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1 TO THE HONORABLE SENATE:

2 The Committee on Education to which was referred House Bill No. 955  
3 entitled “An act relating to next steps in transforming Vermont’s education  
4 system” respectfully reports that it has considered the same and recommends  
5 that the Senate propose to the House that the bill be amended by striking out all  
6 after the enacting clause and inserting in lieu thereof the following:

7 \* \* \* Legislative Intent \* \* \*

8 Sec. 1. LEGISLATIVE INTENT

9 (a) To ensure each student is provided substantially equal opportunities for  
10 an excellent education that will prepare the student to thrive in a 21st-century  
11 world, it is the intent of the General Assembly to work strategically,  
12 intentionally, and thoughtfully to ensure that each incremental change made to  
13 Vermont’s public education system provides strength and support to its only  
14 constitutionally required governmental service.

15 (b) The General Assembly recognizes that Vermont’s schools anchor local  
16 economies and community identity, connecting young people to their homes  
17 while supporting workforce development and long-term stability, and that  
18 different regions of Vermont have different needs, challenges, and  
19 opportunities. Further, it is the intent of the General Assembly to ensure that

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1 local voice and community input retain an important role in Vermont’s  
2 evolving education landscape.

3 (c) It is the intent of the General Assembly to create a statewide education  
4 system that encourages and supports local elementary schools, central middle  
5 schools, and comprehensive, regional high schools that provide each student  
6 with universal access to career technical education.

7 \* \* \* Cooperative Educational Service Areas \* \* \*

8 Sec. 2. 16 V.S.A. chapter 10 is amended to read:

9 CHAPTER 10. ~~BOARDS OF COOPERATIVE EDUCATION SERVICES~~

10 EDUCATIONAL SERVICE AREAS

11 § 601. POLICY

12 It is the policy of the State to ~~allow and encourage supervisory unions to~~  
13 ~~create boards of cooperative education services~~ educational service areas to  
14 provide shared programs and services on a regional and statewide level.  
15 ~~Formation of a board of cooperative education services shall be designed to~~  
16 ~~build upon the geographically focused cooperative regions used by Vermont~~  
17 ~~superintendents as of July 1, 2024;~~ It is the intent of the General Assembly that  
18 cooperative educational service areas are utilized by member supervisory  
19 unions to maximize the impact of available dollars through collaborative  
20 funding; reduce duplication of programs, personnel, and services; ensure every

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1 middle and high school student has a genuine opportunity to participate fully  
2 and to benefit from career technical education; and contribute to ~~equalizing the~~  
3 equalization of educational opportunities for all pupils.

4 § 602. DEFINITIONS

5 As used in this chapter:

6 (1) “Educator” means any:

7 (A) individual licensed under chapter 51 of this title, the majority of  
8 whose employed time in a public school district, supervisory union, or ~~board of~~  
9 cooperative ~~education services~~ educational service area is assigned to furnish  
10 to students direct instructional or other educational services, as defined by rule  
11 of the Standards Board, or who is otherwise subject to licensing as determined  
12 by the Standards Board; or

13 \* \* \*

14 (3) “Cooperative educational service area” or “CESA” means an  
15 association of supervisory unions created pursuant to this chapter to deliver  
16 shared programs and services to complement the educational programs of  
17 member supervisory unions in a cost-effective manner. A CESA shall be a  
18 body politic and corporate with the powers and duties afforded it under this  
19 chapter.

20 § 603. CREATION OF ~~BOARD OF COOPERATIVE EDUCATION~~

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1            SERVICES EDUCATIONAL SERVICE AREAS;

2            ORGANIZATION; SECRETARY APPROVAL

3            (a) Establishment of ~~boards of cooperative education services~~ educational  
4            service areas. ~~When the boards of two or more supervisory unions vote to~~  
5            ~~explore the advisability of entering into a written agreement to provide shared~~  
6            ~~programs and services, the interested boards shall meet and discuss the terms~~  
7            ~~of any such agreement. At this meeting or a subsequent meeting, the~~  
8            ~~participating boards may enter into a proposed agreement to form an~~  
9            ~~association of supervisory unions to deliver shared programs and services to~~  
10           ~~complement the educational programs of member supervisory unions in a cost-~~  
11           ~~effective manner. An association formed pursuant to this chapter shall be~~  
12           ~~known as a board of cooperative education services (BOCES) and shall be a~~  
13           ~~body politic and corporate with the powers and duties afforded them under this~~  
14           ~~chapter.~~ Supervisory unions are arranged into the following cooperative  
15           educational service areas:

16            (1) The Champlain Valley North CESA is formed of the member  
17            supervisory unions of:

18            (A) Franklin Northeast Supervisory Union, which is composed of the  
19            member school districts of the Enosburgh-Richford Unified Union School  
20            District and the Northern Mountain Valley Unified Union School District;

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1           (B) Franklin West Supervisory Union, which is composed of the  
2           member school districts of the Fairfax School District, the Fletcher School  
3           District, and the Georgia School District;

4           (C) Grand Isle Supervisory Union, which is composed of the member  
5           school districts of the Alburgh School District, the Champlain Islands Unified  
6           Union School District, and the South Hero School District;

7           (D) Maple Run Unified Union Supervisory District; and  
8           (E) Missisquoi Valley Supervisory District.

9           (2) The Chittenden Central CESA is formed of the member supervisory  
10          unions of:

11           (A) Burlington Supervisory District;

12           (B) Colchester Supervisory District;

13           (C) Essex Westford Educational Community Unified Union  
14          Supervisory District;

15           (D) Milton Supervisory District;

16           (E) South Burlington Supervisory District; and

17           (F) Winooski Supervisory District.

18          (3) The Champlain Valley South CESA is formed of the member  
19          supervisory unions of:

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- 1           (A) Addison Central Supervisory District;
- 2           (B) Addison Northwest Supervisory District;
- 3           (C) Champlain Valley Supervisory District;
- 4           (D) Lincoln Supervisory District;
- 5           (E) Mount Abraham Unified Supervisory District; and
- 6           (F) Mount Mansfield Unified Union Supervisory District.

7           (4) The Southwest CESA is formed of the member supervisory unions  
8 of:

9           (A) Bennington Rutland Supervisory Union, which is composed of  
10 the member school districts of the Mettawee School District, the Taconic and  
11 Green Regional School District, and the Winhall School District;

12           (B) Greater Rutland County Supervisory Union, which is composed  
13 of the member school districts of the Ira School District, the Quarry Valley  
14 Unified Union School District, the Rutland Town School District, and the  
15 Wells Spring Unified Union School District;

16           (C) Mill River Unified Union Supervisory District;

17           (D) Rutland City Supervisory District;

18           (E) Rutland Northeast Supervisory Union, which is composed of the  
19 member school districts of the Barstow Unified Union School District and the  
20 Otter Valley Unified Union School District;

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1           (F) Slate Valley Unified Union Supervisory District; and

2           (G) Southwest Vermont Supervisory Union, which is composed of

3 the member school districts of the Arlington School District, the Mount

4 Anthony Union High School District #14, the North Bennington Graded

5 School District, the Sandgate School District, and the Southwest Vermont

6 Union Elementary School District.

7           (5) The Vermont Learning Collaborative is formed of the member  
8 supervisory unions of:

9           (A) Mountain View Supervisory Union, which is composed of the  
10 member school districts of the Pittsfield School District and the Mountain  
11 View School District;

12           (B) Springfield Supervisory District;

13           (C) Two Rivers Supervisory Union, which is composed of the  
14 member school districts of the Green Mountain Unified School District and the  
15 Ludlow-Mount Holly Unified Union School District;

16           (D) Windham Central Supervisory Union, which is composed of the  
17 member school districts of the Marlboro School District, the River Valleys  
18 Unified School District, the Stratton School District, the West River Modified  
19 Union Education District, and the Windham School District;

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1           (E) Windham Northeast Supervisory Union, which is composed of  
2           the member school districts of the Bellows Falls Union High School District,  
3           the Rockingham School District, the Athens Grafton School District, and the  
4           Westminster School District;

5           (F) Windham Southeast Supervisory Union, which is composed of  
6           the member school districts of the Vernon Town School District and the  
7           Windham Southeast School District;

8           (G) Windham Southwest Supervisory Union, which is composed of  
9           the member school districts of the Halifax School District, the Readsboro  
10          School District, the Searsburg School District, the Somerset School District,  
11          the Stamford School District, and the Twin Valley Unified School District; and

12          (H) Windsor Southeast Supervisory Union, which is composed of the  
13          member school districts of the Hartland School District, the Mount Ascutney  
14          School District, and the Weathersfield School District.

15          (6) The Northeast CESA is formed of the member supervisory unions  
16          of:

17               (A) Caledonia Central Supervisory Union, which is composed of the  
18               member school districts of the Cabot School District, the Caledonia  
19               Cooperative School District, the Danville School District, the Peacham School  
20               District, and the Twinfield Union School District;

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1           (B) Central Vermont Supervisory Union, which is composed of the  
2           member school districts of the Echo Valley Community School District and the  
3           Paine Mountain School District;

4           (C) Essex North Supervisory Union, which is composed of the  
5           member school districts of the Canaan School District, the Essex North  
6           Supervisory Union, and the NEK Choice School District;

7           (D) Hartford Supervisory District;

8           (E) Kingdom East Supervisory District;

9           (F) North Country Supervisory Union, which is composed of the  
10          member school districts of the Brighton School District, the Charleston School  
11          District, the Coventry School District, the Derby School District, the Holland  
12          School District, the Jay School District, the Lowell School District, the  
13          Morgan School District, the Newport City School District, the Newport Town  
14          School District, the North Country Union High School District, the North  
15          Country Union Junior High School Board, the Troy School District, and the  
16          Westfield School District;

17          (G) Orange East Supervisory Union, which is composed of the  
18          member school districts of the Blue Mountain Union School District, the  
19          Oxbow Unified Union School District, the Thetford Town School District, and  
20          the Waits River Valley Union School District #36;

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1           (H) Orleans Central Supervisory Union, which is formed of the  
2           member school districts of the Lake Region Union Elementary-Middle School  
3           District and the Lake Region Union High School District;

4           (I) Rivendell Interstate Supervisory District;

5           (J) SAU 70; and

6           (K) St. Johnsbury Supervisory District.

7           (7) The Winooski Valley CESA is formed of the member supervisory  
8           unions of:

9           (A) Barre Unified Union Supervisory District;

10          (B) Harwood Unified Union Supervisory District;

11          (C) Lamoille North Supervisory Union, which is composed of the  
12          member school districts of the Cambridge School District and the Lamoille  
13          North Modified Unified Union School District;

14          (D) Lamoille South Supervisory Union, which is composed of the  
15          Member School Districts of the Elmore-Morristown Unified Union School  
16          District and the Stowe School District;

17          (E) Montpelier Roxbury Supervisory District;

18          (F) Orange Southwest Unified Union Supervisory District;

19          (G) Orleans Southwest Supervisory Union, which is composed of the  
20          member school districts of the Craftsbury School District, the Hazen Union

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1 School District, the Mountain View Union Elementary School District, the  
2 Stannard Town School District, and the Wolcott School District;

3 (H) Washington Central Unified Union Supervisory District; and

4 (I) White River Valley Supervisory Union, which is composed of the  
5 member school districts of the First Branch Unified School District, the  
6 Granville-Hancock Unified District, the Rochester-Stockbridge Unified  
7 District, the Sharon School District, the Strafford School District, and the  
8 White River Unified District.

9 ~~(b) Articles of agreement Bylaws. Agreements to form a BOCES pursuant~~  
10 ~~to this chapter shall take the form of articles of agreement and shall serve as~~  
11 ~~the operating agreement for a BOCES. Agreements shall include a cost-~~  
12 ~~benefit analysis outlining the projected financial savings or enhanced~~  
13 ~~outcomes, or both, that the parties expect to realize through shared services or~~  
14 ~~programs. No agreement or subsequent amendments shall take effect unless~~  
15 ~~approved by the member supervisory union boards and the Secretary of~~  
16 ~~Education. The Secretary shall approve articles of agreement if the Secretary~~  
17 ~~finds that the formation of the proposed BOCES is in the best interests of the~~  
18 ~~State, the students, and the member supervisory unions and aligns with the~~  
19 ~~policy set forth in section 601 of this title, subject to the limitations of~~  
20 ~~subsection (d) of this section. Each CESA shall establish bylaws to serve as~~

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1 the operating agreement of the CESA. At a minimum, the ~~articles of~~  
2 ~~agreement~~ bylaws shall state:

3 (1) the names of the participating supervisory unions;

4 (2) the mission, purpose, and focus of the ~~BOCES~~ CESA;

5 (3) the programs or services to be offered by the ~~BOCES~~ CESA;

6 (4) the financial terms and conditions of membership of the ~~BOCES~~  
7 CESA, including any applicable membership fee, which shall be allocated  
8 according to the amount of services actually provided to each member  
9 supervisory union;

10 (5) the service fees for member supervisory unions and the service fees  
11 for nonmember supervisory unions, as applicable;

12 (6) the detailed procedure for the preparation and adoption of an annual  
13 budget with carryforward provisions;

14 (7) ~~the method of termination of the BOCES and the withdrawal of~~  
15 ~~member supervisory unions, which shall include the apportionment of assets~~  
16 ~~and liabilities;~~ [Repealed.]

17 (8) the procedure for ~~admitting new members and for~~ amending the  
18 ~~articles of agreement~~ bylaws;

19 (9) the powers and duties of the board of directors of the ~~BOCES~~ CESA  
20 to operate and manage the association, including:

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- 1 (A) board meeting attendance requirements;
- 2 (B) consequences for failure to attend a board meeting;
- 3 (C) a conflict-of-interest policy; and
- 4 (D) a policy regarding board member salaries or stipends; and
- 5 (10) any other matter not incompatible with law that the member

6 supervisory unions consider necessary ~~to the formation of the BOCES.~~

7 (c) Board of directors. A ~~BOCES~~ CESA shall be managed by a board of  
8 directors, which shall be composed of one person appointed annually by each  
9 member supervisory union board. Appointed persons shall be members of a  
10 member supervisory union board or the superintendent or designee of the  
11 member supervisory union. Each member of the ~~BOCES~~ CESA board of  
12 directors shall be entitled to a vote. No member of the board of directors of a  
13 ~~BOCES~~ CESA shall serve as a member of a board of directors or as an officer  
14 or employee of any related for-profit or nonprofit organization. The board of  
15 directors shall elect a chair from its members and provide for such other  
16 officers as it may determine are necessary. The board of directors may also  
17 establish subcommittees and create board policies and procedures as it may  
18 determine are necessary. The board of directors shall meet not fewer than four  
19 times annually. Each member of the board of directors shall provide updates

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1 on the activities of the ~~BOCES~~ CESA on a quarterly basis to the member's  
2 appointing supervisory union board at an open board meeting.

3 (d) ~~Number of BOCESs. There shall be not more than seven BOCESs~~  
4 ~~statewide. Supervisory unions shall not be a member of more than one~~  
5 ~~BOCES but may seek services as a nonmember from other BOCESs.~~

6 [Repealed.]

7 § 604. POWERS OF ~~BOARDS OF COOPERATIVE EDUCATION~~  
8 SERVICES EDUCATIONAL SERVICE AREAS

9 (a) In addition to any other powers granted by law, a ~~BOCES~~ CESA shall  
10 have the power to provide educational programs, services, facilities, and  
11 professional and other staff that, in its discretion, best serve the needs of its  
12 members, including professional development, curriculum coordination and  
13 development, and transportation. A ~~BOCES~~ CESA shall follow all applicable  
14 State and federal laws in its provision of services, including Section 504 of the  
15 Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with  
16 Disabilities Education Act, 20 U.S.C. §§ 1400–1482. At a minimum, a CESA  
17 shall offer services in the following areas to its members, when requested:

18 (1) special education, including implementation and maintenance of  
19 tiered systems of support and the provision of low-incidence, high-cost  
20 services;

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1           (2) business and administrative services; and

2           (3) union school district creation consultation and facilitation.

3           (b) A ~~BOCES~~ may CESA shall employ an executive director who shall  
4           serve under the general direction of the board and who shall be responsible for  
5           the care and supervision of the ~~BOCES~~ CESA. The board shall annually  
6           evaluate the executive director’s performance and effectiveness in  
7           implementing the programs, policies, and goals of the ~~BOCES~~ CESA. The  
8           executive director shall not serve as a board member, officer, or employee of  
9           any related for-profit or nonprofit organization.

10          (c) A ~~BOCES~~ CESA shall be a body politic and corporate and shall have  
11          standing to sue and be sued to the same extent as a school district. A ~~BOCES~~  
12          CESA may enter into contracts for the purchase of supplies, materials, and  
13          services and for the purchase or leasing of land, buildings, and equipment as  
14          considered necessary by the board of directors. Section 559 of this title shall  
15          apply to the procurement of services or items with costs that exceed  
16          \$40,000.00, as well as high-cost construction contracts, as defined by  
17          subsection 559(b) of this title.

18          (d) The board of directors of a ~~BOCES~~ CESA may apply for State, federal,  
19          or private grants, for which a ~~BOCES~~ CESA may be otherwise eligible, to  
20          obtain funds necessary to carry out the purpose for which the ~~BOCES~~ CESA is

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1 established. Nothing in this chapter is intended to create an entitlement to  
2 federal funds distributed by the Agency of Education to local education  
3 agencies.

4 § 605. FINANCING, BUDGETING, AND ACCOUNTING

5 (a) Education cooperative fund. A ~~BOCES~~ CESA shall establish and  
6 manage a fund to be known as an education cooperative fund. All monies  
7 contributed by the member school districts and all grants or gifts from the  
8 federal government, State government, charitable foundations, private  
9 corporations, or any other source shall be deposited into the fund.

10 (b) Treasurer.

11 (1) A ~~BOCES~~ CESA shall appoint a treasurer who may be a treasurer of  
12 a member school district and who shall be sworn in before entering the duties  
13 of the office.

14 (2) The treasurer may, subject to the direction of the board of directors,  
15 receive and disburse all money belonging to the board without further  
16 appropriation.

17 (3) The treasurer shall keep financial records of cash receipts and  
18 disbursements and shall make those records available to the board of directors  
19 upon request.

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1           (4) The board of directors shall ensure that its blanket bond covers a  
2 newly appointed treasurer before the treasurer enters upon the duties of the  
3 office. In lieu of a blanket bond, a ~~BOCES~~ CESA may choose to provide  
4 suitable crime insurance coverage. The board of directors may pay reasonable  
5 compensation to the treasurer for services rendered and shall evaluate the  
6 treasurer’s performance annually.

7           (c) Financial accounting system. A ~~BOCES~~ CESA shall use the uniform  
8 chart of accounts and financial reporting requirements used by supervisory  
9 unions as its financial accounting system.

10          (d) Audit. Annually, a ~~BOCES~~ CESA shall cause an independent audit to  
11 be made of its financial statements consistent with generally accepted  
12 governmental auditing standards and shall discuss and vote to accept the audit  
13 report at an open meeting of the board. The board shall transmit a copy of  
14 each audit to the boards of its member supervisory unions.

15          (e) Annual statement. Annually, a ~~BOCES~~ CESA shall prepare financial  
16 statements, including:

17           (1) a statement of net assets; and

18           (2) a statement of revenues, expenditures, and changes in net assets.

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1 (f) Budget. A The board of cooperative education services CESA shall  
2 adopt a budget prior to the beginning of the fiscal year for which the budget is  
3 adopted.

4 (g) Loans. A ~~BOCES~~ CESA may, upon approval of its members, negotiate  
5 or contract with any person, corporation, association, or company for a loan  
6 not to exceed the difference between the anticipated revenues for the current  
7 fiscal year for the budget of the ~~BOCES~~ CESA and the amount credited to date  
8 to said budget in order to pay current obligations. Such loan shall be liquidated  
9 within six months thereafter from monies subsequently credited to said budget.  
10 The total principal, interest, and fees to be paid on such loan shall not exceed  
11 the total amount of the authorized budget for the same length of time.

