80  
3           percent of the claimant's housesite value;

4           (D) for a claimant whose household income is greater than  
5           \$50,000.00 but equal to or less than \$60,000.00, the exemption shall be 70  
6           percent of the claimant's housesite value;

7           (E) for a claimant whose household income is greater than  
8           \$60,000.00 but equal to or less than \$70,000.00, the exemption shall be 60  
9           percent of the claimant's housesite value;

10          (F) for a claimant whose household income is greater than  
11          \$70,000.00 but equal to or less than \$80,000.00, the exemption shall be 50  
12          percent of the claimant's housesite value;

13          (G) for a claimant whose household income is greater than  
14          \$80,000.00 but equal to or less than \$90,000.00, the exemption shall be 40  
15          percent of the claimant's housesite value;

16          (H) for a claimant whose household income is greater than  
17          \$90,000.00 but equal to or less than \$100,000.00, the exemption shall be 30  
18          percent of the claimant's housesite value;

19          (I) for a claimant whose household income is greater than  
20          \$100,000.00 but equal to or less than \$110,000.00, the exemption shall be 20  
21          percent of the claimant's housesite value;

1           (J) for a claimant whose household income is greater than  
2           \$110,000.00 but equal to or less than \$115,000.00, the exemption shall be 10  
3           percent of the claimant's housesite value; and

4           (K) for a claimant whose household income is greater than  
5           \$115,000.00, no amount of housesite value shall be exempt under this section.

6           ~~(3)(2)~~ A An eligible claimant who owned the homestead on April 1 of  
7           the claim year and whose household income does not exceed \$47,000.00 shall  
8           also be entitled to ~~an additional~~ a credit amount ~~from~~ against the claimant's  
9           municipal taxes for the upcoming fiscal year that is equal to the amount by  
10          which the municipal property taxes for the municipal fiscal year that began in  
11          the taxable year upon the claimant's housesite exceeds a percentage of the  
12          claimant's household income for the taxable year as follows:

13	If household income (rounded	then the taxpayer is entitled to
14	to the nearest dollar) is:	credit for the
15		
16		reduced property tax in excess of
17		this percent
18		of that income:
19	\$0.00 — 9,999.00	1.50
20	\$10,000.00 — 47,000.00	3.00

1           ~~(4) A claimant whose household income does not exceed \$47,000.00~~  
2           ~~shall also be entitled to an additional credit amount from the claimant's~~  
3           ~~statewide education tax for the upcoming fiscal year that is equal to the amount~~  
4           ~~by which the education property tax for the municipal fiscal year that began in~~  
5           ~~the taxable year upon the claimant's housesite, reduced by the credit amount~~  
6           ~~determined under subdivisions (1) and (2) of this subsection, exceeds a~~  
7           ~~percentage of the claimant's household income for the taxable year as follows:~~

8           If household income (rounded	then the taxpayer is entitled to
9           to the nearest dollar) is:	credit for the reduced property tax
10	in excess of this percent of that
11	income:

12           \$0.00 — 9,999.00	0.5
--------------------------------	-----

13           \$10,000.00 — 24,999.00	1.5
--------------------------------------	-----

14           \$25,000.00 — 47,000.00	2.0
--------------------------------------	-----

15           ~~(5)(3)~~ In no event shall the homestead property tax exemption provided  
16           for in subdivision (1) of this subsection reduce the housesite value below zero.  
17           In no event shall the municipal property tax credit provided for in subdivision  
18           ~~(3) or (4)(2)~~ (2) of this subsection exceed the amount of the reduced municipal  
19           property tax. ~~The credits under subdivision (4) of this subsection shall be~~  
20           ~~calculated considering only the tax due on the first \$400,000.00 in equalized~~  
21           ~~housesite value.~~

(b)(1) An eligible claimant who rented the homestead shall be entitled to a credit for the taxable year in an amount not to exceed \$2,500.00, to be calculated as follows:

(c) To be eligible for an ~~adjustment~~ exemption or credit under this chapter, the claimant:

calendar months, which need not be consecutive, during the taxable year.

1 (d) The owner of a mobile home that is sited on a lot not owned by the  
2 homeowner may include an amount determined under subdivision 6061(7) of  
3 this title as allocable rent paid on the lot with the amount of property taxes paid  
4 by the homeowner on the home for the purpose of computation of ~~credits~~ the  
5 municipal property tax credit under subdivision (a)(3)(2) of this section, unless  
6 the homeowner has included in the claim an amount of property tax on  
7 common land under the provisions of subsection (e) of this section.