12 § 606. ANNUAL REPORT; PUBLIC INFORMATION

13 (a) The board of a ~~BOCES~~ CESA shall prepare an annual report concerning  
14 the affairs of the ~~BOCES~~ CESA and have it printed and distributed to the  
15 boards of the member supervisory unions. The annual report shall include, at a  
16 minimum:

17 (1) information on the programs and services offered by the ~~BOCES~~  
18 CESA, including information on the cost-effectiveness of such programs and  
19 services and progress made towards achieving the objectives and purposes set  
20 forth in the articles of agreement; and

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1 (2) audited financial statements and the independent auditor’s report.

2 (b) A ~~BOCES~~ CESA shall maintain an internet website that makes the  
3 following information available to the public at no cost:

4 (1) a list of the members of the board of directors of the ~~BOCES~~ CESA;

5 (2) copies of approved minutes of open meetings held by the board of  
6 the ~~BOCES~~ CESA;

7 (3) a copy of the articles of agreement and any subsequent amendments;  
8 and

9 (4) a copy of the annual report required under subsection (a) of this  
10 section.

11 § 607. EMPLOYMENT

12 (a) A ~~BOCES~~ CESA shall be considered to be a public employer and may  
13 employ personnel, including educators, to carry out the purposes and functions  
14 of the board. Annually, the board of a ~~BOCES~~ CESA shall conduct an area  
15 survey of the salaries of the educators and staff employed by the ~~BOCES~~’s  
16 CESA’s member supervisory unions and school districts.

17 (b) No person shall be eligible for employment by a ~~BOCES~~ CESA as an  
18 educator unless the person is appropriately licensed by the Standards Board for  
19 Professional Educators pursuant to chapter 51 of this title.

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1 (c) A person employed by a ~~BOCES~~ CESA as an educator shall be a  
2 participant in the Vermont State Teachers' Retirement System pursuant to  
3 chapter 55 of this title.

4 (d) A person who is employed by a ~~BOCES~~ CESA and who is not educator  
5 shall be a participant in the Vermont Municipal Employees' Retirement  
6 System pursuant to 24 V.S.A. chapter 125.

7 (e) Educators employed by a ~~BOCES~~ CESA shall be entitled to organize  
8 pursuant to chapter 57 of this title.

9 (f) Employees employed by a ~~BOCES~~ CESA and who are not educators  
10 shall be entitled to organize pursuant to 21 V.S.A. chapter 22.

11 (g) Educators and employees who are employed by a ~~BOCES~~ CESA shall  
12 be provided health care benefits pursuant to chapter 61 of this title.

13 **§ 608. CESA MEMBERSHIP ADJUSTMENT PROPOSALS**

14 (a) The board of a member supervisory union may propose to the General  
15 Assembly to adjust the membership of the CESA it belongs to in accordance  
16 with the following procedure:

17 (1) The board of a supervisory union may vote to propose withdrawal  
18 from its current CESA in order to become a member of a different CESA.

19 (2) If a majority of the supervisory union board members vote in favor  
20 of withdrawing from one CESA in order to join a different CESA, the

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1 supervisory union board shall transmit the results of the membership  
2 adjustment proposal vote to the boards of both applicable CESAs.

3 (3) The board of a supervisory union’s current CESA and the board of  
4 the CESA the supervisory union has voted to join shall hold separate advisory  
5 votes to approve the membership adjustment proposal within 45 days after the  
6 results of the supervisory union board vote held pursuant to subdivision (2) of  
7 this subsection.

8 (4) The supervisory union board requesting the membership adjustment  
9 shall submit the results of the advisory CESA board votes to the Secretary of  
10 Education with the following information:

11 (A) the minutes recorded by the supervisory union board that detail  
12 the origins and intent of the CESA membership adjustment proposal;

13 (B) copies of the warnings and published notices for any public  
14 hearings held to discuss the membership adjustment proposal;

15 (C) minutes recorded by the supervisory union board that detail any  
16 public hearings held to discuss the membership adjustment proposal, including  
17 minutes from the meeting at which the board voted in favor of the CESA  
18 membership adjustment proposal; and

19 (D) the results of the advisory CESA board votes made pursuant to  
20 subdivision (3) of this subsection (a).

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1       **(b) The Secretary of Education shall deliver copies of the information**  
2       **required pursuant to subdivision (a) of this section to the Clerk of the House,**  
3       **the Secretary of the Senate, and the chairs of the committees concerned with**  
4       **CESA membership of both houses of the General Assembly.**

5       **(c) The membership adjustment proposal shall become effective upon**  
6       **affirmative enactment of the proposal, either as proposed or as amended by the**  
7       **General Assembly.**

8       **Sec. 2a. 16 V.S.A. § 604(a) is amended to read:**

9       **(a) In addition to any other powers granted by law, a CESA shall have the**  
10       **power to provide educational programs, services, facilities, and professional**  
11       **and other staff that, in its discretion, best serve the needs of its members,**  
12       **including professional development, curriculum coordination and**  
13       **development, and transportation. A CESA shall follow all applicable State and**  
14       **federal laws in its provision of services, including Section 504 of the**  
15       **Rehabilitation Act of 1973, 29 U.S.C. § 794, and the Individuals with**  
16       **Disabilities Education Act, 20 U.S.C. §§ 1400–1482. At a minimum, a CESA**  
17       **shall offer services in the following areas to its members, when requested:**

18       **(1) special education, including implementation and maintenance of**  
19       **tiered systems of support and the provision of low-incidence, high-cost**  
20       **services;**

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- 1 (2) business and administrative services; and
- 2 (3) union school district creation consultation and facilitation;
- 3 (4) professional development;
- 4 (5) curriculum coordination and development;
- 5 (6) transportation; and
- 6 (7) facilities master planning.

7 Sec. 3. REPEAL

8 2024 Acts and Resolves No. 168, Sec. 3 (transition; report) is repealed.

9 Sec. 4. 2024 Acts and Resolves No. 168, Sec. 4, as amended by 2025 Acts and  
10 Resolves No. 72, Sec. 7, is further amended to read:

11 Sec. 4. ~~BOCES~~ CESA GRANT PROGRAM; APPROPRIATION

12 (a) There is established the ~~Boards of Cooperative Education Services~~  
13 Educational Service Area Start-up Grant Program, to be administered by the  
14 Agency of Education, from funds appropriated for this purpose, to award  
15 grants to ~~enable the formation of boards of cooperative education services~~  
16 ~~(BOCES) formed pursuant to 16 V.S.A. chapter 10 after July 1, 2024 the~~  
17 CESAs created in 16 V.S.A. § 603(a) to assist with start-up costs. ~~Supervisory~~  
18 ~~unions~~ CESAs shall be eligible for a single \$10,000.00 \$15,000.00 grant after  
19 ~~two or more boards vote to explore the advisability of forming a board of~~  
20 ~~cooperative education services pursuant to 16 V.S.A. § 603(a).~~ Grants may be

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1 used for start-up and formation costs, including the development of ~~proposed~~  
2 ~~articles of agreement bylaws~~. ~~Grants shall be awarded to only one supervisory~~  
3 ~~union within each group of supervisory unions exploring the formation of a~~  
4 ~~BOCES.~~

5 (b) Notwithstanding any provision of 16 V.S.A. § 4025 to the contrary, the  
6 sum of \$70,000.00 is appropriated from the Education Fund to the Agency of  
7 Education in fiscal year 2025 to fund the ~~Boards of Cooperative Education~~  
8 ~~Services~~ Educational Service Area Start-up Grant Program created in  
9 subsection (a) of this section. Unexpended appropriations shall carry forward  
10 into the subsequent fiscal year and remain available for use for this purpose.

11 (c) Of the funds appropriated to the Agency of Education in 2025 Acts and  
12 Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation  
13 enacting the budget in fiscal year 2027, \$30,000.00 shall be used to provide  
14 additional funding to the Cooperative Educational Service Area Start-up Grant  
15 Program created in subsection (a) of this section.

16 Sec. 5. 16 V.S.A. § 261a is amended to read:

17 § 261a. DUTIES OF SUPERVISORY UNION BOARD

18 \* \* \*

19 (b) Virtual merger. In order to maximize the impact of available funding  
20 and resources, and to reduce duplication of educational programs, personnel,

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1 and services, whenever legally permissible, supervisory unions are encouraged  
2 to reach agreements with other supervisory unions jointly to provide any  
3 service or perform any duty under this section pursuant to section 267 of this  
4 title, or to form ~~boards of cooperative education services~~ educational service  
5 areas pursuant to chapter 10 of this title. Agreements between supervisory  
6 unions are not subject to the waiver requirement of subdivision (a)(8) of this  
7 section. Agreements shall include a cost-benefit analysis outlining the  
8 projected financial savings or enhanced outcomes, or both, that the parties  
9 expect to realize through shared services or programs.

10 \* \* \*

11 Sec. 6. 16 V.S.A. § 1691a is amended to read:

12 § 1691a. DEFINITIONS

13 As used in this chapter:

14 (1) “Administrator” means an individual licensed under this chapter the  
15 majority of whose employed time in a public school, school district,  
16 supervisory union, or ~~board of cooperative education services~~ educational  
17 service area is assigned to developing and managing school curriculum,  
18 evaluating and disciplining personnel, or supervising and managing a public  
19 school system or public school program.

20 \* \* \*

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (10) “Teacher” means an individual licensed under this chapter the  
2 majority of whose employed time in a public school district, supervisory  
3 union, or ~~board of cooperative education services~~ educational service area is  
4 assigned to furnish to students direct instructional or other educational  
5 services, as defined by rule of the Standards Board, or who is otherwise subject  
6 to licensing as determined by the Standards Board.

7           Sec. 7. 16 V.S.A. § 1931(20) is amended to read:

8           (20) “Teacher” means any licensed teacher, principal, supervisor,  
9 superintendent, or any professional licensed by the Vermont Standards Board  
10 for Professional Educators who is regularly employed, or otherwise contracted  
11 if following retirement, for the full normal working time for the teacher’s  
12 position in a public day school or school district within the State, or in any  
13 school or teacher-training institution located within the State, controlled by the  
14 State Board of Education, and supported wholly by the State; or in certain  
15 public independent schools designated for such purposes by the Board in  
16 accordance with section 1935 of this title; or who is regularly employed by a  
17 ~~board of cooperative education services~~ educational service area created in  
18 accordance with chapter 10 of this title. In all cases of doubt, the Board shall  
19 determine whether any person is a teacher as defined in this chapter. It does  
20 not mean a person who is teaching with an emergency license.

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Sec. 8. 24 V.S.A. § 5051(10) is amended to read:

2 (10) “Employee” means the following persons employed on a regular  
3 basis by a school district, by a supervisory union, or by a ~~board of cooperative~~  
4 ~~education services~~ educational service area for not fewer than 1,040 hours in a  
5 year and for not fewer than 30 hours a week for the school year, as defined in  
6 16 V.S.A. § 1071, or for not fewer than 1,040 hours in a year and for not fewer  
7 than 24 hours a week year-round; provided, however, that if a person who was  
8 employed on a regular basis by a school district as either a special education or  
9 transportation employee and who was transferred to and is working in a  
10 supervisory union or a ~~board of cooperative education services~~ educational  
11 service area in the same capacity pursuant to 16 V.S.A. § 261a(a)(6) or (8)(E)  
12 and if that person is also employed on a regular basis by a school district  
13 within the supervisory union, then the person is an “employee” if these criteria  
14 are met by the combined hours worked for the supervisory union and school  
15 district. The term also means persons employed on a regular basis by a  
16 municipality other than a school district for not fewer than 1,040 hours in a  
17 year and for not fewer than 24 hours per week, including persons employed in  
18 a library at least one-half of whose operating expenses are met by municipal  
19 funding:

20 \* \* \*

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Sec. 9. 16 V.S.A. § 1981 is amended to read:

2 § 1981. DEFINITIONS

3 As used in this chapter unless the context requires otherwise:

4 \* \* \*

5 (8) “School board negotiations council” means, for a supervisory  
6 district, its school board, and, for school districts within a supervisory union or  
7 ~~board of a cooperative education services~~ educational service area, the body  
8 comprising representatives designated by each school board within the  
9 supervisory union or ~~board of cooperative education services~~ supervisory  
10 union board within each cooperative educational service area and by the  
11 supervisory union board or board of ~~a cooperative education services~~  
12 educational service area to engage in professional negotiations with a teachers’  
13 or administrators’ organization.

14 (9) “Teachers’ organization negotiations council” or “administrators’  
15 organization negotiations council” means the body comprising representatives  
16 designated by each teachers’ organization or administrators’ organization  
17 within a supervisory district, supervisory union, or ~~board of cooperative~~  
18 ~~education services~~ educational service area to act as its representative for  
19 professional negotiations.

20 Sec. 10. 21 V.S.A. § 1722 is amended to read:

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Changes new since last draft

1 § 1722. DEFINITIONS

2 As used in this chapter:

3 \* \* \*

4 (18) “School board negotiations council” means, for a supervisory  
5 district, its school board, and, for school districts within a supervisory union or  
6 ~~board of a cooperative education services~~ educational service area, the body  
7 comprising representatives designated by each school board within the  
8 supervisory union or ~~board of cooperative education services~~ supervisory  
9 union board within a cooperative educational service area and by the  
10 supervisory union board or ~~board of cooperative education services~~ educational  
11 service area to engage in collective bargaining with their school employees’  
12 negotiations council.

13 (19) “School employees’ negotiations council” means the body  
14 comprising representatives designated by each exclusive bargaining agent  
15 within a supervisory district, supervisory union, or ~~board of cooperative~~  
16 ~~education services~~ educational service area to engage in collective bargaining  
17 with its school board negotiations council.

18 \* \* \*

19 (21) “Municipal school employee” means an employee of a supervisory  
20 union, school district, or ~~board of cooperative education services~~ educational

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1 service area who is not otherwise subject to 16 V.S.A. chapter 57 (labor  
2 relations for teachers and administrators) and who is not otherwise excluded  
3 pursuant to subdivision (12) of this section.

4 \* \* \*

5 Sec. 11. 16 V.S.A. § 2101 is amended to read:

6 § 2101. DEFINITIONS

7 As used in this chapter:

8 \* \* \*

9 (3) “School employer” means a supervisory union or school district as  
10 those terms are defined in section 11 of this title, or a ~~board of~~ cooperative  
11 ~~education services~~ educational service area formed pursuant to chapter 10 of  
12 this title.

13 Sec. 12. CESA TRANSITION

14 (a) Within 30 days following the passage of this act, each member  
15 supervisory union board of each CESA created under 16 V.S.A. § 603(a) shall  
16 appoint a person to serve on the board of directors of the applicable CESA  
17 pursuant to 16 V.S.A. § 603(c).

18 (b) Within 45 days following the passage of this act, the superintendent of  
19 the supervisory union with the highest aggregate average daily membership of  
20 each CESA created under 16 V.S.A. § 603(a) shall call a meeting of the

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1 directors of the CESA at which each CESA board shall elect a chair and other  
2 necessary officers.

3 (c) The articles of agreement of the Vermont Learning Collaborative  
4 (VTLC) in effect on June 30, 2026, shall serve as the operating agreement of  
5 the VTLC unless and until amended.

6 \* \* \* Union School District Exploration and Formation \* \* \*

7 Sec. 13. UNION SCHOOL DISTRICT CREATION CONSULTATION AND  
8 FACILITATION

9 (a) Facilitator. On or before October 1, 2026, the Vermont Learning  
10 Collaborative (VTLC), a CESA formed pursuant to 16 V.S.A. chapter 10, shall  
11 employ or contract for the services of seven union school district formation  
12 facilitators (facilitators) who shall be responsible for organizing and facilitating  
13 study committees to study the advisability of forming a unified union school  
14 district. The VTLC shall also hire one lead facilitator who, in addition to  
15 facilitating study committees as necessary, shall oversee the work of the seven  
16 facilitators. A facilitator shall have knowledge of and experience working in  
17 Vermont’s public education system. The VTLC shall assign one facilitator to  
18 each CESA membership region created pursuant to 16 V.S.A. § 603(a)(1)–(7).

19 (b) Study committees.

20 (1) On or before December 1, 2026:

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1           (A) Each facilitator shall group school districts within the facilitator’s  
2           assigned CESA region’s member supervisory unions together to form study  
3           committees to study the advisability of forming a unified union school district.  
4           The facilitator shall consult with school district boards prior to finalizing study  
5           committee membership. Using the suggested school district groupings  
6           contained in Sec. 14 as guidance, and taking into consideration grand list  
7           values, accounting for the homestead exemption and current education  
8           spending, the facilitator shall group school districts together according to the  
9           following criteria:

10                   (i) total average daily membership of school districts forming a  
11                   study committee shall be a minimum of 1,500 students, as practical; and

12                   (ii) school districts on the same study committee may be members  
13                   of different supervisory unions.

14           (B) Each study committee shall hold its first meeting.

15                   (2) Notwithstanding any provision of law to the contrary, a school  
16                   district shall participate in good faith in the study committee it is assigned to  
17                   by the facilitator.

18                   (3) A study committee formed pursuant to this section shall adhere to  
19                   the processes and requirements of 16 V.S.A. chapter 11, subchapter 2.

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Changes new since last draft

1           (A) A study committee formed pursuant to this section shall only  
2 identify school districts with the same operating structure as necessary and  
3 shall identify a school district with an operating structure that differs from the  
4 majority of study committee members as advisable, as those terms are used in  
5 16 V.S.A. § 708(b)(1) and (2). Nothing in this act shall be construed to compel  
6 the merger of school districts with dissimilar operating structures. If a study  
7 committee identifies a school district as necessary that is not a member of the  
8 study committee or that is not a member of the CESA, or both, the study  
9 committee shall work with the applicable facilitator or facilitators to adjust  
10 study committee membership as necessary.

11           (B) Notwithstanding 16 V.S.A. § 706(b) as it applies to study  
12 committee budgets and 16 V.S.A. § 707(a) and (b), a study committee formed  
13 pursuant to this section shall be funded through appropriations made by the  
14 General Assembly for this purpose; provided, however, that if a study  
15 committee’s needs exceed the appropriations provided, it may elect to increase  
16 its budget according to the processes and procedures established in 16 V.S.A.  
17 chapter 11.

18           (C) In addition to the requirements of 16 V.S.A. chapter 11,  
19 subchapter 2, a study committee shall also explore the advisability and  
20 feasibility of a contemplated new unified union school district providing for

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1 the education of its resident students through local elementary schools, central  
2 middle schools, and comprehensive, regional high schools that provide each  
3 student with universal access to career technical education.

4 (D) A study committee formed pursuant to this section shall prepare  
5 a report with its final recommendations as to whether it is advisable or  
6 inadvisable to form a new unified union school district. In addition to the  
7 report requirements in 16 V.S.A. § 708(c), the final report of each study  
8 committee formed pursuant to this section shall include the following:

9 (i) the names of the school districts participating in the study  
10 committee;

11 (ii) an analysis of the strengths and challenges of the current  
12 structures of all “necessary” and “advisable” school districts;

13 (iii) the study committee’s final recommendation as to whether it  
14 is advisable or inadvisable to propose the formation of a new unified union  
15 school district;

16 (iv) an analysis of the educational advantages and disadvantages  
17 likely to result from:

18 (I) the formation of a new unified union school district; or

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1                    (II) some other configuration of school districts, including  
2 maintaining current school district boundaries, while creating efficiencies on a  
3 regional level using options available under current law;  
4                    (v) an analysis of the financial advantages and disadvantages  
5 likely to result from:  
6                    (I) the formation of a new unified union school district; or  
7                    (II) some other configuration of school districts, including  
8 maintaining current school district boundaries, while creating efficiencies on a  
9 regional level using options available under current law;  
10                   (vi) an analysis of the likely operational and financial viability and  
11 sustainability under the foundation formula of:  
12                   (I) the proposed new unified union school district; or  
13                   (II) some other configuration of school districts, including  
14 maintaining current school district boundaries, while creating efficiencies on a  
15 regional level using options available under current law;  
16                   (vii) an analysis of how the final recommendation will enable the  
17 the study committee member school districts to, under the foundation formula,  
18 maximize operational efficiencies, promote transparency and accountability,  
19 and encourage and support local decisions and actions that provide substantial  
20 equity of educational opportunities that lead resident students to achieve or

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1 exceed the State’s Education Quality Standards, all at a cost that parents,  
2 voters, and taxpayers value; and

3 (viii) if the decision of the study committee was not unanimous,  
4 an analysis of the minority view of the committee.

5 (E) Members of a study committee that determines it is inadvisable to  
6 propose the formation of a new unified union school district may form a new  
7 study committee or committees and may pursue any union school district  
8 formation option available under 16 V.S.A. chapter 11 after the study  
9 committee members vote to dissolve the study committee formed pursuant to  
10 this section.

11 (F) Each study committee formed pursuant to this section shall  
12 consult with area career technical education (CTE) directors and shall  
13 document such consultation and any recommendations made by a CTE director  
14 in the study committee’s final report issued pursuant to subdivision (D) of this  
15 subdivision (b)(3).

16 (4) On or before December 1, 2027, each study committee shall  
17 complete its final report and transmit it, along with proposed articles of  
18 agreement, as applicable, to the school board of each school district that the  
19 report identifies as either “necessary” or “advisable” if the study committee  
20 determined it was advisable to form a new unified union school district, or to

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1 the school board of each school district participating on the study committee if  
2 the study committee determined it was inadvisable to form a new unified union  
3 school district.

4 (5) On or before February 1, 2028, a school board shall complete its  
5 review and provide comments to the study committee pursuant to 16 V.S.A.  
6 § 709(a) regarding the study committee’s report and proposed articles of  
7 agreement.

8 (6) Facilitators shall monitor the work of the General Assembly related  
9 to education transformation and share the most up-to-date fiscal modeling with  
10 the study committees.

11 (c) Secretary review. If a study committee determines that it is advisable to  
12 propose formation of a new unified union school district, the study committee  
13 is required to transmit the required report and proposed articles of agreement to  
14 the Secretary pursuant to 16 V.S.A. § 709(b). If the Secretary fails to submit  
15 the report and proposed articles of agreement, with the Secretary’s  
16 recommendations, to the State Board within 60 days following receipt of the  
17 report and proposed articles of agreement or on or before April 1, 2028,  
18 whichever date shall occur first, the study committee shall transmit the report  
19 and proposed articles of agreement directly to the State Board, which shall then  
20 take action pursuant to 16 V.S.A. § 709(c) regardless of whether the Secretary

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1 submits a recommendation regarding the proposed unified union school  
2 district.

3 (d) State Board findings. The State Board shall issue the findings required  
4 pursuant to 16 V.S.A. § 709(c)(2) on or before June 1, 2028.

5 (e) Vote to form a unified union school district. If a study committee  
6 formed pursuant to this section determines that it is advisable to propose  
7 formation of a new unified union school district, the voters of each school  
8 district that is identified as “necessary” or “advisable” shall vote whether to  
9 form the proposed union school district, in accordance with 16 V.S.A. § 710,  
10 on or before November 7, 2028.

11 (f) Study committee status report. On or before February 1, 2027, the  
12 Agency of Education, in consultation with the facilitators, shall submit a  
13 written report to the House Committees on Education and on Ways and Means  
14 and the Senate Committees on Education and on Finance with information  
15 regarding the membership and status of each study committee formed pursuant  
16 to this section.

17 **Sec. 14. GUIDANCE FOR STUDY COMMITTEE GROUPINGS**

18 Facilitators shall use the school district groupings contained in subdivisions  
19 (1)–(18) of this section as guidance when forming study committees pursuant  
20 to Sec. 13 of this act. Facilitators may form study committees that differ from

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1 the guidance contained in this section; provided, however, that a facilitator  
2 shall transmit the facilitator’s rationale for such choices to the lead facilitator  
3 for inclusion in the report required pursuant to Sec. 15 of this act.

4 (1) Group one: Arlington School District, Mount Anthony Union High  
5 School District #14, North Bennington Graded School District, Sandgate  
6 School District, Searsburg School District, and Southwest Vermont Union  
7 Elementary School District.

8 (2) Group two: Halifax School District, Marlboro School District,  
9 Readsboro School District, Stamford School District, Twin Valley Unified  
10 School District, Vernon Town School District, West River Modified Union  
11 Education District, and Windham Southeast School District.

12 (3) Group three: Mettawee School District, River Valleys Unified  
13 School District, Stratton School District, Taconic and Green Regional School  
14 District, Wells Spring Unified Union School District, and Winhall School  
15 District.

16 (4) Group four: Athens Grafton School District, Bellows Falls Union  
17 High School District, Green Mountain Unified School District, Ludlow-Mount  
18 Holly Unified Union School District, Rockingham School District, Springfield  
19 School District, Westminster School District, and Windham School District.

Changes made from APBH in draft 1.1  
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1           (5) Group five: Hartford School District, Hartland School District,  
2           Mount Ascutney School District, Mountain Views School District, Pittsfield  
3           School District, and Weathersfield School District.

4           (6) Group six: Barstow Unified School District, Ira School District,  
5           Mill River Unified Union School District, Otter Valley Unified Union School  
6           District, Quarry Valley Unified Union School District, Rutland City School  
7           District, Rutland Town School District, and Slate Valley Unified Union School  
8           District.

9           (7) Group seven: First Branch Unified School District, Granville-  
10           Hancock Unified District, Orange Southwest Unified Union School District,  
11           Rochester-Stockbridge Unified District, Sharon School District, Strafford  
12           School District, Thetford School District, and White River Unified District.

13           (8) Group eight: Blue Mountain Union School District, Cabot School  
14           District, Danville School District, Echo Valley Community School District,  
15           Oxbow Unified Union School District, Paine Mountain School District,  
16           Peacham School District, and Waits River Valley Union School District #36.

17           (9) Group nine: Caledonia Cooperative School District, Kingdom East  
18           Unified Union School District, and St. Johnsbury School District.

19           (10) Group 10: Cambridge School District, Craftsbury School District,  
20           Elmore Morristown Unified Union School District, Hazen Union High School

Changes made from APBH in draft 1.1  
Changes new since last draft

- 1 District, Lamoille North Modified Unified Union School District, Mountain
- 2 View Union Elementary School District, Stannard Town School District,
- 3 Stowe School District, and Wolcott School District.
- 4 (11) Group 11: Brighton School District, Canaan School District,
- 5 Charleston School District, Coventry School District, Derby School District,
- 6 Essex North Supervisory Union, Holland School District, Jay School District,
- 7 Lake Region Union Elementary-Middle School District, Lake Region Union
- 8 High School District, Lowell School District, Morgan School District, NEK
- 9 Choice School District, Newport City School District, Newport Town School
- 10 District, North Country Union Junior High School Board, North Country
- 11 Union High School District, Troy School District, and Westfield School
- 12 District.
- 13 (12) Group 12: Alburgh School District, Champlain Islands Unified
- 14 Union School District, Enosburgh-Richford Unified Union School District,
- 15 Fairfax School District, Fletcher School District, Georgia School District,
- 16 Maple Run Unified School District, Missisquoi Valley School District,
- 17 Northern Mountain Valley Unified Union School District, and South Hero
- 18 School District.
- 19 (13) Group 13: Colchester School District, Essex Westford Educational
- 20 Community Unified Union School District, and Milton School District.

Changes made from APBH in draft 1.1  
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1           (14) Group 14: Burlington School District, South Burlington School  
2           District, and Winooski School District.

3           (15) Group 15: Champlain Valley School District.

4           (16) Group 16: Mount Mansfield Unified Union School District.

5           (17) Group 17: Addison Central School District, Addison Northwest  
6           School District, Lincoln School District, and Mount Abraham Unified School  
7           District.

8           (18) Group 18: Barre Unified Union School District, Harwood Unified  
9           Union School District, Montpelier Roxbury School District, Twinfield Unified  
10          School District, and Washington Central Unified Union School District.

11          Sec. 14a. INTERIM STUDY COMMITTEE REPORTS

12          (a) On or before January 1, 2028, the lead facilitator employed or  
13          contracted by the Vermont Learning Collaborative (VTLC) shall submit a  
14          written report to the House and Senate Committees on Education with an  
15          update on the status of each study committee formed pursuant to Sec. 13 of this  
16          act, including membership and the final recommendations of each study  
17          committee.

18          (b) On or before January 1, 2028, the Agency of Education, in consultation  
19          with the study committees formed pursuant to this act and the State Board of  
20          Education, shall submit a written interim report to the House and Senate

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Changes new since last draft

1 Committees on Education with preliminary recommendations for supervisory  
2 union boundary adjustments and CESA boundary adjustments that take into  
3 account the final recommendations of the study committees formed pursuant to  
4 Sec. 13 of this act.

5 Sec. 15. STUDY COMMITTEE RESULTS AND ANALYSIS;

6 FACILITATOR REPORT

7 On or before January 1, 2029, the lead facilitator employed or contracted by  
8 the Vermont Learning Collaborative (VTLC) shall submit a written report to  
9 the House and Senate Committees on Education with the results of each study  
10 committee overseen by each facilitator employed or contracted by the VTLC  
11 and information regarding whether, and if so, how, the following issues  
12 impacted or influenced the final outcome for each study committee overseen  
13 by the facilitator, along with recommendations for legislative action needed to  
14 remove identified barriers to the formation of new union school districts:

15 (1) differences in staffing costs and the costs associated with moving  
16 from several different collectively bargained agreements to one collectively  
17 bargained agreement for applicable staff in the new union school district;

18 (2) differences in operating structures;

19 (3) geographic and topographic barriers;

20 (4) enrollment patterns and projections; and

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1           (5) any other factor the facilitator found to have influenced the final  
2           decision of a study committee.

3           Sec. 16. SUPERVISORY UNION AND CESA BOUNDARIES; AGENCY  
4                           OF EDUCATION REPORT

5           On or before January 1, 2029, the Agency of Education, in consultation  
6           with the study committees formed pursuant to this act and the State Board of  
7           Education, shall submit a written report to the House and Senate Committees  
8           on Education with recommendations for supervisory union boundary  
9           adjustments and CESA boundary adjustments that take into account the new  
10           union school districts formed or proposed to be formed pursuant to this act.

11           Sec. 17. STUDY COMMITTEE REIMBURSEMENT GRANTS; CESA  
12                           EXECUTIVE DIRECTOR GRANTS; REPORTS; FUNDING

13           (a) Study committee reimbursement grant; appropriation.

14           (1) The Agency of Education shall pay up to \$10,000.00 to a study  
15           committee formed pursuant to Sec. 13 of this act to reimburse participating  
16           school districts for legal and other services necessary for the analysis and  
17           report required pursuant to 16 V.S.A. § 708(c) and Sec. 13(b)(3)(D) or (E) of  
18           this act, as applicable. The study committee shall forward invoices to the  
19           Agency on a quarterly basis. The Agency shall reimburse one-half of the total  
20           amount reflected in each set of invoices upon receipt and the remaining one-

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1 half upon completion of the final report required pursuant to Sec. 13(b)(3)(D)  
2 or (E) of this act, as applicable; provided, however, that no payment shall  
3 cause the total amount of funds paid to a study committee to exceed the  
4 \$10,000.00 limit.

5 (2) Of the funds appropriated to the Agency of Education in 2025 Acts  
6 and Resolves No. 73, Sec. 32(a)(1), as amended by Sec. C.103 of legislation  
7 enacting the budget in fiscal year 2027, \$210,000.00 shall be used for the  
8 purpose of awarding study committee reimbursement grants to the study  
9 committees formed pursuant to Sec. 13 of this act in accordance with  
10 subdivision (1) of this subsection.

11 (b) Facilitator appropriation; reports. Of the funds appropriated to the  
12 Agency of Education in 2025 Acts and Resolves No. 73, Sec. 32(a)(1), as  
13 amended by Sec. C.103 of legislation enacting the budget in fiscal year 2027,  
14 \$442,000.00 shall be granted to the Vermont Learning Collaborative (VTLC)  
15 within 45 days following the passage of this act for the purpose of hiring or  
16 contracting for seven facilitators and one lead facilitator pursuant to Sec. 13(a)  
17 of this act, as well as for administrative costs associated with contracting for  
18 the facilitators. The VTLC may use up to \$32,000.00 of the funds  
19 appropriated pursuant to this subsection for administrative costs.

20 (c) CESA executive director grant; appropriation.



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1 ~~foundation formula has provided to the General Assembly the report pursuant~~  
2 ~~to Sec. 45a to provide the General Assembly an opportunity to enact legislation~~  
3 ~~in consideration of the report~~ following conditions have been met:

4 (A) school districts have had an opportunity to study the advisability  
5 of forming a new unified union school district and the clerk of each school  
6 district voting on a proposal to form a unified union school district on or before  
7 November 7, 2028, pursuant to legislation enacted by the General Assembly in  
8 2026 that requires each school board to participate on a study committee to  
9 study the advisability of forming a unified union school district, has certified  
10 the results of any such vote, to the extent that any such votes occurred, to the  
11 Secretary of Education pursuant to 16 V.S.A. § 713(a);

12 (B) the expert tasked with developing a cost-factor foundation  
13 formula has provided to the General Assembly the report required pursuant to  
14 Sec. 45a;

15 (C) on or before December 15, 2029, the Joint Fiscal Office has  
16 provided the General Assembly with an analysis, using fiscal year 2027 data,  
17 that compares the total appropriated State funds each school district received  
18 under Vermont’s existing education funding formula with those the school  
19 district would have received under the foundation formula established in 2025  
20 Acts and Resolves No. 73, as amended; and

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1           (D) legislation has been enacted that addresses:

2                   (i) suitable geographic measures for determining sparsity within  
3 the foundation formula;

4                   (ii) whether it costs more to educate a secondary student than an  
5 elementary student in Vermont and, if so, an appropriate weight to capture the  
6 cost differential of educating secondary students;

7                   (iii) how to account for the provision of career and technical  
8 education within Vermont’s foundation formula;

9                   (iv) how to account for regional differences in operating costs,  
10 including those driven by regional differences in cost of living and legacy  
11 collective bargaining agreements within the foundation formula; and

12                   (v) how to fund special education services; school construction,  
13 renovation, and repayment of school district debt; transportation; and universal  
14 prekindergarten.

15           ~~(1)~~(2)(A) In Sec. 27, 16 V.S.A. § 823(a) and (d);

16           ~~(2)~~(B) Sec. 28 (tuition repeals);

17           ~~(3)~~(C) Secs. 34–43 (transition to cost-factor foundation formula);

18           ~~(4)~~(D) Sec. 45b (educational opportunity payment transition); [Deleted.]

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

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1           ~~(6)(F) Sec. 46a (supplemental district spending tax; cap; transition);~~

2           [Deleted.]

3           ~~(7)(G) Sec. 48a (tax rate transition); [Deleted.]~~

4           ~~(8)(H) Secs. 51, 52, and 54–56 (property tax credit repeal; creation of~~  
5           ~~homestead exemption);~~

6           ~~(9)(I) Sec. 57 (Education Fund Advisory Committee; review of~~  
7           ~~foundation formula); and [Deleted.]~~

8           ~~(10)(J) Secs. 60 and 61 (property tax classifications). [Deleted.]~~

9           (g) In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on ~~July 1, 2028~~  
10           July 1, 2030, provided that the ~~new school districts contemplated by this act~~  
11           ~~have assumed responsibility for the education of all resident students~~ school  
12           districts have had an opportunity to study the advisability of forming a new  
13           unified union school district and the clerk of each school district voting on a  
14           proposal to form a unified union school district on or before November 7,  
15           2028, pursuant to legislation enacted by the General Assembly in 2026 that  
16           requires each school board to participate on a study committee to study the  
17           advisability of forming a unified union school district, has certified the results  
18           of any such vote, to the extent that any such votes occurred, to the Secretary of  
19           Education pursuant to 16 V.S.A. § 713(a) and that the cost-factor foundation  
20           formula report required pursuant to Sec. 45a contains evidence that it costs

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1 more to educate students in grades nine through 12 but the General Assembly  
2 has failed to enact legislation to add a secondary student weight.

3 (h) ~~Sec. 62 (regional assessment districts) shall take effect on January 1,~~  
4 ~~2029. [Deleted.]~~

5 Sec. 18a. INTERACTIVE EDUCATION FUNDING CALCULATOR;  
6 DEPARTMENT OF TAXES

7 On or before October 1, 2027, the Department of Taxes shall publish on its  
8 website an interactive education funding calculator (interactive calculator) that  
9 enables a school district or a union school district study committee to calculate  
10 an estimate of the total education funding from the State it received under  
11 Vermont’s current education finance system in fiscal year 2027 and the  
12 estimated total education funding it would have received from the State under  
13 the new financing formula had it been in effect in fiscal year 2027. The  
14 interactive calculator shall reflect all education finance policy choices  
15 represented in the total appropriated State funds each school district receives  
16 under Vermont’s existing education funding formula enacted through July 1,  
17 2027, that would have an impact on funding levels. In developing the  
18 interactive calculator, the Department of Taxes shall consult with the Joint  
19 Fiscal Office, the Agency of Education, and the Department of Finance and  
20 Management. On or before August 1, 2027, the Department of Taxes shall

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1 submit a preliminary plan for the interactive calculator to the Joint Fiscal  
2 Office and the Agency of Education for feedback. The Department of Taxes  
3 shall submit a preliminary version of the interactive calculator to the Joint  
4 Fiscal Committee in September 2027.

5 \* \* \* Prekindergarten Education \* \* \*

6 Sec. 19. PREKINDERGARTEN EDUCATION; FINDINGS

7 The General Assembly finds that:

8 (1) despite being colloquially known as the “universal prekindergarten  
9 program,” not all children three and four years of age in the State have equal  
10 access to a prequalified prekindergarten provider;

11 (2) Vermont ranks second in the country with regard to access to  
12 prekindergarten education by children who are four years of age, with  
13 76 percent of eligible four-year-old children receiving prekindergarten  
14 education, and that Vermont is one of two states in which more than 70 percent  
15 of children who are four years of age receive prekindergarten services;

16 (3) only 11 percent of eligible children are enrolled in prekindergarten  
17 services in Essex County;

18 (4) there is considerable geographic disparity in the State with regard to  
19 the number of prekindergarten slots available, and as a result, 95 percent of  
20 eligible children in Windsor and Windham Counties and 93 percent of eligible

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1 children in Chittenden County have access to a prequalified prekindergarten  
2 provider as compared to 55 percent in Franklin County and 61 percent in  
3 Grand Isle County; and

4 (5) while a substantial portion of states provide a full school day of four  
5 or more hours of prekindergarten education daily, less than five percent of  
6 Vermont’s prequalified prekindergarten providers provide a full day of four or  
7 more hours of prekindergarten education.

8 Sec. 20. LEGISLATIVE INTENT

9 It is the intent of the General Assembly to:

10 (1) ensure that prekindergarten education is included as an integral part  
11 of Vermont’s education system, as the right to education is fundamental for the  
12 success of Vermont’s children in all grades, prekindergarten through grade 12;

13 (2) determine a locus of responsibility to ensure there is access to  
14 prekindergarten education within all school districts;

15 (3) provide access to licensed teachers in the classroom of both  
16 prequalified public and private providers, including access to support and  
17 provisional status; and

18 (4) equalize financial resources for all prequalified providers of  
19 prekindergarten education.