8 (e) Property taxes paid by a cooperative, not including a mobile home park  
9 cooperative, allocable to property used as a homestead shall be attributable to  
10 the co-op member for the purpose of computing the ~~credit~~ of property tax  
11 liability of the co-op member under this section. Property owned by a  
12 cooperative declared as a homestead may only include the homestead and a pro  
13 rata share of any common land owned or leased by the cooperative, not to  
14 exceed the two-acre housesite limitation. The share of the cooperative's  
15 assessed value attributable to the housesite shall be determined by the  
16 cooperative and specified annually in a notice to the co-op member. Property  
17 taxes paid by a mobile home park cooperative, allocable to property used as a  
18 housesite, shall be attributed to the owner of the housesite for the purpose of  
19 computing the ~~credit~~ of property tax liability of the housesite owner under this  
20 section. Property owned by the mobile home park cooperative and declared as  
21 a housesite may only include common property of the cooperative contiguous



1 with at least one mobile home lot in the park, not to exceed the two-acre  
2 housesite limitation. The share attributable to any mobile home lot shall be  
3 determined by the cooperative and specified in the cooperative agreement. A  
4 co-op member who is the housesite owner shall be entitled to a property tax  
5 credit in an amount determined by multiplying the property taxes allocated  
6 under this subsection by the percentage of the exemption for which the  
7 housesite owner's household income qualifies under subdivision (a)(1) of this  
8 section.

9 (f) [Repealed.]

10 (g) Notwithstanding subsection (d) of this section, if the land surrounding a  
11 homestead is owned by a nonprofit corporation or community land trust with  
12 tax exempt status under 26 U.S.C. § 501(c)(3), the homeowner may include an  
13 allocated amount as property tax paid on the land with the amount of property  
14 taxes paid by the homeowner on the home for the purposes of computation of  
15 ~~the credit~~ property tax liability under this section. The allocated amount shall  
16 be determined by the nonprofit corporation or community land trust on a  
17 proportional basis. The nonprofit corporation or community land trust shall  
18 provide to that homeowner, by January 31, a certificate specifying the  
19 allocated amount. The certificate shall indicate the proportion of total property  
20 tax on the parcel that was assessed for municipal property tax and for statewide  
21 property tax and the proportion of total value of the parcel. A homeowner

1 under this subsection shall be entitled to a property tax credit in an amount  
2 determined by multiplying the property taxes allocated under this subsection  
3 by the percentage of the exemption for which the homeowner's household  
4 income qualifies under subdivision (a)(1) of this section.

5 (h) A homestead owner shall be entitled to an additional property tax credit  
6 amount equal to one percent of the amount of income tax refund that the  
7 claimant elects to allocate to payment of ~~homestead~~ statewide education  
8 property tax under section 6068 of this title.

9 (i) ~~Adjustments~~ The homestead property tax exemption and the municipal  
10 property tax credit under subsection (a) of this section shall be calculated  
11 without regard to any exemption under subdivision 3802(11) of this title.

12 § 6066a. DETERMINATION OF HOMESTEAD PROPERTY TAX

13 EXEMPTION AND MUNICIPAL PROPERTY TAX CREDIT

14 (a) Annually, the Commissioner shall determine the homestead property  
15 tax exemption and the municipal property tax credit amount under section  
16 6066 of this title, related to a homestead owned by the claimant, based on the  
17 prior taxable year's income and for the municipal property tax credit, crediting  
18 property taxes paid in the prior year, and for the homestead property tax  
19 exemption, exempting the housesite value in the claim year. The  
20 Commissioner shall notify the municipality in which the housesite is located of  
21 the amount of the homestead property tax exemption and municipal property

1 tax credit for the claimant for ~~homestead~~ property tax liabilities on a monthly  
2 basis. The municipal property tax credit of a claimant who was assessed  
3 property tax by a town that revised the dates of its fiscal year, however, is the  
4 excess of the property tax that was assessed in the last 12 months of the revised  
5 fiscal year, over the adjusted property tax of the claimant for the revised fiscal  
6 year, as determined under section 6066 of this title, related to a homestead  
7 owned by the claimant.