20 Sec. 21. PREKINDERGARTEN EDUCATION FUNDING; REPORTS;

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1                    APPROPRIATION

2            (a) Legislative intent. It is the intent of the General Assembly to, in the  
3            2027 legislative session, establish a funding structure for prekindergarten  
4            education that:

5                    (1) supports achieving access for every prekindergarten child, as that  
6                    term is defined in 16 V.S.A. § 829, with equitable payments and equitable  
7                    educational standards for public and private providers;

8                    (2) ensures the cost of prekindergarten education is included in the full  
9                    cost of education;

10                   (3) increases access and participation in areas of the State where access  
11                   or participation is limited; and

12                   (4) continues to support a mixed delivery system.

13            (b) Data and reports.

14                   (1) The Agency of Education, Department for Children and Families,  
15                   and Building Bright Futures (BBF) shall establish a system to jointly monitor  
16                   and evaluate prekindergarten education programs to promote optimal results  
17                   for children that support the relevant population-level outcomes set forth in  
18                   3 V.S.A. § 2311 and to collect data that will inform future decisions. BBF, in  
19                   consultation with the Agency of Education and the Department for Children

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1 and Families, shall be required to report annually to the General Assembly in  
2 January.

3 (2)(A) On or before December 1, 2026, BBF, in consultation with the  
4 Agency of Education and the Department for Children and Families, shall  
5 submit a written report to the House Committees on Education, on Human  
6 Services, and on Ways and Means and the Senate Committees on Education,  
7 on Health and Welfare, and on Finance with the following information:

8 (i) status of BBF’s work under the federal Preschool Development  
9 Grant and data collection;

10 (ii) initial or updated data findings including prekindergarten  
11 student demographics and number of hours by prekindergarten program by  
12 district;

13 (iii) outstanding questions or gaps in data; and

14 (iv) recommendations for legislative action and other  
15 considerations.

16 (B) BBF shall also provide an update on progress of its work under  
17 the federal Preschool Development Grant to the Joint Fiscal Committee on or  
18 before October 1, 2026.

19 (3)(A) The Joint Fiscal Office shall contract with a contractor with  
20 expertise in Vermont’s education funding system to conduct an updated cost of

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1 care analysis to account for the provision of prekindergarten education within  
2 Vermont’s education finance system. The contractor shall utilize results of  
3 recent cost modeling studies, including the Vermont Early Care and Education  
4 Financing Study conducted pursuant to 2021 Acts and Resolves No. 45, Sec.  
5 14; the 2026 Vermont Cost Modeling Report issued by First Children’s  
6 Finance; and the statewide tuition rate for prekindergarten education, and  
7 collaborate with the Child Development Division, Agency of Education, and  
8 BBF to ensure necessary data and appropriate factors are included in financial  
9 modeling. This study shall provide estimates for the current full cost of  
10 providing prekindergarten education for children three, four, and five years of  
11 age, not yet eligible to enroll in kindergarten.

12 (B) The sum of \$75,000.00 is appropriated to the Joint Fiscal Office  
13 from the General Fund in fiscal year 2027 to hire a contractor to make  
14 recommendations in accordance with subdivision (3)(A) of this subsection (b).

15 (4) The Joint Fiscal Office shall provide the General Assembly with  
16 considerations on or before December 15, 2026, regarding different funding  
17 mechanisms that may be used to distribute funds for education costs within the  
18 new financing formula, including grants, inclusion within the Education  
19 Opportunity Payment, and different forms of categorical aid.

20 Sec. 21a. 16 V.S.A. § 829 is amended to read:

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1 § 829. PREKINDERGARTEN EDUCATION

2 \* \* \*

3 (d) Tuition, budgets, and average daily membership.

4 \* \* \*

5 (5) As part of the data reporting process required pursuant to subsection  
6 4010(c) of this title, a district of residence shall also report annually to the  
7 Agency of Education the number of hours of prekindergarten education  
8 received by each prekindergarten child for whom it has provided  
9 prekindergarten education or on whose behalf it has paid tuition pursuant to  
10 this section.

11 (e) Rules. The Secretary of Education and the Commissioner for Children  
12 and Families shall jointly develop and agree to rules and present them to the  
13 State Board for adoption under 3 V.S.A. chapter 25 as follows:

14 \* \* \*

15 (10) To establish a system by which the Agency of Education ~~and~~  
16 Department for Children and Families, and Building Bright Futures shall  
17 jointly monitor and evaluate prekindergarten education programs to promote  
18 optimal results for children that support the relevant population-level outcomes  
19 set forth in 3 V.S.A. § 2311 and to collect data that will inform future  
20 decisions. The Agency and Department shall be required to report annually to

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1 the General Assembly in January. At a minimum, the system shall monitor  
2 and evaluate:

3 \* \* \*

4 \* \* \* Data Collection \* \* \*

5 Sec. 22. 16 V.S.A. § 4010(c) is amended to read:

6 (c) Reporting on weighting categories to the Agency of Education. Each  
7 school district shall annually report to the Agency of Education by a date  
8 established by the Agency the information needed in order for the Agency to  
9 compute the weighting categories under subsection (b) of this section for that  
10 district, for all resident students in prekindergarten through grade 12. In order  
11 to fulfill this obligation, a school district that pays public tuition on behalf of a  
12 resident student (sending district) to a public school in another school district,  
13 an approved independent school, ~~or~~ an out-of-state school, or a prequalified  
14 private prekindergarten education provider (each a receiving school) ~~may~~  
15 ~~request the receiving school to collect this information on the sending district's~~  
16 ~~resident student, and if requested, the receiving school shall provide this~~  
17 ~~information to the sending district in a timely manner~~ shall require each  
18 resident student in prekindergarten through grade 12 on whose behalf the  
19 district pays tuition to complete a form or forms developed by the Agency of  
20 Education in order to obtain the information needed in order for the Agency to

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1 compute the weighting categories under subsection (b) of this section for all  
2 students residing in that district, including students that are educated by a  
3 receiving school. The form shall be included with any residency verification  
4 forms and requests for public tuition funding forms required by a school  
5 district.

6 \* \* \* Special Education Funding \* \* \*

7 Sec. 23. SPECIAL EDUCATION FUNDING SAFEGUARDS;

8 LEGISLATIVE INTENT

9 (a) Maintenance of effort. It is the intent of the General Assembly to  
10 ensure that Vermont complies with federal maintenance of effort requirements  
11 in any education funding reform. Nothing in 2025 Acts and Resolves No. 73  
12 (Act 73), nor the implementation of Act 73, shall be construed to permit a  
13 reduction in State or local funding for special education and related services in  
14 a manner that would violate the maintenance of effort requirements of the  
15 Individuals with Disabilities Education Act, 20 U.S.C. §§ 1400–1485.

16 (b) Separate and supplemental funding structure. It is the intent of the  
17 General Assembly that the State shall maintain an education funding structure  
18 in which:

19 (1) general education is funded through a formula-based mechanism  
20 established by law; and

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1           (2) special education is funded through a supplemental reimbursement,  
2 weighted student count, or grant model that reflects eligible special education  
3 costs and preserves compliance with federal maintenance of effort  
4 requirements.

5           (c) Protection of educational rights. It is the intent of the General  
6 Assembly that implementation of Act 73 or any future education funding  
7 reform shall not limit the right of students with disabilities to a Free  
8 Appropriate Public Education (FAPE), including access to individualized  
9 services in the least restrictive environment as required by federal and State  
10 law.

11           (d) Proportional effects. A school district shall not implement  
12 programmatic reductions, staffing changes, or budgetary actions that  
13 disproportionately affect students with disabilities or impair the district’s  
14 ability to meet its obligations to provide FAPE.

15           (e) Impact analysis. School districts shall assess and document the impact  
16 of significant programming changes on students with disabilities, in  
17 accordance with guidance issued by the Agency of Education.

18           (f) Guidance. The Agency of Education shall issue guidance to ensure  
19 school districts implement Act 73 in a manner consistent with this section and  
20 with federal special education requirements. The Agency shall also issue

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1 guidance regarding the assessment and documentation requirements of  
2 subsection (e) of this section.

3 **Sec. 24. TUITION IN EXCESS OF FOUNDATION FORMULA;**

4 **LEGISLATIVE INTENT**

5 It is the intent of the General Assembly that, under the foundation formula,  
6 no receiving school may charge tuition in excess of the amount of tuition paid  
7 by a sending school district pursuant to section 823 of this chapter if the  
8 foundation formula contains a weight for high school students.

9 **Sec. 24a. [Deleted.]**

10 \* \* \* Union School District Study Committee Budgets \* \* \*

11 Sec. 25. 16 V.S.A. § 707 is amended to read:

12 § 707. APPROVAL OF STUDY BUDGET; APPOINTMENT OF STUDY  
13 COMMITTEE; PARTICIPATION

14 (a) Proposed budget exceeding ~~\$50,000.00~~ \$500,000.00.

15 (1) If the proposed budget established in section 706 of this chapter  
16 exceeds ~~\$50,000.00~~ \$500,000.00, then subject to the provisions of that section  
17 the board of each potentially participating school district shall warn the  
18 district's voters to meet at an annual or special school district meeting to vote  
19 whether to appropriate funds necessary to support the district's financial share  
20 of a study committee's costs. The meeting in each school district shall be

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1 warned for the same date. The warning in each school district shall contain an  
2 identical article in substantially the following form:

3 “Shall the school district of \_\_\_\_\_

4 appropriate funds necessary to support the school district’s financial share of a  
5 study to determine the advisability of forming a union school district with  
6 some or all of the following school districts:

7 \_\_\_\_\_,

8 \_\_\_\_\_, and

9 \_\_\_\_\_? It is estimated that the

10 \_\_\_\_\_ school district’s share, if all

11 of the identified school districts vote to participate, will be

12 \$\_\_\_\_\_. The total proposed budget,

13 to be shared by all participating school districts is

14 \$\_\_\_\_\_.”

15 (2) If the vote in subdivision (1) of this subsection is in the affirmative  
16 in two or more school districts, then the boards of the affirming school districts  
17 shall appoint a study committee consisting of the number of persons  
18 determined pursuant to section 706 (proposed study committee budget and  
19 membership) of this chapter. At least one current board member from each  
20 participating school district shall be appointed to the study committee. The

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

4 (3) The sums expended for study purposes under this section shall be  
5 considered part of the approved cost of any project in which the union school  
6 district, if created, participates pursuant to chapter 123 of this title.

7 (b) Proposed budget not exceeding ~~\$50,000.00~~ \$500,000.00.

8 (1) If the proposed budget established in section 706 of this chapter does  
9 not exceed ~~\$50,000.00~~ \$500,000.00, then the boards of the participating school  
10 districts shall appoint a study committee consisting of the number of persons  
11 determined under that section. At least one current board member from each  
12 participating school district shall be appointed to the study committee. The  
13 board of a school district appointing more than one person to the study  
14 committee may appoint residents of the school district who are not members of  
15 the board to any of the remaining seats.

16 (2) The sums expended for study purposes under this section shall be  
17 considered part of the approved cost of any project in which the union school  
18 district, if created, participates pursuant to chapter 123 of this title.

19 (c) Additional costs.



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1 EDUCATION; EDUCATION QUALITY STANDARDS;  
2 RULEMAKING

3 The State Board of Education shall, unless extended by the Legislative  
4 Committee on Administrative Rules, adopt updates to Agency of Education,  
5 State Board Rule 2000 Education Quality Standards (CVR 22-000-003) to  
6 establish criteria for identifying schools as small by necessity or sparse by  
7 necessity, or both, pursuant to 3 V.S.A. § 843 on or before March 31, 2027.  
8 Such rules shall be consistent with the work of the Small and Sparse School  
9 Committee of the State Board of Education and the recommendations of the  
10 Committee dated December 17, 2025.

11 Sec. 27. INTRADISTRICT BUDGETING; AGENCY OF EDUCATION;  
12 DISTRICT QUALITY STANDARDS; RULEMAKING

13 The Agency of Education shall, unless extended by the Legislative  
14 Committee on Administrative Rules, adopt updates to the district quality  
15 standards contained in Agency of Education, District Quality Standards (CVR  
16 22-000-039) to establish criteria for intradistrict budgeting **under the**  
17 **foundation formula,** pursuant to 3 V.S.A. § 843 on or before **December 31,**  
18 **2028.** The criteria shall provide guidelines for intradistrict budgeting that  
19 ensure resources are allocated across schools within each district in a way that  
20 supports the State’s goal that all Vermont children will be afforded

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1 opportunities and excellent education that are substantially equal in quality and  
2 enable them to achieve or exceed the education quality standards approved by  
3 the State Board of Education.

4 Sec. 27a. 2024 Acts and Resolves No. 183, Sec. 7 is amended to read:

5 Sec. 7. RESERVE FUND ACCOUNT STANDARDS; DISTRICT  
6 QUALITY STANDARDS; RULEMAKING

7 On or before ~~January 1, 2025~~ March 31, 2027, the Agency of Education, in  
8 collaboration with the Vermont Association of School Business Officials, the  
9 Vermont Superintendents Association, and the Vermont School Boards  
10 Association, shall initiate complete rulemaking pursuant to 3 V.S.A. chapter 25  
11 to update the District Quality Standards rules contained in Agency of  
12 Education, District Quality Standards (CVR 23-020), to include recommended  
13 reserve fund account standards. ~~Prior to initiating rulemaking, the Agency~~  
14 ~~shall consult with local school officials.~~ The Agency shall specifically adopt  
15 rules to:

16 (1) prescribe minimum and maximum balance levels for a reserve fund,  
17 taking into consideration revenue predictability and expenditure volatility,  
18 exposure to significant one-time expenses, and impact on credit ratings;

19 (2) specify acceptable conditions that warrant use of the reserve fund  
20 and the period within which funds may be used;

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- 1           (3) establish best practices for replenishing a depleted reserve fund,  
2           including the period over which the reserve fund should be replenished;  
3           (4) define appropriate accounting terms to facilitate data consistency and  
4           improve data quality across the State; and  
5           (5) identify conditions that may justify deviation from any broadly  
6           applicable standards adopted pursuant to this section.

7           Sec. 27b. SCHOOL TRANSPORTATION GRANTS; REPORT

8           On or before December 1, 2026, the Agency of Education shall submit a  
9           written report to the House Committees on Education, on Transportation, and  
10           on Ways and Means and the Senate Committees on Education, on  
11           Transportation, and on Finance regarding school transportation. School  
12           districts shall comply with requests from the Agency to assist data collections  
13           necessary to complete the reporting requirements in this section.

- 14           (1) The report shall include information on the following:  
15           (A) the current landscape of education transportation for each school  
16           district, including:  
17           (i) the grades operated by the school district;  
18           (ii) the grades for which the school district provides  
19           transportation;

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- 1                   (iii) whether the vehicles used to provide students with  
2                   transportation are owned or leased by the school district;
- 3                   (iv) whether the school district relies on public transportation to  
4                   provide education transportation to its resident students and, if so, associated  
5                   costs borne by all parties;
- 6                   (v) the method by which resident students arrive to and leave from  
7                   each school a resident student attends, regardless of whether it is a school  
8                   operated by the school district or a receiving school not operated by the school  
9                   district, such as whether students rely on school district provided  
10                  transportation, receiving school provided transportation, or transportation  
11                  provided or arranged by a resident family, as well as whether there is any  
12                  district reimbursement to resident families for privately incurred expenses  
13                  related to student transportation; and
- 14                  (vi) bus driver pay and benefits; and
- 15                  (B) the aggregate cost of the current education transportation system,  
16                  on a per-school-district basis, including:
- 17                   (i) the total transportation grant award from the State;  
18                   (ii) the total local funds spent on transportation;  
19                   (iii) per-mile expenditures for transportation to and from career  
20                  technical education programming;

Changes made from APBH in draft 1.1  
Changes new since last draft

1                    (iv) transportation costs associated with the requirements of the  
2 McKinney-Vento Homeless Assistance Act, 42 U.S.C. § 11431–11435;

3                    (v) transportation costs associated with extraordinary special  
4 education expenditures; and

5                    (vi) transportation costs associated with individualized education  
6 programs.

7                    (2) The report shall also include recommendations regarding:

8                    (A) the geographic radius around a school within which a school  
9 district shall not be required to provide transportation, for both urban and rural  
10 schools;

11                    (B) definitions for the terms “distant students” and “safe walking  
12 routes”;

13                    (C) how regionalized transportation services may work under a  
14 cooperative education service area (CESA) model, including with a CESA  
15 servicing as the fiscal agent for contracts, as well as information regarding the  
16 availability of transportation vendors in the CESA regions created in this act;

17                    (D) how cocurricular and afterschool travel could be included in a  
18 district’s transportation services and what consistent standards should be  
19 proposed for such service statewide;

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (E) whether a weighted sparsity categorical grant or a per-mile  
2           reimbursement model would be more beneficial to districts or CESAs under a  
3           foundation formula, and what the approximate difference in cost would be as  
4           compared to the current funding system;

5           (F) legislative updates to 16 V.S.A. § 4016 (reimbursement for  
6           transportation expenditures) and any related rules; and

7           (G) how to ensure a student who attends a career technical education  
8           (CTE) center other than the student’s assigned regional CTE center, due to  
9           enrollment constraints, program availability, or some other barrier, has access  
10          to transportation to the same extent as students attending an assigned CTE  
11          center as provided pursuant to 16 V.S.A. § 1541a(a)(2), and the costs  
12          associated with any such recommendations.

13          Sec. 27c. STUDENT PROFILE FORM

14          On or before September 1, 2026, the Agency of Education, in consultation  
15          with school business officials, shall develop a student profile form to be used  
16          by school districts to collect the information necessary in order for the Agency  
17          to compute the weighting categories under 16 V.S.A. § 4010(b) for students in  
18          prekindergarten through grade 12 on whose behalf a school district pays  
19          tuition. The student profile form shall be fully accessible to all Vermont  
20          families both in paper form and electronically.



Changes made from APBH in draft 1.1  
Changes new since last draft

1 October 1. A student shall be counted as one whether the student is enrolled as  
2 a full-time or part-time student.

3 (3) “Small school” means a public school that:

4 (A) has an average grade size of fewer than 12 students; and

5 (B) has been determined by the Agency of Education, on an annual  
6 basis, to be “small by necessity” under standards consistent with State Board of  
7 Education rule.

8 (4) “Sparse area” means a city, town, or incorporated village where the  
9 number of persons per square mile residing within the land area of the  
10 geographic boundaries of the city, town, or incorporated village as of July 1 of  
11 the year of determination is fewer than 55 persons.

12 (5) “Sparse school” means a public school that:

13 (A) is within a sparse area; and

14 (B) has been determined by the Agency of Education, on an annual  
15 basis, to be “sparse by necessity” under standards consistent with State Board  
16 of Education rule.

17 (6) “Two-year average enrollment” means the average enrollment of the  
18 two most recently completed school years.

19 (b) Small schools support grant. Annually, the Secretary shall pay a small  
20 schools support grant to each school district for each small school operated by

Changes made from APBH in draft 1.1  
Changes new since last draft

1 the school district in an amount determined by multiplying the two-year  
2 average enrollment in the small school by \$3,157.00.

3 (c) Sparse schools support grant. Annually, the Secretary shall pay a sparse  
4 schools support grant to each school district for each sparse school operated by  
5 the school district in an amount determined by multiplying the two-year  
6 average enrollment in the sparse school by \$1,954.00.

7 (d) Inflationary adjustment. Each dollar amount under subsections (b) and  
8 (c) of this section shall be adjusted for inflation annually on or before  
9 November 15 by the Secretary. As used in this subsection, “adjusted for  
10 inflation” means adjusting the dollar amount by the National Income and  
11 Product Accounts (NIPA) implicit price deflator for state and local government  
12 consumption expenditures and gross investment published by the U.S.  
13 Department of Commerce, Bureau of Economic Analysis, from fiscal year  
14 2025 through the fiscal year for which the amount is being determined, and  
15 rounding upward to the nearest whole dollar amount.

16 \* \* \* Class Size Minimums \* \* \*

17 Sec. 29a. 2025 Acts and Resolves No. 73, Sec. 7 is amended to read:

18 **Sec. 7. FAILURE TO COMPLY WITH EDUCATION QUALITY**

19 **STANDARDS; STATE BOARD ACTION**

Changes made from APBH in draft 1.1  
Changes new since last draft

1        (a) Notwithstanding 16 V.S.A. § 165(b)(4) and (5) and any other provision  
2        of law to the contrary, the State Board shall be prohibited from ordering school  
3        district consolidation or school consolidation if a school fails to comply with  
4        class size minimum education quality standards and the resulting consolidation  
5        would result in school construction costs in excess of the applicable district's  
6        capital reserve account until the General Assembly establishes new school  
7        district boundaries and takes further action regarding the consequences for  
8        failure to meet education quality standards.

9        (b)(1) Notwithstanding 16 V.S.A. § 165(a)(9)(C) and (b), a public school's  
10       failure to comply with the class size minimum requirements contained in 16  
11       V.S.A. § 165(a)(9) shall not count towards the three consecutive school years  
12       of noncompliance that enables the Secretary to recommend action to the State  
13       Board until the foundation formula is in effect and all contingencies, to the  
14       extent that there are any contingencies, contained in 2025 Acts and Resolves  
15       No. 73, Sec. 70(f), as amended, that are required for the foundation formula to  
16       become effective have been met.

17       (2) An approved independent school's failure to comply with class size  
18       minimums shall not count towards the period of noncompliance that enables  
19       the Secretary to recommend action to the State Board and that may render the  
20       school ineligible to receive public tuition until the foundation formula is in

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Changes new since last draft

1 effect and all contingencies, to the extent that there are any contingencies,  
2 contained in 2025 Acts and Resolves No. 73, Sec. 70(f), as amended, that are  
3 required for the foundation formula to become effective have been met;  
4 provided, however, that the approved independent school shall meet all other  
5 requirements in State and federal law to remain eligible to accept public tuition  
6 during this time period.

7 \* \* \* Regional Assessment Districts \* \* \*

8 Sec. 30. 32 V.S.A. chapter 121, subchapter 1A is added to read:

9 Subchapter 1A. Regional Assessment Districts

10 § 3415. LEGISLATIVE INTENT

11 It is the intent of the General Assembly in adopting this subchapter to create  
12 regional assessment districts so that:

13 (1) properties on grand lists are regularly reappraised;

14 (2) property data collection is consistent and standardized across the

15 State; and

16 (3) property valuation is conducted by trained and certified individuals

17 and firms.

18 § 3416. REGIONAL ASSESSMENT DISTRICTS; ESTABLISHMENT

19 (a) Member municipalities of a regional assessment district shall fully  
20 reappraise their grand lists every six years pursuant to subsection 3417(b) of

Changes made from APBH in draft 1.1  
Changes new since last draft

1 this subchapter. Member municipalities may contract jointly with one or more  
2 third parties to conduct the reappraisals.

3 (b) For the first full reappraisal conducted simultaneously by member  
4 municipalities as part of a regional assessment district, each municipality may,  
5 at its discretion, conduct a reappraisal jointly with one or more other member  
6 municipalities. For all subsequent simultaneous full reappraisals by member  
7 municipalities as part of a regional assessment district, as determined pursuant  
8 to subsection 3417(c) of this subchapter, a municipality shall conduct a  
9 reappraisal jointly with one or more other member municipalities.

10 § 3417. STANDARD GUIDELINES; PROCEDURES; RULEMAKING

11 (a) The Director of Property Valuation and Review shall establish standard  
12 guidelines and procedures, and may adopt rules, for regional assessment  
13 districts, including:

14 (1) guidelines for contracting with third parties to conduct or assist with  
15 reappraisals, including standard reappraisal contract terms;

16 (2) standards for the collection and recordation of parcel data;

17 (3) requirements relating to information technology, including standards  
18 for data software contracts and computer-assisted mass appraisal systems; and

19 (4) standardized practices for a full reappraisal, including cases in which  
20 physical inspections are unnecessary and how technology is to be utilized.

Changes made from APBH in draft 1.1  
Changes new since last draft

1        (b) The Director of Property Valuation and Review shall establish a  
2        schedule for each regional assessment district to fully reappraise every six  
3        years. The Director, at the Director’s discretion, may alter the reappraisal  
4        schedule for a regional assessment district or for one or more of a regional  
5        assessment district’s member municipalities. If a municipality or a regional  
6        assessment district fails to reappraise on the schedule established by the  
7        Director under this subsection, the State may withhold funds from the  
8        municipality until the Director certifies that the municipality or regional  
9        assessment district has complied with this subsection.

10       (c) The Director shall determine when the first simultaneous full  
11       reappraisal has been completed by the member municipalities of each regional  
12       assessment district.

13       § 3418. REGIONAL ASSESSMENT DISTRICT APPEALS BOARD;  
14       ESTABLISHMENT

15       (a) There are hereby established regional assessment district appeals boards  
16       for each regional assessment district established pursuant to section 3416 of  
17       this subchapter. A board shall hear appeals of valuations within its regional  
18       assessment district. The Division of Property Valuation and Review shall  
19       provide training and technical assistance to the board. Other staffing and  
20       funding for a board shall be provided by its member municipalities.

Changes made from APBH in draft 1.1  
Changes new since last draft

1       (b) All municipalities within the jurisdiction of a board shall be considered  
2       municipal members of the board. A board shall contain at least one  
3       representative appointed from each member municipality and representatives  
4       shall be appointed for a term of three years by the legislative body of such  
5       municipality. A municipality may appoint one board member per 1,000  
6       parcels in the municipality, rounded up to the nearest 1,000 parcels. All board  
7       members may be compensated and reimbursed by their respective  
8       municipalities for necessary and reasonable expenses.

9       (c) A board shall elect an executive board of five board members to  
10       facilitate meetings and oversee operations. The executive board shall have a  
11       chair, a vice chair, a secretary, and any other position deemed necessary by a  
12       majority vote of the executive board.

13       § 3419. APPEALS TO REGIONAL ASSESSMENT DISTRICT APPEALS  
14       BOARD

15       (a) Within 30 days following the date of notice, a person aggrieved by the  
16       final valuation decision of an assessing official may appeal in writing to the  
17       district’s regional assessment district appeals board. An appeal of a valuation  
18       decision conducted pursuant to section 3416 of this subchapter that is  
19       erroneously made to a municipality shall be considered timely if it would have

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Changes new since last draft

1 been timely if made to the regional assessment district. A municipality shall  
2 forward any such erroneously filed appeal to the board within 14 days.

3 (1) The board shall schedule meetings to hear and determine appeals  
4 made under this subsection not later than 30 days after the last date allowed for  
5 notice of appeal. Notice of the time and place of the hearing shall be given by  
6 posting a warning in three or more public places in each municipality in the  
7 district’s jurisdiction and by mailing a copy of such warning to the legislative  
8 bodies of such municipalities and to all appellants.

9 (2) Hearings shall be conducted before a panel of three board members.  
10 When conducting a hearing under this subsection, the board shall issue a  
11 written determination addressing all questions and objections heard. A written  
12 determination shall only be issued if approved by a majority of those members  
13 present and voting. Unless waived by both parties, the property subject to  
14 appeal shall be inspected internally and externally by the three board panelists  
15 and an inspection report shall be issued within 30 days following the hearing  
16 on appeal and before a final determination is issued.

17 (A) The appellant shall be provided notice of the inspection and the  
18 appeal shall be deemed withdrawn if the appellant refuses to allow an  
19 inspection under this subdivision (2).

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (B) During a declared state of emergency under 20 V.S.A. chapter 1,  
2           a board working within a municipality affected by an all-hazards event shall  
3           not be required to physically inspect any property that is the subject of an  
4           appeal. If the appellant requests in writing that the property be inspected for  
5           purposes of the appeal, the board shall conduct the inspection through  
6           electronic means. If the appellant does not facilitate the inspection through  
7           electronic means, the appeal shall be deemed withdrawn. As used in this  
8           subdivision (B), “electronic means” means the transmittal of video or  
9           photographic evidence by the appellant at the direction of the staff conducting  
10           the inspection.

11           (3) The board shall, within 15 days following the time of the inspection  
12           report, issue the written determination and shall file it with the clerk of the  
13           municipality in which the underlying property is located. At the same time, the  
14           board shall send a copy of the determination by certified mail to the appellant.  
15           The grand list shall be amended pursuant to the written determination.

16           (4) Notwithstanding any provision of law to the contrary, if the board  
17           does not substantially comply with the requirements of this subsection, and if  
18           the appeal is not withdrawn by filing written notice of withdrawal with the  
19           board, or deemed withdrawn as provided in subdivision (2) of this subsection,

Changes made from APBH in draft 1.1  
Changes new since last draft

1 the grand list value of the property subject to appeal shall be set at a value that  
2 will produce a tax liability equal to the tax liability for the preceding year.

3 (b) Not more than two board members shall be panelists for a hearing  
4 involving a property located in the municipality for which the members are  
5 representatives.

6 (c) This section shall not be construed to prevent or alter the process for  
7 taxpayers to bring and resolve grievances to a municipal assessing official  
8 under section 4111 of this title.

9 (d) Notwithstanding subsection (a) of this section, appeals of valuations  
10 conducted by the Division of Property Valuation and Review pursuant to  
11 sections 3602a, 3602b, 3602c, and 3621 of this title shall be made directly to  
12 the Commissioner or Superior Court pursuant to section 3420 of this  
13 subchapter.

14 § 3420. APPEALS TO COMMISSIONER OR TO SUPERIOR COURT

15 (a) A taxpayer or the legislative body of a municipality aggrieved by a  
16 written determination of a regional assessment district appeals board under  
17 section 3419 of this chapter, or a taxpayer aggrieved by a valuation and elected  
18 to bypass a board decision under subsection 3419(a) of this subchapter, may  
19 appeal to either the Commissioner of Taxes or the Superior Court of the county  
20 in which the property is located. The appeal to the Superior Court shall be

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Changes new since last draft

1 heard without a jury. For an appeal from the board, the appeal shall be  
2 commenced by filing a notice of appeal pursuant to Rule 74 of the Vermont  
3 Rules of Civil Procedure within 30 days after entry of the decision of the  
4 board. For an appeal that bypassed the board, the appeal may be commenced  
5 by filing a notice of appeal pursuant to Rule 74 of the Vermont Rules of Civil  
6 Procedure within 30 days following the date of notice of a final valuation  
7 decision of an assessing official. The date of mailing of notice of the board's  
8 determination to the taxpayer shall be deemed the date of entry of the board's  
9 determination. The board shall transmit a copy of the notice to the  
10 Commissioner or the Superior Court and shall forward the notice to the  
11 applicable municipal clerk, who shall record or attach a copy of the notice in  
12 the grand list book. The entry fee for an appeal to the Commissioner is \$70.00;  
13 provided, however, that the Commissioner may waive, reduce, or refund the  
14 entry fee in cases of hardship or to join appeals regarding the same parcel. If,  
15 in the opinion of the Commissioner, an appeal under this subsection involves a  
16 complex or unique property or valuation that would be best adjudicated by the  
17 Superior Court, the Commissioner may decline to hear the appeal and shall  
18 forward the appeal to the Superior Court of the county in which the property is  
19 located, where it shall be heard. An appeal forwarded by the Commissioner

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Changes new since last draft

1 under this subsection shall be considered timely filed in the Superior Court if it  
2 was timely appealed to the Commissioner.

3 (b) On or before the last day on which appeals may be taken from the  
4 determination of the regional assessment district appeals board, an agent  
5 designated by the legislative body of the municipality, in the name of the  
6 municipality, on written application of one or more taxpayers of the  
7 municipality whose combined grand list represents at least three percent of the  
8 grand list of the municipality for the preceding year, shall appeal to the  
9 Superior Court from any action of the regional assessment district board of  
10 appeal not involving appeals of the applying taxpayers. However, the agent  
11 designated by the legislative body shall, in any event, have at least six business  
12 days after receipt of such taxpayers' application for appeal in which to take the  
13 appeal, and the date for the taking of such appeal shall accordingly be  
14 extended, if necessary, until the six business days shall have elapsed. The  
15 \$70.00 entry fee shall be paid by the applicants with respect to each individual  
16 property thus being appealed that is separately listed in the grand list. Fees  
17 collected under subsection (a) of this section or under this subsection shall be  
18 credited to a special fund established and managed pursuant to chapter 7,  
19 subchapter 5 of this title and shall be available to the Commissioner of Taxes  
20 to offset the costs of providing those services.

Changes made from APBH in draft 1.1  
Changes new since last draft

1        (c) When a taxpayer, a legislative body of the municipality, or an agent  
2        designated by the legislative body of the municipality claims that an appeal to  
3        the Commissioner is in any manner defective or was not lawfully taken, on or  
4        before 30 days after mailing of the notice of receipt of the appeal by the  
5        Director, the taxpayer, agent, or legislative body of the municipality shall file  
6        objections in writing with the Commissioner and furnish the appellant or  
7        appellant’s attorney with a copy of the objections. When the taxpayer, agent,  
8        or legislative body so requests, the Commissioner shall thereupon fix a time  
9        and place for hearing the objections and shall notify all parties thereof, by mail  
10       or otherwise. Upon hearing or otherwise, the Commissioner shall pass upon  
11       the objections and make such order in relation thereto as is required by law.  
12       The order shall be recorded or attached in the municipal clerk’s office in the  
13       book wherein the appeal is recorded.

14       (d) On application to the Commissioner, an appellant may request leave to  
15       withdraw the appellant’s appeal at any time before it is heard. When an appeal  
16       is withdrawn, the Commissioner shall certify the withdrawal to the clerk of the  
17       municipality in which the underlying property is located, and the clerk shall  
18       record the certificate of withdrawal of the appeal. At the same time, the  
19       Commissioner shall notify the applicable regional assessment district board of

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Changes new since last draft

1 appeal. The appraisal from which the appeal was taken shall then become a  
2 part of the appraisal or grand list of the taxpayer.

3 (e) When an appeal to the Commissioner is not withdrawn or forwarded by  
4 the Commissioner to the Superior Court pursuant to subsection (a) of this  
5 section, the Commissioner shall conduct a hearing in accordance with 3 V.S.A.  
6 chapter 25.

7 (f) The Commissioner or court shall proceed de novo on all appeals and  
8 determine the correct valuation of the property as promptly as practicable and  
9 determine a homestead and a housesite value if a homestead has been declared  
10 with respect to the property for the year in which the appeal is taken. The  
11 Commissioner or court shall take into account the requirements of law as to  
12 valuation and the provisions of Chapter I, Article 9 of the Vermont  
13 Constitution and the 14th Amendment to the U.S. Constitution.

14 (1) If the Commissioner or court finds that the listed value of the  
15 property subject to appeal does not correspond to the listed value of  
16 comparable properties within the municipality, the Commissioner or court  
17 shall set the property in the list at a corresponding value. The findings and  
18 determinations of the Commissioner shall be made in writing and shall be  
19 available to the appellant.

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (2) If the appeal is taken to the Commissioner, the Commissioner may  
2           order an inspection of the property prior to making a determination. If one of  
3           the parties requests an inspection, the Commissioner shall order an inspection  
4           of the property prior to making a determination. Within 10 days following the  
5           appeal being filed with the Commissioner, the Commissioner shall notify the  
6           property owner in writing of the Commissioner’s option to request an  
7           inspection under this section.

8           (3) During a declared state of emergency under 20 V.S.A. chapter 1, the  
9           Commissioner shall not be required to have any property subject to appeal to  
10           be physically inspected. If the appellant requests in writing that the property  
11           be inspected for purposes of the appeal, the Commissioner shall conduct the  
12           inspection through electronic means. If the appellant does not facilitate the  
13           inspection through electronic means, then the appeal shall be deemed  
14           withdrawn. As used in this subdivision, “electronic means” means the  
15           transmittal of video or photographic evidence by the appellant at the direction  
16           of the person conducting the inspection.

17           (g) The Commissioner or clerk of the court shall forward by certified mail  
18           one copy of the determination to the taxpayer, one copy to the applicable  
19           regional assessment district board of appeal, and one copy to the town clerk,  
20           who shall record the same in the book in which the appeal was recorded under

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1 subsection (a) of this section. The appraisal so fixed by the Commissioner or  
2 court shall become the basis for the grand list of the taxpayer for the year in  
3 which the appeal is taken and, if the appraisal relates to real property, for the  
4 two next ensuing years, except that if the real property is enrolled in use value  
5 appraisal under chapter 124 of this title, the value of enrolled land, prior to its  
6 being equalized, shall be the per-acre value set annually by the Current Use  
7 Advisory Board multiplied by the number of acres enrolled. The appraisal,  
8 however, may be changed in the ensuing two years if the taxpayer’s property is  
9 materially altered, changed, or damaged or if the regional assessment district of  
10 the municipality in which the property is located has undergone a full  
11 reappraisal.

12 Sec. 31. 32 V.S.A. § 4041a is amended to read:

13 § 4041a. REAPPRAISAL

14 \* \* \*

15 ~~(b) If the Director of Property Valuation and Review determines that a~~  
16 ~~municipality’s education grand list has a coefficient of dispersion greater than~~  
17 ~~20 or that a municipality has not timely reappraised pursuant to subsection (d)~~  
18 ~~of this section, the municipality shall reappraise its education grand list~~  
19 ~~properties. If the Director orders a reappraisal, the Director shall send the~~  
20 ~~municipality written notice of the decision. The municipality shall be given 30~~

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1 ~~days to contest the finding under procedural rules adopted by the Director or to~~  
2 ~~develop a compliance plan, or both. If the Director accepts a proposed~~  
3 ~~compliance plan submitted by the municipality, the Director shall not order~~  
4 ~~commencement of the reappraisal until the municipality has had one year to~~  
5 ~~carry out that plan. [Repealed.]~~

6 (c) ~~If a municipality fails to submit an acceptable plan or fails to carry out~~  
7 ~~the plan, pursuant to subsection (b) of this section, the State shall withhold the~~  
8 ~~education, transportation, and other funds from the municipality until the~~  
9 ~~Director certifies that the town has carried out that plan. [Repealed.]~~

10 (d) ~~Each municipality shall commence a full reappraisal not later than six~~  
11 ~~years after the commencement of the municipality's most recent full~~  
12 ~~reappraisal unless a longer period of time is approved by the Director.~~  
13 [Repealed.]

14 (e) ~~The Director shall adopt rules necessary for administration of this~~  
15 ~~section. [Repealed.]~~

16 Sec. 32. 32 V.S.A. § 5405 is amended to read:

17 § 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY  
18 TAX GRAND LIST AND COEFFICIENT OF DISPERSION

19 (a)(1) Annually, on or before April 1, the Commissioner shall determine  
20 the equalized education property tax grand list and coefficient of dispersion for

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Changes new since last draft

1 each municipality in the State; provided, however, that for purposes of  
2 equalizing grand lists pursuant to this section, the equalized education property  
3 tax grand list of a municipality that establishes a tax increment financing  
4 district shall include the fair market value of the property in the district and not  
5 the original taxable value of the property, and further provided that the unified  
6 towns and gores of Essex County may be treated as one municipality for the  
7 purpose of determining an equalized education property grand list and a  
8 coefficient of dispersion, if the Director determines that all such entities have a  
9 uniform appraisal schedule and uniform appraisal practices.

10 (2) All municipalities within a regional assessment district shall be  
11 treated as a single entity for purposes of the equalization process under this  
12 section, provided at least one simultaneous full reappraisal has been completed  
13 by the member municipalities of the regional assessment district as determined  
14 by the Director under subsection 3417(c) of this title.