8 (b) The Commissioner shall include in the total homestead property tax  
9 exemption and municipal property tax credit amount determined under  
10 subsection (a) of this section, for credit to the taxpayer for ~~homestead~~ statewide  
11 education property tax and supplemental district spending tax liabilities, any  
12 income tax overpayment remaining after allocation under section 3112 of this  
13 title and setoff under section 5934 of this title, which the taxpayer has directed  
14 to be used for payment of property taxes.

15 (c) The Commissioner shall notify the municipality of any claim and  
16 refund amounts unresolved by November 1 at the time of final resolution,  
17 including adjudication, if any; provided, however, that towns will not be  
18 notified of any additional credit amounts after November 1 of the claim year,  
19 and such amounts shall be paid to the claimant by the Commissioner.

20 (d) [Repealed.]

1 (e) At the time of notice to the municipality, the Commissioner shall notify  
2 the taxpayer of the homestead property tax ~~credit~~ exemption amount  
3 determined under subdivision 6066(a)(1) of this title, ~~the amount determined~~  
4 ~~under subdivision 6066(a)(3) of this title;~~ any ~~additional~~ municipal property  
5 credit ~~amounts~~ amount due the homestead owner under ~~section~~ subdivision  
6 6066(a)(2) of this title; the amount of income tax refund, if any, allocated to  
7 payment of ~~homestead~~ statewide education property tax liabilities; and any  
8 late-claim reduction amount.

9 (f)(1) For taxpayers and amounts stated in the notice to towns on or before  
10 July 1, municipalities shall create and send to taxpayers a ~~homestead~~ property  
11 tax bill, instead of the bill required under subdivision 5402(b)(1) of this title,  
12 providing the total amount allocated to payment of ~~homestead~~ statewide  
13 education property tax liabilities and notice of the balance due. Municipalities  
14 shall apply the amount of the homestead property tax exemption allocated  
15 under this chapter to current year property taxes in equal amounts to each of  
16 the taxpayers' property tax installments that include education taxes and the  
17 amount of the municipal property tax credit allocated under this chapter to  
18 current year municipal property taxes in equal amounts to each of the  
19 taxpayers' property tax installments that include municipal taxes.

20 Notwithstanding section 4772 of this title, if a town issues a corrected bill as a  
21 result of the notice sent by the Commissioner under subsection (a) of this

1 section, issuance of the corrected new bill does not extend the time for  
2 payment of the original bill nor relieve the taxpayer of any interest or penalties  
3 associated with the original bill. If the corrected bill is less than the original  
4 bill, and there are also no unpaid current year taxes, interest, or penalties, and  
5 no past year delinquent taxes or penalties and interest charges, any  
6 overpayment shall be reflected on the corrected tax bill and refunded to the  
7 taxpayer.

8 (2) For homestead property tax exemption and municipal property tax  
9 credit amounts for which municipalities receive notice after November 1,  
10 municipalities shall issue a new ~~homestead~~ property tax bill with notice to the  
11 taxpayer of the total amount allocated to payment of ~~homestead~~ property tax  
12 liabilities and notice of the balance due.

13 (3) The homestead property tax exemption and municipal property tax  
14 credit amount determined for the taxpayer shall be allocated first to current  
15 year housesite value and property tax on the homestead parcel, next to current-  
16 year homestead parcel penalties and interest, next to any prior year homestead  
17 parcel penalties and interest, and last to any prior year housesite value and  
18 property tax on the homestead parcel. No homestead property tax exemption  
19 or municipal credit shall be allocated to a housesite value or property tax  
20 liability for any year after the year for which the claim or refund allocation was

1 filed. No municipal tax-reduction incentive for early payment of taxes shall  
2 apply to any amount allocated to the property tax bill under this chapter.

3 (4) If the homestead property tax exemption or the municipal property  
4 tax credit amount as described in subsection (e) of this section exceeds the  
5 property tax, penalties, and interest due for the current and all prior years, the  
6 municipality shall refund the excess to the taxpayer, without interest, within 20  
7 days of the first date upon which taxes become due and payable or 20 days  
8 after notification of the exemption or credit amount by the Commissioner of  
9 Taxes, whichever is later.

10 (g) The Commissioner of Taxes shall pay monthly to each municipality the  
11 amount of municipal property tax credit of which the municipality was last  
12 notified related to municipal property tax on homesteads within that  
13 municipality, as determined by the Commissioner of Taxes.

14 § 6067. ~~CREDIT~~ CLAIM LIMITATIONS

15 (a) Claimant. Only one individual per household per taxable year shall be  
16 entitled to a homestead exemption claim or property tax credit claim, or both,  
17 under this chapter.