15 \* \* \*

16 Sec. 33. 32 V.S.A. § 3602c is added to read:

17 § 3602c. VALUATIONS; PUBLIC UTILITIES

18 (a) On or before May 1 of each year, the Division of Property Valuation  
19 and Review of the Department of Taxes shall furnish the listers in each town or

Changes made from APBH in draft 1.1  
Changes new since last draft

1 city with the valuation of all taxable property of any public utility situated  
2 therein as reported by such utility to the Division.

3 (b) Each public utility shall furnish to the Division not later than March 31  
4 in each year a sworn inventory of all its taxable property in such form as will  
5 show the valuation of its property in each town, city, or other municipality.

6 (c) The Division shall prescribe the form of such report and the officer or  
7 officers who shall make oath thereto.

8 (d) The valuations furnished under this section shall be considered along  
9 with any other information as may reasonably be required by listers in  
10 determining and fixing the valuations of property for the purposes of property  
11 taxation. The Division may require that each municipality use certain  
12 valuations furnished under this section. The valuations provided by the  
13 Division for property used for the transmission and distribution of electricity  
14 shall be used by the listers as the valuations of that property for purposes of  
15 property taxation.

16 Sec. 34. REPEALS

17 (a) 2025 Acts and Resolves No. 73, Secs. 62 (regional assessment districts)  
18 and 63 (transition provisions) are repealed.

19 (b) 32 V.S.A. chapter 131 (appeals) is repealed.

20 Sec. 35. 32 V.S.A. § 4041a is amended to read:

Changes made from APBH in draft 1.1  
Changes new since last draft

1 § 4041a. REAPPRAISAL

2 (a)(1) A municipality shall be paid \$8.50 per grand list parcel per year from  
3 the General Fund to be used only for ~~reappraisal and costs related to~~  
4 ~~reappraisal of its grand list properties and for~~ maintenance of the grand list.

5 (2) During the year in which a municipality is scheduled to fully  
6 reappraise pursuant to subsection 3417(b) of this title, a municipality may  
7 notify the Commissioner in writing that it is prepared to commence the full  
8 appraisal. Within 30 days, the Commissioner shall estimate the cost of the  
9 municipality’s full reappraisal and transfer to the municipality the lesser of  
10 two-thirds of the estimated cost or \$66.00 per grand list parcel in the  
11 municipality.

12 \* \* \*

13 Sec. 36. [Deleted.]

14 \* \* \* Conforming Changes; Repeal of 32 V.S.A. Chapter 131 \* \* \*

15 Sec. 37. 24 V.S.A. § 3616(d) is amended to read:

16 (d) Where one of the bases of a rent, rate, or charge is the appraised value  
17 and the premises to be appraised are tax exempt, the board may cause the  
18 listers to appraise the property, including State property, for the purpose of  
19 determining the rates, rents, or charges. The right of appeal from the appraisal  
20 shall be the same as provided in 32 V.S.A. ~~chapter 131~~ § 3419. The

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Commissioner of Finance and Management is authorized to issue warrants for  
2 rates, rents, or charges against State property and transmit to the State  
3 Treasurer who shall draw a voucher in payment of the rates, rents, or charges.  
4 No charge so established and no tax levied under the provisions of section  
5 3615 of this title shall be considered to be a part of any tax authorized to be  
6 assessed by the legislative body of any municipality for general purposes but  
7 shall be in addition to any such tax so authorized to be assessed.

8 Sec. 38. 24 App. V.S.A. ch. 3, § 92 is amended to read:

9 § 92. BOARD OF TAX APPEALS TO HEAR APPEALS; DEADLINE FOR  
10 HEARINGS; MANNER OF CONDUCTING; ~~POSSIBLE BOARD OF~~  
11 ~~CIVIL AUTHORITY REVIEW~~

12 (a) The Board of Tax Appeals shall meet, hear, and determine all appeals in  
13 the manner set forth in this section, notwithstanding 32 V.S.A. § 4404 3419.  
14 All such appeals shall be heard and determined ~~no~~ not later than December 31  
15 of that year. Hearings and inspections of the property shall be conducted by  
16 the entire panel as described in this section.

17 (b)(1) The City Assessor shall have the right to request and the Board shall  
18 have the right to issue a subpoena for all records of the taxpayer that are  
19 material to a determination of the appeal.

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (2) Such records shall be regarded as confidential, shall not be further  
2 distributed, and shall be utilized only for the purpose of deciding the appeal;  
3 provided that no subpoena shall issue unless and until a taxpayer has appealed  
4 to the Board of Tax Appeals.

5           (3) If the taxpayer fails to provide requested records in response to a  
6 subpoena properly issued hereunder or refuses to allow an inspection of ~~his or~~  
7 ~~her~~ the taxpayer's property, the appeal shall be deemed withdrawn or  
8 dismissed and no further appeal shall be available to such taxpayer.

9           (c) The Board shall hear and decide appeals by three member hearing  
10 panels, the membership of such panels to be rotated on a periodic basis. All  
11 three members must be present and voting, and at least two of the three  
12 members of the hearing panel must join in the decision in order for it to be  
13 valid.

14           (d) Either a taxpayer or the City Assessor aggrieved by the decision of the  
15 Board of Tax Appeals may file an appeal of a decision of the Board of Tax  
16 Appeals directly with the ~~Director of the Division of Property Valuation and~~  
17 ~~Review~~ Commissioner of the Vermont Department of Taxes or the Superior  
18 Court pursuant to 32 V.S.A. § 4461 3420 within 30 days ~~of~~ after the mailing of  
19 the Board of Tax Appeals' decision to the taxpayer.

Changes made from APBH in draft 1.1  
Changes new since last draft

1 (e) The decision of the Board of Tax Appeals, if not further appealed, shall  
2 become the basis for the grand list of the taxpayer for the year in question plus  
3 the next two years unless new information of a material nature about the  
4 property is discovered, the property is materially changed, or the City  
5 undertakes a rolling or complete reevaluation of real estate that includes the  
6 property in question.

7 Sec. 39. 24 App. V.S.A. ch. 3, § 330 is amended to read:

8 § 330. BOARD OF TAX APPEALS

9 A Board of Tax Appeals, constituted in the manner set forth in section 91 of  
10 this charter, is created. The Board shall have the same duties and proceed in  
11 the same manner to hear and determine tax appeals as a ~~board of civil authority~~  
12 ~~under 32 V.S.A. chapter 131, subchapter 1~~ regional assessment district appeals  
13 board under 32 V.S.A. § 3419 except as otherwise provided in this charter.

14 Appeals from decisions of the Board of Tax Appeals ~~or from the Board of~~  
15 ~~Civil Authority as referenced in section 92 of this charter~~ shall be controlled by  
16 32 V.S.A. ~~chapter 131, subchapter 2~~ chapter 121, subchapter 1A, except that  
17 the City Assessor may appeal subject to the approval of the City Board of  
18 Finance. The Board shall organize each year by the election of a Chair, Vice-  
19 Chair, and Clerk. The manner of removal of Board members and filling of  
20 vacancies shall be as provided in sections 129 and 130 of this charter and the

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Board members shall, except as otherwise herein expressly provided, be  
2 subject to all other provisions of this charter relating to public officers.

3 Sec. 40. 24 App. V.S.A. ch. 103, § 510(d) is amended to read:

4 (d) In the case of any property used for both residential and nonresidential  
5 purposes within the District as of April 1, the Board of Listers (Board) shall  
6 adjust the listed value for the purposes of determining the District tax under  
7 this section to exclude the value of that portion of the property used for  
8 residential purposes. The Board shall determine the adjusted grand list value  
9 of the business portion of the property and give notice of the same as provided  
10 under 32 V.S.A. ~~chapter 131~~ § 3419. Any property owner may file a grievance  
11 with the Board and appeal the decision of the Board as provided for under  
12 32 V.S.A. ~~chapter 131~~ § 3419; however, the filing of an appeal of the  
13 determination of the Board and pendency of the appeal shall not vacate the lien  
14 on the property assessed, and the District taxes must be paid and continue to be  
15 paid as they become due.

16 Sec. 41. 24 App. V.S.A. ch. 151, § 507(d) is amended to read:

17 (d) In the case of any property used for both residential and nonresidential  
18 purposes within the District as of April 1, the Department of Assessment shall  
19 adjust the listed value for the purposes of determining the District tax under  
20 this section to exclude the value of that portion of the property used for

Changes made from APBH in draft 1.1  
Changes new since last draft

1 residential purposes. The Department of Assessment shall determine the  
2 adjusted grand list value of the business portion of the property and give notice  
3 of the same as provided under 32 V.S.A. ~~chapter 134~~ § 3419. Any property  
4 owner may file a grievance with the Board and appeal the decision of the  
5 Board as provided for under 32 V.S.A. ~~chapter 134~~ § 3419; however, the filing  
6 of an appeal of the determination of the Board and pendency of the appeal  
7 shall not vacate the lien on the property assessed, and the District taxes must be  
8 paid and continue to be paid as they become due.

9 Sec. 42. 24 App. V.S.A. ch. 151, § 707 is amended to read:

10 § 707. APPEALS

11 A person aggrieved by the final decision of the Department of Assessment  
12 under the provisions of section 706 of this charter may appeal in writing under  
13 the provisions of 32 V.S.A. ~~chapter 134~~ § 3419.

14 Sec. 43. 32 V.S.A. § 3613 is amended to read:

15 § 3613. APPEAL

16 The State of Vermont shall have the same right to appeal from the appraisal  
17 of the listers and assessors and from the decision of the ~~Board of Civil~~  
18 ~~Authority~~ regional assessment district appeals board as is given to any  
19 interested individual as provided by ~~chapter 134~~ section 3419 of this title.

20 Sec. 44. 32 V.S.A. § 3757(c) is amended to read:

Changes made from APBH in draft 1.1  
Changes new since last draft

1 (c) For the purposes of the land use change tax, the determination of the  
2 fair market value of the land shall be made by the local assessing officials in  
3 accordance with the provisions of subsection (b) of this section and divided by  
4 the municipality’s most recent common level of appraisal as determined by the  
5 Director. The determination shall be made within 30 days after the Director  
6 notifies the local assessing officials of the date that the owner has petitioned  
7 for withdrawal from use value appraisal or that the Director or local assessing  
8 official has determined that development has occurred. The local assessing  
9 officials shall notify the Director and the owner of their determination, and the  
10 provisions for appeal relating to property tax assessments in chapter ~~131~~ 121,  
11 subchapter 1A of this title shall apply.

12 Sec. 45. 32 V.S.A. § 3758(d) is amended to read:

13 (d) Any owner who is aggrieved by a decision of the Department of  
14 Forests, Parks and Recreation concerning the filing of an adverse inspection  
15 report, a denial of approval of a management plan, or a certification to the  
16 Director with respect to land for which a wastewater permit is issued may  
17 appeal to the Commissioner of Forests, Parks and Recreation within 60 days ~~of~~  
18 following the filing of the adverse inspection report, the decision to deny  
19 approval, or the certification to the Director. An appeal of this decision of the  
20 Commissioner may be taken to the Superior Court in the same manner and

Changes made from APBH in draft 1.1  
Changes new since last draft

1 under the same procedures as an appeal from a decision of a ~~Board of Civil~~  
2 ~~Authority~~ regional assessment district appeals board, as set forth in ~~chapter~~  
3 ~~131, subchapter 2~~ section 3420 of this title.

4 Sec. 46. 32 V.S.A. § 3760(a)(2) is amended to read:

5 (2) The Director of Property Valuation and Review shall determine the  
6 amount of the available funds under this section to be paid to each  
7 municipality, and a municipality may appeal the Director’s decision in the  
8 same manner and under the same procedures as an appeal from a decision of a  
9 ~~Board of Civil Authority~~ regional assessment district appeals board, as set  
10 forth in ~~chapter 131, subchapter 2~~ section 3420 of this title.

11 Sec. 47. 32 V.S.A. § 3846(d) is amended to read:

12 (d) Whenever the assessing officials deny in whole or in part any  
13 application for classification as farmland or ~~forest land~~ forestland or grant a  
14 different classification than that applied for, or fix an erroneous use value  
15 appraisal for eligible land, the aggrieved owner may appeal the decision in  
16 accordance with the provisions set forth in ~~chapter 131~~ section 3419 of this  
17 title. The appeal shall be heard in the same manner and under the same  
18 procedures as other appeals relating to real property appraisals and taxation.

19 Sec. 48. 32 V.S.A. § 4006 is amended to read:

20 § 4006. FAILURE TO RETURN INVENTORY

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Failure of a taxpayer to make and return a signed, sworn to, or affirmed  
2 inventory within 45 days after the mailing of such inventory by the town listers  
3 or assessors shall bar the taxpayer from any statutory appeal under this chapter  
4 or chapter ~~134~~ 121, subchapter 1A of this title, unless such failure is due to  
5 factors beyond the taxpayer’s control. In addition, a taxpayer who fails to  
6 submit an inventory within the time and in the form prescribed may be fined  
7 not more than \$100.00 for each violation.

8 Sec. 49. 32 V.S.A. § 5136(b) is amended to read:

9 (b) Whenever a municipality votes to collect interest on overdue taxes  
10 pursuant to this section, interest in like amount shall be paid by the  
11 municipality to any person making any overpayment of taxes occurring as a  
12 result of a redetermination of the grand list of the taxpayer on appeal provided  
13 by chapter ~~134~~ 121, subchapter 1A of this title.

14 Sec. 50. 32 V.S.A. § 5409(3)(B) is amended to read:

15 (B) Persons aggrieved by decisions of the listers or assessors may  
16 appeal in the manner provided for property tax appeals in chapter ~~134~~ 121,  
17 subchapter 1A of this title, and the Commissioner of Taxes shall have all the  
18 powers described in chapter 133 of this title.

19 Sec. 51. 32 V.S.A. § 5410(j) is amended to read:

Changes made from APBH in draft 1.1  
Changes new since last draft

1 (j) A taxpayer may appeal a determination of domicile for purposes of a  
2 homestead declaration or an assessment of fraud penalty under this section to  
3 the Commissioner in the same manner as an appeal under chapter 151 of this  
4 title. A taxpayer may appeal an assessment of any other penalty under this  
5 section to the listers within 14 days after the date of mailing of notice of the  
6 penalty, and from the listers to the ~~board of civil authority~~ regional assessment  
7 district appeals board, and ~~thereafter~~ to the courts or Commissioner, in the  
8 same manner as an appraisal appeal under chapter ~~134~~ 121, subchapter 1A of  
9 this title. The legislative body of a municipality shall have authority in cases  
10 of hardship to abate all or any portion of a penalty appealable to the listers  
11 under this section and any tax, penalty, and interest arising out of a corrected  
12 property classification under this section, and shall state in detail in writing the  
13 reasons for its grant or denial of the requested abatement. The legislative body  
14 may delegate this abatement authority to the board of civil authority or the  
15 board of abatement for the municipality. Requests for abatement shall be made  
16 to the municipal treasurer or other person designated to collect current taxes,  
17 and that person shall forward all requests, with that person's recommendation,  
18 to the body authorized to grant or deny abatement.

19 Sec. 52. 32 V.S.A. § 5412 is amended to read:

20 § 5412. REDUCTION OF LISTED VALUE AND RECALCULATION OF

Changes made from APBH in draft 1.1  
Changes new since last draft

1 EDUCATION TAX LIABILITY

2 (a)(1) If a listed value is reduced as the result of an appeal or court action  
3 made pursuant to section ~~4464~~ 3420 of this title, a municipality may submit a  
4 request for the Director of Property Valuation and Review to recalculate its  
5 education property tax liability for the education grand list value lost due to a  
6 determination, declaratory judgment, or settlement. The Director shall  
7 recalculate the municipality’s education property tax liability for each year at  
8 issue, in accord with the reduced valuation, provided that:

9 (A) The reduction in valuation is the result of an appeal under  
10 chapter ~~131~~ 121, subchapter 1A of this title to the ~~Director of Property~~  
11 ~~Valuation and Review~~ Commissioner or to a court, with no further appeal  
12 available with regard to that valuation, or any judicial decision with no further  
13 right of appeal, or a settlement of either an appeal or court action if the  
14 Director determines that the settlement value is the fair market value of the  
15 parcel. The Director may waive the requirement of continuing an appeal or  
16 court action until there is no further right of appeal if the Director concludes  
17 that the value determined by an adjudicated decision is a reasonable  
18 representation of the fair market value of the parcel.

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (B) The municipality submits the request on or before January 15 for  
2 a request involving an appeal or court action resolved within the previous  
3 calendar year.

4           (C) [Repealed.]

5           (D) The Director determines that the municipality’s actions were  
6 consistent with best practices published by the Property Valuation and Review  
7 in consultation with the Vermont Assessors and Listers Association. The  
8 municipality shall have the burden of showing that its actions were consistent  
9 with the Director’s best practices.

10           (2) A determination of the Director made under subdivision (1) of this  
11 subsection may be appealed within 30 days by an aggrieved municipality to the  
12 Commissioner for a hearing to be held in accordance with 3 V.S.A. §§ 809–  
13 813. The Commissioner’s determination may be further appealed to Superior  
14 Court, which shall review the Commissioner’s determination using the record  
15 that was before the Commissioner. The Commissioner’s determination may  
16 only be overturned for abuse of discretion.

17           (3) Upon the Director’s request, a municipality submitting a request  
18 under subdivision (1) of this subsection shall include a copy of the agreement,  
19 determination, or final order, and any other documentation necessary to show  
20 the existence of these conditions.

Changes made from APBH in draft 1.1  
Changes new since last draft

1 (b) To the extent that the municipality has paid that liability, the Director  
2 shall allow a credit for any reduction in education tax liability against the next  
3 ensuing year’s education tax liability.

4 (c) If a listed value is increased as the result of an appeal under chapter ~~131~~  
5 121, subchapter 1A of this title or court action, whether adjudicated or settled,  
6 and the Director determines that the settlement value is the fair market value of  
7 the parcel with no further appeal available with regard to that valuation, the  
8 Director shall recalculate the municipality’s education property tax for each  
9 year at issue, in accord with the increased valuation, and shall assess the  
10 municipality for the additional tax at the same time the Director assesses the  
11 municipality’s education tax liability for the next ensuing year, unless the  
12 resulting assessment would be less than \$300.00. Payment under this section  
13 shall be due with the municipality’s education tax liability for the next ensuing  
14 year.

15 \* \* \*

16 \* \* \* Regional Assessment District Transition \* \* \*

17 Sec. 53. TRANSITION; ANNUAL PROGRESS REPORT

18 (a) Notwithstanding 32 V.S.A. § 4041a or any other provision of law to the  
19 contrary:

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (1) the Director of Property Valuation and Review shall not order any  
2           new municipal reappraisals of grand list properties that are not part of a  
3           regionalized reappraisal system on and after January 1, 2028;

4           (2) reappraisal orders for which a municipality does not have a contract  
5           in place before January 1, 2031, shall no longer have the force and effect of  
6           law on and after January 1, 2031, except for those that are part of a  
7           regionalized reappraisal system; and

8           (3) a municipality shall not enter into new reappraisal contracts on or  
9           after January 1, 2028, except for those that are part of a regionalized  
10           reappraisal system.

11           (b) On or before every January 15 from January 15, 2028, to January 15,  
12           2031, the Commissioner of Taxes shall submit a report to the House  
13           Committee on Ways and Means and the Senate Committee on Finance relating  
14           to the progress made in preparing for the implementation of regional  
15           assessment districts pursuant to this act.

16           Sec. 54. REGIONAL ASSESSMENT DISTRICT BOUNDARIES

17           (a) The Commissioner of Taxes shall identify and submit proposed  
18           geographic boundaries for regional assessment districts that are aligned with  
19           school district boundaries and have a minimum of 10,000 parcels to the House

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Committees on Government Operations and on Ways and Means and to the  
2 Senate Committees on Finance and on Government Operations.

3 (b) Notwithstanding subsection (a) of this section, the Commissioner may,  
4 at the Commissioner’s discretion, identify a regional assessment district  
5 boundary that includes more than one school district or identify more than one  
6 regional assessment district boundary within one school district.

7 (c) It is the intent of the General Assembly to enact regional assessment  
8 district boundaries based on the Commissioner’s geographic boundaries  
9 proposed under this section.

10 \* \* \* Municipal Reimbursement for Abatement Due to Valuation Errors \* \* \*

11 Sec. 55. 32 V.S.A. § 5402(c) is amended to read:

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

16 (2) The Secretary of Education shall determine each municipality’s net  
17 education tax payment to the State based on grand list information received by  
18 the Secretary not later than the March 15 prior to the June 1 net payment.  
19 Payment shall be accompanied by a return prescribed by the Secretary of  
20 Education. Each municipality may retain 0.225 of one percent of the total

Changes made from APBH in draft 1.1  
Changes new since last draft

1 education tax collected, only upon timely remittance of net payment to the  
2 State Treasurer or to the applicable school district or districts.

3 (3) For education taxes assessed in the current year only, a municipality  
4 may request reimbursement from the Commissioner of Taxes for education  
5 taxes abated under 24 V.S.A. § 1535(a)(4) in which there was a clear or  
6 obvious error or a mistake of the listers, provided the municipality abated  
7 municipal tax in the same proportion as it abated education tax and the  
8 abatement was for taxes assessed after the application of any homestead  
9 exemption allowed under chapter 154 of this title. The Commissioner may  
10 deny a request if the Commissioner finds that the requirements of this  
11 subdivision were not met. Notwithstanding any provision of law to the  
12 contrary, the Secretary of Education has the authority to make reimbursements  
13 approved by the Commissioner under this subdivision by either reducing the  
14 amount of State education property tax payments that a municipality owes  
15 under this subsection and 16 V.S.A. § 426 or reconciling the reimbursements  
16 with any State education property tax payments that a municipality has already  
17 made under this subsection and 16 V.S.A. § 426.

18 \* \* \* Valuation of Certain Property in a Limited Equity Cooperative \* \* \*

19 Sec. 56. 32 V.S.A. § 3411 is amended to read:

20 § 3411. POWERS OF THE DIVISION OF PROPERTY VALUATION AND

Changes made from APBH in draft 1.1  
Changes new since last draft

1 REVIEW

2 The Division of Property Valuation and Review shall through its Director:

3 \* \* \*

4 (10) assist municipalities in administration of property taxes, including  
5 the appraisal of classes of property difficult to appraise, such as industrial and  
6 utility properties; ~~and~~

7 (11) appraise property required by law to be appraised by the Director,  
8 including railroad property under chapter 211 of this title; and

9 (12) issue guidance to ensure consistent and accurate appraisal of the  
10 fair market value of properties in manufactured home parks in a limited equity  
11 cooperative, taking into consideration the limitations under 11 V.S.A. § 1598.  
12 Sec. 57. 32 V.S.A. § 4152 is amended to read:

13 § 4152. CONTENTS

14 (a) When completed, the grand list of a town shall be in such form as the  
15 Director prescribes and shall contain such information as the Director  
16 prescribes, including:

17 \* \* \*

18 (10) A separate column listing the number of dwelling units, as defined  
19 pursuant to subdivision 4152a(c)(2) of this title.

20 \* \* \*

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Sec. 58. 32 V.S.A. § 4152a is added to read:

2 § 4152a. PROPERTY TAX CLASSIFICATIONS

3 (a) Establishment. Each parcel of real estate shall be classified as one or  
4 more of the classifications listed under subsection (b) of this section and based  
5 on information and guidance provided by the Commissioner of Taxes under  
6 this section and rules adopted pursuant section 5410 of this title.

7 (b) Classifications. A parcel shall be assigned one or more of the following  
8 general classes:

9 (1) homestead;

10 (2) nonhomestead nonresidential; and

11 (3) nonhomestead residential.

12 (c) Definitions. As used in this section:

13 (1) “Commissioner” means the Commissioner of Taxes.

14 (2) “Dwelling unit” means a building or part of a building, including a  
15 single-family home, a unit within a multifamily building, an apartment, a  
16 condominium, or other similar property or structure containing a separate  
17 means of ingress and egress that:

18 (A) is designed or intended to be used for occupancy by one or more  
19 persons in a household, including providing living facilities for sleeping,  
20 cooking, and sanitary needs; and

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (B) is fit for year-round habitation as determined by the  
2 Commissioner.

3           (3) “Homestead” has the same meaning as in subdivision 5401(7) of this  
4 title and means a parcel, or portion of a parcel, declared as a homestead on or  
5 before October 15 in accordance with section 5410 of this title for the current  
6 year.

7           (4)(A) “Long-term rental” means:

8                   (i) a dwelling unit for which rent is paid for the right of occupancy  
9 for periods of at least 30 days;

10                   (ii) a dwelling unit with combined rental periods in the current  
11 calendar year that total at least six calendar months, which need not be  
12 consecutive; and

13                   (iii) there is a bona fide landlord-tenant relationship between the  
14 parties.

15           (B) “Long-term rental” also means a dwelling unit used by an  
16 employer to house the employer’s employees for at least six calendar months,  
17 which need not be consecutive, in the current calendar year. As used in this  
18 section, “employee” means an individual who is reported by an employer for  
19 purposes of complying with Vermont unemployment compensation law  
20 pursuant to 21 V.S.A. chapter 17 or a farm employee as defined by 9 V.S.A.

Changes made from APBH in draft 1.1  
Changes new since last draft

1     § 4469a(a)(1), without regard for whether the farm employee is reported  
2     pursuant to 21 V.S.A. chapter 17.

3             (5) “Nonhomestead nonresidential” means a parcel, or portion of a  
4     parcel, that does not qualify as “homestead” or “nonhomestead residential”  
5     under this section.

6             (6) “Nonhomestead residential” means a parcel, or portion of a parcel,  
7     with a dwelling unit that is not:

8                     (A) a homestead;

9                     (B) rented out as a long-term rental; or

10                    (C) a mobile home, as defined under 10 V.S.A. § 6201(1), but not  
11     including other types of manufactured homes.

12             (d) Mixed-use parcels. A parcel with two or more portions qualifying as  
13     different classifications shall be classified proportionally as follows:

14                    (1) Buildings shall be classified proportionally based on the percentage  
15     of finished floor space used. Improvements and structures on a nonhomestead  
16     residential parcel shall be classified as nonhomestead residential unless used  
17     for a business purpose.

18                    (2) Underlying land, including improvements or fixtures that lack floor  
19     space, shall be classified proportionally based on the same percentage as the  
20     finished floor space of the buildings.

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (3) Notwithstanding any provision of this subsection to the contrary, the  
2           entire parcel of land surrounding a homestead shall be classified as homestead  
3           in accordance with subdivision 5401(7) of this title, including any  
4           improvements or structures considered part of a homestead under subdivision  
5           5401(7)(F) of this title.

6           (4) If a portion of floor space is used for more than one purpose, the use  
7           for which the floor space is most often used shall be considered the primary  
8           use and the floor space shall be dedicated to that use for purposes of tax  
9           classification, except as provided for a homestead under subdivision 5401(7) of  
10           this title.

11           (e) Forms. The Commissioner shall amend existing forms, and publish  
12           new forms, as needed to gather the necessary attestations and declarations  
13           required under this section.

14           (f) Use value appraisal. Nothing in this section shall be construed to alter  
15           the tax treatment or enrollment eligibility of property as it relates to use value  
16           appraisal under chapter 124 of this title.

17           (g) Appeals.

18           (1) Persons aggrieved by a decision of an assessing official relating to  
19           how a property is classified for taxation purposes under this section may  
20           appeal in the manner provided for property valuation appeals under this title.

Changes made from APBH in draft 1.1  
Changes new since last draft

1 The Commissioner shall provide written guidance for municipalities to follow  
2 when hearing such appeals and technical assistance if requested by a municipal  
3 official responsible for such appeals.

4 (2) Notwithstanding subdivision (1) of this subsection, appeals of a  
5 decision of the Commissioner to classify property shall be made to the  
6 Commissioner in the same manner as an appeal under chapter 151 of this title.

7 (3) A timely filed appeal made pursuant to this subsection that is  
8 erroneously made to the Commissioner instead of the municipality, or to a  
9 municipality instead of the Commissioner, shall be considered timely. The  
10 recipient of the erroneously filed appeal shall forward the appeal to the  
11 Commissioner or the correct municipality within 14 days.

12 Sec. 59. 32 V.S.A. § 5410 is amended to read:

13 § 5410. DECLARATION OF HOMESTEAD; DWELLING USE

14 ATTESTATION

15 \* \* \*

16 (g) If the property identified in a declaration under subsection (b) of this  
17 section is not the taxpayer's homestead ~~or if the owner of a homestead fails to~~  
18 ~~declare a homestead as required under this section~~, the Commissioner shall  
19 notify the municipality, and the municipality shall issue a corrected tax bill that  
20 may, as determined by the governing body of the municipality, include a

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Changes new since last draft

1 penalty of up to ~~three~~ five percent of the education tax on the property.  
2 ~~However, if the property incorrectly declared as a homestead is located in a~~  
3 ~~municipality that has a lower homestead tax rate than the nonhomestead tax~~  
4 ~~rate or if an undeclared homestead is located in a municipality that has a lower~~  
5 ~~nonhomestead tax rate than the homestead tax rate, then the governing body of~~  
6 ~~the municipality may include a penalty of up to eight percent of the education~~  
7 ~~tax liability on the property.~~ If the Commissioner determines that the  
8 declaration or failure to declare was with fraudulent intent, then the  
9 ~~municipality~~ Commissioner shall assess the taxpayer a penalty in an amount  
10 equal to 100 percent of the education tax on the property, plus any interest and  
11 late-payment fee or commission that may be due. Any penalty imposed under  
12 this section by a municipality and any additional property tax interest and late-  
13 payment fee or commission shall be assessed and collected by the municipality  
14 in the same manner as a property tax under chapter 133 of this title.  
15 Notwithstanding section 4772 of this title, issuance of a corrected bill issued  
16 under this section does not extend the time for payment of the original bill nor  
17 relieve the taxpayer of any interest or penalties associated with the original bill.  
18 If the owner of a homestead fails to declare a homestead as required under this  
19 section, the Commissioner shall notify the municipality, and the municipality  
20 shall issue a corrected tax bill. If the corrected bill is less than the original bill

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Changes new since last draft

1 and there are also no unpaid current year taxes, interest, or penalties and no  
2 past year delinquent taxes or penalties and interest charges, any overpayment  
3 shall be reflected on the corrected tax bill and refunded to the taxpayer.

4 \* \* \*

5 (i) An owner filing a new or corrected declaration or dwelling use  
6 attestation or rescinding an erroneous declaration or dwelling use attestation  
7 after October 15 shall not be entitled to a refund resulting from the correct  
8 property classification, and any additional property tax and interest that would  
9 result from the correct classification shall not be assessed as tax and interest,  
10 but shall instead constitute an additional penalty to be assessed and collected in  
11 the same manner as penalties under subsection (g) of this section. Any change  
12 in property classification under this subsection shall not be entered on the  
13 grand list.

14 (j) A taxpayer may appeal a determination of domicile for purposes of a  
15 homestead declaration or an assessment of fraud penalty under this section to  
16 the Commissioner in the same manner as an appeal under chapter 151 of this  
17 title. A taxpayer may appeal an assessment of any other penalty under this  
18 section to the listers within 14 days after the date of mailing of notice of the  
19 penalty, and from the listers to the board of civil authority, and thereafter to the  
20 courts, in the same manner as an appraisal appeal under chapter 131 of this

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1 title. The legislative body of a municipality shall have authority in cases of  
2 hardship to abate all or any portion of a penalty appealable to the listers under  
3 this section and any tax, penalty, and interest arising out of a corrected  
4 property classification under this section, and shall state in detail in writing the  
5 reasons for its grant or denial of the requested abatement. The legislative body  
6 may delegate this abatement authority to the board of civil authority or the  
7 board of abatement for the municipality. Requests for abatement shall be made  
8 to the municipal treasurer or other person designated to collect current taxes,  
9 and that person shall forward all requests, with that person’s recommendation,  
10 to the body authorized to grant or deny abatement.

11 (k) A municipality may retain any penalties and interest assessed and  
12 collected in accord with this section.

13 (l) “Hardship” under this section means an owner’s inability to pay as  
14 certified by the Commissioner of Taxes, in the Commissioner’s discretion, or  
15 means an owner filing an incorrect, or failing to file a correct, homestead  
16 declaration or dwelling use attestation due to one or more of the following:

- 17 (1) full-time active military duty of the declarant outside the State;  
18 (2) serious illness or disability of the declarant;  
19 (3) serious illness, disability, or death of an immediate family member  
20 of the declarant; and

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Changes new since last draft

1 (4) fire, flood, or other disaster.

2 (m)(1) Annually, on or before the due date for filing the Vermont income  
3 tax return, without extension, each owner of a property with a dwelling unit, as  
4 defined under subdivision 4152a(c)(2) of this title, that is not declared as a  
5 homestead pursuant to this section, may file a dwelling use attestation  
6 describing how the dwelling unit will be used in the current year for purposes  
7 of assigning a tax classification under section 4152a of this title. Properties  
8 with a dwelling unit for which no homestead declaration or dwelling use  
9 attestation have been filed shall be assigned the tax classification with the  
10 highest statewide education tax rate multiplier under section 5402(a) of this  
11 title. The Commissioner may collect any additional information through the  
12 attestation as required to administer the classification of properties pursuant to  
13 section 4152a of this title.

14 (2) If the Commissioner determines that a filed dwelling use attestation  
15 contains errors or omissions but does not find that the filing was made with  
16 fraudulent intent, the Commissioner shall notify the municipality, and the  
17 municipality shall issue a corrected tax bill that may, as determined by the  
18 governing body of the municipality, include a penalty of up to five percent of  
19 the education tax on the property. Any penalty imposed under this subdivision  
20 and any additional property tax interest and late-payment fee or commission

Changes made from APBH in draft 1.1  
Changes new since last draft

1 shall be assessed and collected by the municipality in the same manner as a  
2 property tax under chapter 133 of this title. The municipality assessing and  
3 collecting any fee, interest, or commission under this subdivision shall retain it  
4 to pay for municipal services.

5 (3) If the Commissioner determines that a filed dwelling use attestation  
6 contains errors or omissions and further finds that the filing was made with  
7 fraudulent intent, then the Commissioner shall assess the taxpayer a penalty in  
8 an amount equal to 100 percent of the education tax on the property, plus any  
9 interest and late-payment fee that may be due. The Commissioner shall further  
10 notify the municipality, and the municipality shall issue a corrected tax bill.  
11 Any penalty imposed under this subdivision and any additional property tax  
12 interest and late-payment fee shall be assessed and collected by the  
13 Commissioner.

14 Sec. 60. PROPERTY TAX CLASSIFICATIONS; TRANSITION; DATA

15 COLLECTION

16 For calendar year 2029, the Commissioner of Taxes shall amend and create  
17 forms so that taxpayers report information on the use of their property for such  
18 property to be classified as homestead, nonhomestead residential,  
19 nonhomestead nonresidential, or a proportional classification of those uses.  
20 The information collected, and classifications determined, shall align with the

Changes made from APBH in draft 1.1  
Changes new since last draft

1 definitions and requirements of this act. The Commissioner shall use the  
2 information to determine and assign a tax classification for every grand list  
3 parcel, and on or before October 1, 2029, the Commissioner shall provide that  
4 information to the Joint Fiscal Office.

5 Sec. 61. REPEALS

6 2025 Acts and Resolves No. 73, Secs. 60 (grand list contents), 61 (property  
7 tax classifications), 61a (transition; data collection), 61c (rate multipliers;  
8 intent), and 61d (prospective repeal) are repealed.

9 Sec. 62. TAX CLASSIFICATIONS; RATE MULTIPLIERS; INTENT

10 It is the intent of the General Assembly that the creation of a tax  
11 classification system, and the specific tax classifications to be used by that  
12 system, will be reevaluated at the same time as any further amendment of the  
13 tax rate multipliers created under 32 V.S.A. § 6066(a) as amended by 2025  
14 Acts and Resolves No. 73.

15 Sec. 63. PROSPECTIVE REPEAL

16 In order to ensure the successful implementation of education finance  
17 reform as set forth in this act, in the absence of legislative action on or before  
18 July 1, 2030, that creates a new tax rate multiplier to be used in a tax  
19 classification system, Secs. 58, 59 and 64 of this act are repealed on July 1,  
20 2030.

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Sec. 64. 32 V.S.A. § 5401 is amended to read:

2 § 5401. DEFINITIONS

3 As used in this chapter:

4 \* \* \*

5 (7) “Homestead”:

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

12 (B) The parcel of land surrounding the dwelling shall be determined  
13 without regard to any road that intersects the land. If the parcel of land  
14 surrounding the dwelling is owned by a cooperative housing corporation  
15 incorporated under 11 V.S.A. chapter 14 or owned by a nonprofit land  
16 conservation corporation or community land trust with exempt status under  
17 ~~26 U.S.C.~~ U.S.C. § 501(c)(3), the homestead includes a pro rata part of the land  
18 upon which the dwelling is built, as determined by the cooperative corporation,  
19 nonprofit corporation, or land trust.

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Changes new since last draft

1 (C) A homestead may consist of a part of a multidwelling or  
2 multipurpose building, including cooperative property occupied as a permanent  
3 residence by a member of a cooperative housing corporation incorporated  
4 under 11 V.S.A. chapter 14. A mobile home may constitute a principal  
5 dwelling for purposes of this chapter.

6 (D) A dwelling owned by a trust may qualify as a homestead if it  
7 meets the requirements of subsection 6062(e) of this title.

8 (E)(i) A homestead also includes a dwelling on the homestead parcel  
9 owned by a farmer as defined under section 3752 of this title and occupied as  
10 the permanent residence by a parent, sibling, child, or grandchild of the farmer  
11 or by a shareholder, partner, or member of the farmer-owner, provided that the  
12 shareholder, partner, or member owns more than 50 percent of the farmer-  
13 owner, including attribution of stock ownership of a parent, sibling, child, or  
14 grandchild.

15 (ii) A homestead further includes the principal dwelling of a  
16 widow or widower, provided the dwelling is owned by the estate of the  
17 deceased spouse and it is reasonably likely that the dwelling will pass to the  
18 widow or widower by law or valid will when the estate is settled.

19 (F) A homestead also includes any other improvement or structure on  
20 the homestead parcel that is not used for business purposes, including a

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Changes new since last draft

1 nonprincipal dwelling used exclusively by the owner for domestic purposes as  
2 part of the homestead on the same parcel. A homestead does not include that  
3 portion of a principal dwelling used for business purposes if the portion used  
4 for business purposes includes more than 25 percent of the floor space of the  
5 building.

6 (G) For purposes of homestead declaration and application of the  
7 homestead property tax rate, “homestead” also means a residence that was the  
8 homestead of the decedent at the date of death and, from the date of death  
9 through the next April 1, is held by the estate of the decedent and not rented.

10 (H) A homestead does not include any portion of a dwelling that is  
11 rented, and a dwelling is not a homestead for any portion of the year in which  
12 it is rented.

13 (I) A homestead also includes any dwelling that is used as a  
14 homestead without regard for whether it is fit for year-round habitation.

15 \* \* \*

16 \* \* \* State Aid for School Construction \* \* \*

17 Sec. 65. SCHOOL CONSTRUCTION; FINDINGS; INTENT

18 (a) The General Assembly finds that:

19 (1) Much of Vermont’s school facilities portfolio is at or near the end of  
20 its useful life and will require substantial investment to address deferred

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1 maintenance and other necessary updates. The school facilities assessments  
2 conducted pursuant to 2021 Acts and Resolves No. 72 identified over  
3 \$6,000,000,000.00 in total needs over a 21-year period, with an average annual  
4 need of \$300,000,000.00 just to achieve replacement in kind. These needs  
5 have only grown since their estimation in 2023.