18 (b) Other states. An individual who received a homestead exemption or  
19 credit with respect to property taxes assessed by another state for the taxable  
20 year shall not be entitled to receive a credit under this chapter.

1        (c) Dollar amount. No ~~taxpayer~~ claimant shall receive a renter credit under  
2        subsection 6066(b) of this title in excess of \$2,500.00. No ~~taxpayer~~ claimant  
3        shall receive a municipal property tax credit under subdivision 6066(a)(~~3~~)(2) of  
4        this title greater than \$2,400.00 ~~or cumulative credit under subdivisions~~  
5        ~~6066(a)(1) (2) and (4) of this title greater than \$5,600.00.~~

6        § 6068. APPLICATION AND TIME FOR FILING

7        (a) A homestead property tax exemption or municipal property tax credit  
8        claim or request for allocation of an income tax refund to ~~homestead~~ statewide  
9        education property tax payment shall be filed with the Commissioner on or  
10       before the due date for filing the Vermont income tax return, without  
11       extension, and shall describe the school district in which the homestead  
12       property is located and shall particularly describe the homestead property for  
13       which the exemption or credit ~~or allocation~~ is sought, including the school  
14       parcel account number prescribed in subsection 5404(b) of this title. A renter  
15       credit claim shall be filed with the Commissioner on or before the due date for  
16       filing the Vermont income tax return, without extension.

17       (b)(1) If ~~the~~ a claimant files a municipal property tax credit claim after  
18       October 15 but on or before March 15 of the following calendar year, the  
19       municipal property tax credit under this chapter:

20       ~~(1)(A)~~ shall be reduced in amount by \$150.00, but not below \$0.00;

21       ~~(2)(B)~~ shall be issued directly to the claimant; and

(c) No request for allocation of an income tax refund or for a renter credit claim may be made after October 15. No homestead property tax exemption or municipal property tax credit claim may be made after March 15 of the calendar year following the due date under subsection (a) of this section.

\* \* \*

## § 6070. DISALLOWED CLAIMS

A claim shall be disallowed if the claimant received title to ~~his or her~~ the claimant's homestead primarily for the purpose of receiving benefits under this chapter.

## § 6071. EXCESSIVE AND FRAUDULENT CLAIMS

(a) In any case in which it is determined under the provisions of this title that a claim is or was excessive and was filed with fraudulent intent, the claim shall be disallowed in full and the Commissioner may impose a penalty equal to the amount claimed. A disallowed claim may be recovered by assessment



1 as income taxes are assessed. The assessment, including assessment of  
2 penalty, shall bear interest from the date the claim was credited against  
3 property tax or income tax or paid by the State until repaid by the claimant at  
4 the rate per annum established from time to time by the Commissioner  
5 pursuant to section 3108 of this title. The claimant in that case, and any person  
6 who assisted in the preparation of filing of such excessive claim or supplied  
7 information upon which the excessive claim was prepared, with fraudulent  
8 intent, shall be fined not more than \$1,000.00 or be imprisoned not more than  
9 one year, or both.

10 (b) In any case in which it is determined that a claim is or was excessive,  
11 the Commissioner may impose a 10 percent penalty on such excess, and if the  
12 claim has been paid or credited against property tax or income tax otherwise  
13 payable, the municipal property tax credit or homestead exemption shall be  
14 reduced or canceled and the proper portion of any amount paid shall be  
15 similarly recovered by assessment as income taxes are assessed, and such  
16 assessment shall bear interest at the rate per annum established from time to  
17 time by the Commissioner pursuant to section 3108 of this title from the date  
18 of payment or, in the case of credit of a municipal property tax bill under  
19 section 6066a of this title, from December 1 of the year in which the claim is  
20 filed until refunded or paid.

21 \* \* \*

1     § 6073. ~~REGULATIONS~~ RULES OF THE COMMISSIONER

2           The Commissioner may, from time to time, ~~issue~~ adopt, amend, and  
3     withdraw ~~regulations~~ rules interpreting and implementing this chapter.

4     § 6074. AMENDMENT OF CERTAIN CLAIMS

5           At any time within three years after the date for filing claims under  
6     subsection 6068(a) of this chapter, a claimant who filed a claim by October 15  
7     may file to amend that claim with regard to housesite value, ~~housesite~~  
8     ~~education tax~~, housesite municipal tax, and ownership percentage or to correct  
9     the amount of household income reported on that claim.

10    Sec. 42. DEPARTMENT OF TAXES; HOMESTEAD DECLARATION;

11           SAMPLE FORM;

12           On or before December 15, 2025, the Department of Taxes shall provide to  
13     the House Committee on Ways and Means and the Senate Committee on  
14     Finance suggestions for updating the homestead declaration under 32 V.S.A.  
15     § 5410 to address the implementation of the homestead exemption under  
16     section 19 of this act, which may be provided as a sample form.

17           \* \* \* Conforming Revisions; Property Tax Credit Repeal \* \* \*

18    Sec. 43. 11 V.S.A. § 1608 is amended to read:

19    § 1608. ELIGIBILITY FOR PROPERTY TAX RELIEF

20           Members of cooperative housing corporations shall be eligible to apply for  
21     and receive a homestead property tax ~~adjustment~~ exemption and municipal

1 property tax credit under 32 V.S.A. § 6066, subject to the conditions of  
2 eligibility set forth therein.

3 Sec. 44. 32 V.S.A. § 3102(j) is amended to read:

4 (j) Tax bills prepared by a municipality under subdivision 5402(b)(1) of  
5 this title showing only the amount of total tax due shall not be considered  
6 confidential return information under this section. For the purposes of  
7 calculating ~~credits~~ the homestead property tax exemption and the municipal  
8 property tax credit under chapter 154 of this title, information provided by the  
9 Commissioner to a municipality under subsection 6066a(a) of this title and  
10 information provided by the municipality to a taxpayer under subsection  
11 6066a(f) shall be considered confidential return information under this section.

12 Sec. 45. 32 V.S.A. § 3206(b) is amended to read:

13 (b) As used in this section, “extraordinary relief” means a remedy that is  
14 within the power of the Commissioner to grant under this title, a remedy that  
15 compensates for the result of inaccurate classification of property as homestead  
16 or nonhomestead pursuant to section 5410 of this title through no fault of the  
17 taxpayer, or a remedy that makes changes to a taxpayer’s homestead property  
18 tax exemption, municipal property tax credit, or renter credit claim necessary  
19 to remedy the problem identified by the Taxpayer Advocate.

20 \* \* \* Effective Dates \* \* \*

21 Sec. 46. EFFECTIVE DATES

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

2            (1) Sec. 1 (intent);

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

4            (3) Sec. 3 (School District Boundary Task Force);

5            (4) Sec. 33 (transportation reimbursement guidelines);

6            (5) Sec. 34 (inflationary measures; prekindergarten; reports); and

7            (6) Sec. 42 (homestead declaration sample form);

8        (b) The following sections shall take effect on July 1, 2025:

9            (1) Sec. 6 (16 V.S.A. § 3443);

10          (2) Sec. 7 (School Construction Advisory Board sunset);

11          (3) Sec. 13 (16 V.S.A. § 828);

12          (4) Sec. 14 (tuition transition);

13          (5) Sec. 15 (SBE rules; report);

14          (6) Sec. 16 (SBE rule review; appropriation);

15          (7) Sec. 17 (AOE reports);

16          (8) Sec. 18 (special education report);

17          (9) Sec. 19 (AOE special education strategic plan);

18          (10) Sec. 20 (AOE position); and

19          (11) Sec. 22 (tuition repeals).

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

21            (1) Sec. 4 (school construction policy);

- 1           (2) Sec. 5 (16 V.S.A. § 3442);  
2           (3) Sec. 8 (16 V.S.A. § 3444);  
3           (4) Sec. 9 (16 V.S.A. § 3445);  
4           (5) Sec. 10 (16 V.S.A. § 3446);  
5           (6) Sec. 11 (transfer of rulemaking authority);  
6           (7) Sec. 12 (school construction program repeals); and  
7           (8) Sec. 37 (December 1 letter).  
8           (d) The following sections shall take effect on July 1, 2027:  
9           (1) Sec. 21 (16 V.S.A. § 823);  
10           (2) Secs. 23–32 (transition to foundation formula);  
11           (3) Secs. 35 and 36 and 38 and 39 (statewide education tax;  
12           supplemental district spending tax); and  
13           (4) Secs. 40 and 41 and 43-45 (property tax credit repeal; creation of  
14           homestead exemption).

15

16

17

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

19

20

21

\_\_\_\_\_  
Representative \_\_\_\_\_

FOR THE COMMITTEE