6 (2) Under Vermont’s current education finance system, school  
7 construction expenditures are paid from the Education Fund and apply pressure  
8 to property taxes. While non–property tax revenues support a share of  
9 Education Fund expenditures, property tax revenues make up the bulk of the  
10 Education Fund and are expected to make up an even larger share as Education  
11 Fund expenditures outpace growth in non–property tax revenues.

12 (3) Although school construction decision-making is controlled at the  
13 local level, the costs of that decision-making are spread across all property  
14 taxpayers in Vermont. A school district’s decision to bond for a school  
15 construction project increases both the district’s homestead property tax rate  
16 and the property tax rates of school districts across Vermont.

17 (4) Vermont’s school budgeting process asks school districts and  
18 property taxpayers to weigh operating expenditures against capital  
19 expenditures within the same budgetary constraints. So long as both costs are  
20 borne by the property tax, school districts are disincentivized from taking on

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1 school construction projects, and certain communities in Vermont may  
2 struggle to support even necessary school construction expenditures.

3 (5) The foundation formula created in 2025 Acts and Resolves No. 73  
4 did not provide funding for additional capital investment in school facilities.  
5 Unless additional revenue sources are utilized or an alternative financing  
6 model is identified, new school construction projects will continue to be  
7 funded from the Education Fund and will continue to apply pressure to  
8 property taxpayers across Vermont.

9 (b) It is the intent of the General Assembly to:

10 (1) create greater scale, increase the efficiency of the delivery of  
11 education services, and encourage the efficient use of funds by prioritizing  
12 school construction projects that align with the creation of the new school  
13 governance structures expressed in this act;

14 (2) address inequities in education funding across the State and remove  
15 disincentives to the construction of necessary and educationally appropriate  
16 school facilities by offering State aid in the form or forms best suited to a  
17 school district’s local context and needs;

18 (3) recognize the urgency and opportunity offered by Vermont’s  
19 education transformation as expressed in this act and 2025 Acts and Resolves  
20 No. 73 by identifying alternative models for funding school construction;

Changes made from APBH in draft 1.1  
Changes new since last draft

1           (4) in the short term, catalyze the State Aid for School Construction  
2           Program by providing State aid in the form of up to an additional  
3           \$50,000,000.00 annually in State bonding capacity to support the construction  
4           or renovation of school facilities that support the consolidation of school  
5           governance structures and improve access to educational opportunities for  
6           public school students;

7           (5) in the long term, provide State aid in the form of a debt service  
8           subsidy to school districts pursuing school construction projects that align with  
9           the goals of the State Aid for School Construction Program;

10           (6) throughout Vermont’s education transformation, provide State aid  
11           through multiple funding streams until the burden on property taxpayers  
12           imposed by school construction expenditures can be reduced; and

13           (7) leverage the capacities of the Vermont Bond Bank to simplify bond  
14           issuances for school districts, increase financing opportunities, and protect the  
15           State’s credit rating.

16           Sec. 66. AGENCY OF EDUCATION; SCHOOL CONSTRUCTION

17                   DIVISION; POSITIONS

18           (a) The following permanent, classified positions are created in the Agency  
19           of Education:

Changes made from APBH in draft 1.1  
Changes new since last draft

- 1           (1) one School Construction Program Director;
- 2           (2) one Financial Manager I;
- 3           (3) one School Construction Coordinator; and
- 4           (4) one Architectural Design Reviewer or Educational Facility Planner.

5           (b) The Secretary of Education shall include as part of the Agency’s budget  
6           submitted to the Governor pursuant to 16 V.S.A. § 212(21) for fiscal year 2028  
7           a request to provide appropriate funding levels for the positions created by this  
8           section, and any other positions necessary, to staff the School Construction  
9           Division of the Agency. The Division shall provide comprehensive technical  
10           assistance to the Agency and the State Aid for School Construction Advisory  
11           Board on the implementation of the State Aid for School Construction  
12           Program.

13           Sec. 67. AGENCY OF EDUCATION; STATE AID FOR SCHOOL  
14                                   CONSTRUCTION; RULEMAKING

15           On or before March 1, 2028, the Agency of Education, in consultation with  
16           the State Aid for School Construction Advisory Board, shall adopt rules on  
17           school construction and capital outlay pursuant to 3 V.S.A. chapter 25 and 16  
18           V.S.A. § 3442(2), including rules to address:

- 19           (1) prioritization and bonus incentives that support the construction or  
20           renovation of school facilities that support the consolidation of school

Changes made from APBH in draft 1.1  
Changes new since last draft

1 governance structures and improve access to educational opportunities for  
2 public school students; and

3 (2) the treatment of school districts' outstanding capital indebtedness as  
4 of December 31, 2025.

5 Sec. 68. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

6 BOARD; IDENTIFICATION OF REGIONAL HIGH SCHOOLS

7 AND REHABILITATION OPPORTUNITIES; REPORT

8 (a) On or before December 1, 2026, the State Aid for School Construction  
9 Advisory Board shall provide a written report to the General Assembly that:

10 (1) identifies opportunities for the construction or renovation of school  
11 facilities that support the consolidation of school governance structures and  
12 improve access to educational opportunities for public school students;

13 (2) provides a full siting study for each identified school construction  
14 project that includes the cost, location, and any other factor the Board deems  
15 relevant to the General Assembly's consideration of the project; and

16 (3) analyzes the compatibility of each identified school construction  
17 project with other projects and evaluates different statewide scenarios for  
18 pursuing multiple opportunities for consolidation across Vermont.

Changes made from APBH in draft 1.1  
Changes new since last draft

1        (b) In developing the Board’s report, the Board shall specifically consider  
2        how to achieve appropriate scale, given research on school size and travel  
3        times, and how to achieve regional comprehensive high schools.

4        Sec. 69. 16 V.S.A. § 3440 is amended to read:

5        § 3440. STATEMENT OF POLICY

6        (a) It is the intent of this chapter to encourage the efficient use of public  
7        funds to modernize school infrastructure in alignment with current educational  
8        needs. School construction projects supported by this chapter should be  
9        developed taking consideration of standards of quality for public schools under  
10       section 165 of this title and prioritizing cost, geographic accessibility, 21st  
11       century education facilities standards, statewide enrollment trends, and  
12       capacity and scale that support best educational practices. Further, it is the  
13       intent of this chapter to encourage the use of existing infrastructure to meet the  
14       needs of Vermont students. Joint construction projects between two or more  
15       school districts and consolidation of buildings within a district where feasible  
16       and educationally appropriate are encouraged.

17       (b) It is further the intent of this chapter to prioritize school construction  
18       projects that align with the creation of new school governance structures under  
19       legislation enacted by the General Assembly in 2026 that requires each school  
20       board to participate in a study committee to study the advisability of forming a

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Changes new since last draft

1 unified union school district. It is the intent of this chapter to leverage  
2 additional State bonding capacity to support the construction of these projects  
3 while the State identifies the total school construction need to be supported by  
4 State aid offered under this chapter.

5 Sec. 70. 16 V.S.A. § 3442 is amended to read:

6 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

7 The Agency of Education shall be responsible for implementing the State  
8 Aid for School Construction Program according to the provisions of this  
9 chapter. The Agency shall be responsible for:

10 \* \* \*

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

15 (3) including as part of its budget submitted to the Governor pursuant to  
16 subdivision 212(21) of this title its annual school construction funding request,  
17 including any projects contemplated under subsection 3440(b) of this chapter  
18 for funding through State bonding;

19 \* \* \*

Changes made from APBH in draft 1.1  
Changes new since last draft

1 Sec. 71. 16 V.S.A. § 3443 is amended to read:

2 § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

3 BOARD

4 \* \* \*

5 (e) Assistance. The Board shall have the administrative, technical, and  
6 legal assistance of the Agency of Education, the School Construction Division,  
7 and the School Construction Program Director.

8 \* \* \*

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

15 Sec. 72. 16 V.S.A. § 3445 is amended to read:

16 § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION

17 PROJECTS

18 (a) Construction aid.

19 (1) Preliminary application for construction aid. A school district  
20 eligible for assistance under section 3447 of this title that intends to construct

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Changes new since last draft

1 or purchase a new school, or make extensive additions or alterations to its  
2 existing school, and desires to avail itself of State school construction aid shall  
3 submit a written preliminary application to the Secretary. A preliminary  
4 application shall include information required by the Agency by rule and shall  
5 specify the need for and purpose of the project.

6 (2) Approval of preliminary application.

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

9 (i) regional educational opportunities and needs, including school  
10 building capacities across school district boundaries, and available  
11 infrastructure in neighboring communities;

12 (ii) economic efficiencies;

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

15 (iv) statewide educational initiatives.

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

17 (i)(I) the project or part of the project fulfills a need occasioned  
18 by:

19 (aa) conditions that threaten the health or safety of students  
20 or employees;

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Changes new since last draft

- 1 (bb) facilities that are inadequate to provide programs  
2 required by State or federal law or regulation;
- 3 (cc) excessive energy use resulting from the design of a  
4 building or reliance on fossil fuels or electric space heat; or
- 5 (dd) deterioration of an existing building; or
- 6 (II) the project results in consolidation of two or more school  
7 buildings and will serve the educational needs of students in a more cost-  
8 effective and educationally appropriate manner as compared to individual  
9 projects constructed separately;
- 10 (ii) the need addressed by the project cannot reasonably be met by  
11 another means;
- 12 (iii) the proposed type, kind, quality, size, and estimated cost of  
13 the project are suitable for the proposed curriculum and meet all legal  
14 standards;
- 15 (iv) the applicant achieves the level of “proficiency” in the school  
16 district quality standards regarding facilities management adopted by rule by  
17 the Agency or, if the applicant is a newly formed school district, the applicant  
18 will achieve the level of “proficiency” in the school district quality standards  
19 regarding facilities management adopted by rule by the Agency at its initial  
20 performance evaluation under the school district quality standards; and

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Changes new since last draft

1 (v) the applicant has completed a facilities master planning  
2 process that:  
3 (I) engages robust community involvement;  
4 (II) considers regional solutions;  
5 (III) evaluates environmental contaminants; and  
6 (IV) produces a facilities master plan that unites the applicant’s  
7 vision statement, educational needs, enrollment projections, renovation needs,  
8 and construction projects.

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

15 (4) Request for legislative appropriation. The Agency shall submit its  
16 annual school construction funding request to the Governor as part of its  
17 budget pursuant to subdivision 212(21) of this title and shall clearly identify  
18 those projects contemplated under subsection 3440(b) of this chapter for  
19 funding through State bonding. Following submission of the Governor’s  
20 recommended budget to the General Assembly pursuant to 32 V.S.A. § 306

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1 and submission of the Governor’s recommended capital budget to the General  
2 Assembly pursuant to 32 V.S.A. § 309, the House ~~Committee~~ Committees on  
3 Education and on Ways and Means and the Senate ~~Committee~~ Committees on  
4 Education and on Finance shall recommend a total school construction  
5 appropriation for the next fiscal year to the General Assembly for inclusion in  
6 the education payment under subsection 4011(a) of this title.

7 (5) Final approval for construction aid.

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

13 (B) The Secretary may approve a final application for a project  
14 provided that:

15 (i) the project has received preliminary approval;

16 (ii) ~~the district has voted funds or authorized a bond for the total~~  
17 ~~estimated cost of the project; [Repealed.]~~

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

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Changes new since last draft

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

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

4 (vi) if the proposed project includes a playground, the project  
5 includes a requirement that the design and construction of playground  
6 equipment follow the guidelines set forth in the U.S. Consumer Product Safety  
7 Commission Handbook for Public Playground Safety; and

8 (vii) if the total estimated cost of the proposed project is less than  
9 \$50,000.00, no performance bond or irrevocable letter of credit shall be  
10 required.

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

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

18 (6) Award of construction aid.

19 (A) The base amount of an award shall be fund 20 50 percent of the  
20 ~~eligible debt service~~ total approved cost of a project. Projects are eligible for

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1 additional bonus incentives as specified in rule ~~for~~ to fund up to an additional  
2 ~~20~~ 45 percent of the ~~eligible debt service~~ total approved cost.

3 (B) Construction aid shall be awarded as a debt service subsidy, as  
4 support through State bonding, or as a combination of both. Amounts shall be  
5 awarded annually, ~~and~~ are subject to an annual appropriation for the purposes  
6 of the program, and shall be released only once the applicant has voted funds  
7 or authorized a bond for the total estimated cost of the project to be covered by  
8 the applicant.

9 ~~(B) As used in subdivision (A) of this subdivision (6), “eligible debt~~  
10 ~~service cost” of a project means the product of the lifetime cost of the bond~~  
11 ~~authorized for the project and the ratio of the approved cost of a project to the~~  
12 ~~total cost of the project.~~

13 (C) The Treasurer, in consultation with the Capital Debt  
14 Affordability Advisory Committee (CDAAC), shall recommend to the House  
15 Committees on Education, on Ways and Means, and on Corrections and  
16 Institutions and the Senate Committees on Education, on Finance, and on  
17 Institutions the annual total State bonding support available for the capital  
18 budget and this Program and the annual debt service subsidies to be awarded  
19 under this chapter. The recommendation shall include an analysis of how the

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1 use of State bonding support for school construction under this Program affects  
2 overall capital budget capacity.

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

7 (c) Wage requirements. Any contract awarded for school construction that  
8 is paid for with State aid shall adhere to the higher of:

9 (1) the prevailing wage requirements established for State construction  
10 projects under 29 V.S.A. § 161(b); or

11 (2) the prevailing local wage requirements as determined by the U.S.  
12 Department of Labor under the Davis-Bacon Act, 40 U.S.C. §§ 3141–3148,  
13 and related federal acts and regulations.

14 Sec. 73. REPEAL

15 16 V.S.A. § 3454 (deferred maintenance) is repealed.

16 **Sec. 74. [Deleted.]**

17 Sec. 75. 16 V.S.A. § 4011(a) is amended to read:

18 (a) Annually, the General Assembly shall appropriate funds for an  
19 education payment to pay for statewide education spending ~~and~~, a portion of a  
20 base education amount for each adult education and secondary credential

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1 program student, and any other amounts the State is obligated to provide under  
2 this chapter or chapter 123 of this title.

3 Sec. 76. 16 V.S.A. § 4011(a) is amended to read:

4 (a) Annually, the General Assembly shall appropriate funds for an  
5 education payment to pay for each school district’s educational opportunity  
6 payment and supplemental district spending, as defined in 32 V.S.A. § 5401,  
7 the small schools and sparsity support grants under section 4019 of this  
8 chapter, ~~and~~ a portion of a categorical base amount for each adult education  
9 and secondary credential program student, and any other amounts the State is  
10 obligated to provide under this chapter or chapter 123 of this title.

11 Sec. 77. 32 V.S.A. § 5401(22) is amended to read:

12 (22) “Supplemental district spending” means the spending that the  
13 voters of a school district approve in excess of the school district’s educational  
14 opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year,  
15 provided that the voters of a school district other than an interstate school  
16 district shall not approve spending in excess of five percent of the product of  
17 the base amount, as defined in 16 V.S.A. § 4001(16), and the school district’s  
18 long-term membership, as defined in 16 V.S.A. § 4001(7). The cap on  
19 supplemental district spending shall not apply to school construction  
20 expenditures.

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1 Sec. 78. 16 V.S.A. § 563 is amended to read:

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

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

5 \* \* \*

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

9 (B) [Repealed.]

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

19 (i) all revenues from all sources, and expenses, including as  
20 separate items any assessment for a supervisory union of which it is a member

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1 and any tuition to be paid to a career technical center; and including the report  
2 required in subdivision 242(4)(D) of this title itemizing the component costs of  
3 the supervisory union assessment;

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

6 (iii) the anticipated statewide education tax rate, as adjusted for  
7 each tax classification pursuant to 32 V.S.A. § 5402;

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

12 (v) the supplemental district spending yield; and

13 (vi) the annual debt service cost of any outstanding capital  
14 indebtedness.

15 (D) ~~The~~ If the board determines that additional spending is necessary  
16 in excess of the school district’s educational opportunity payment, the board  
17 shall present the a supplemental district spending budget to the voters by  
18 means of a ballot in the following form, provided that the board shall submit  
19 for authorization supplemental district spending to cover annual debt service

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1 costs for school construction only at the initial authorization of indebtedness  
2 and under subdivision (E) of this subdivision (11):

3 “Article #1 (School Budget):

4 Shall the voters of the school district approve the school  
5 board to expend \$ \_\_\_\_\_ for expenditures other than annual debt service costs  
6 on any outstanding capital indebtedness, which is the amount the school board  
7 has determined to be necessary in excess of the school district’s educational  
8 opportunity payment for the ensuing fiscal year?

9 The \_\_\_\_\_ District estimates that this proposed budget, if  
10 approved, will result in per pupil supplemental district spending of \$\_\_\_\_\_,  
11 which is \_\_\_\_\_% higher/lower than per pupil supplemental district spending  
12 for the current year, and a supplemental district spending tax rate of \_\_\_\_\_  
13 per \$100.00 of equalized education property value.”

14 (E) The board shall present concurrently with any vote to incur  
15 indebtedness for school construction a supplemental district spending budget to  
16 the voters by means of a ballot in the following form:

17 “Article #1 (School Budget):

18 Shall the voters of the school district approve the school  
19 board to expend \$ \_\_\_\_\_, which is the amount the school board has  
20 determined to be necessary to cover the annual debt service cost on school

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1 construction and any other expenditure in excess of the school district's  
2 educational opportunity payment for the ensuing fiscal year?

3 The \_\_\_\_\_ District estimates that this proposed budget, if  
4 approved, will result in per pupil supplemental district spending of \$ \_\_\_\_\_,  
5 which is \_\_\_\_\_ % higher/lower than per pupil supplemental district spending  
6 for the current year, and a supplemental district spending tax rate of \_\_\_\_\_  
7 per \$100.00 of equalized education property value.

8 \* \* \*

9 \* \* \* Foundation Formula Transition Measures and Reports \* \* \*

10 Sec. 79. REPEALS

11 The following sections of 2025 Acts and Resolves No. 73 are repealed:

12 (1) Sec. 45b (educational opportunity payment transition);

13 (2) Sec. 46a (supplemental district spending; cap; transition);

14 (3) Sec. 48a (tax rate transition); and

15 (4) Sec. 57 (Education Fund Advisory Committee).

16 Sec. 80. EDUCATIONAL OPPORTUNITY PAYMENTS; TUITION;

17 TRANSITION; FISCAL YEARS 2031–2034

18 (a) Notwithstanding 16 V.S.A. § 4001(17), in each of fiscal years 2031–

19 2034, the educational opportunity payment for a school district shall equal the

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1 educational opportunity payment for the school district as calculated pursuant  
2 to 16 V.S.A. § 4010(f) plus a yearly adjustment equal to:

3 (1) in fiscal year 2031, the transition gap multiplied by 0.80;

4 (2) in fiscal year 2032, the transition gap multiplied by 0.60;

5 (3) in fiscal year 2033, the transition gap multiplied by 0.40; and

6 (4) in fiscal year 2034, the transition gap multiplied by 0.20.

7 (b) Notwithstanding 16 V.S.A. § 823(a), in each of fiscal years 2031–2034,  
8 a school district shall pay as tuition to a receiving school for each resident  
9 student attending the receiving school an amount equal to the adjusted base  
10 multiplied by the sum of one and any weights applicable to the resident student  
11 under section 16 V.S.A. § 4010.

12 (c) As used in this section:

13 (1) “Adjusted base” means the quotient resulting from dividing the  
14 school district’s educational opportunity payment, as adjusted by the yearly  
15 adjustment, by the school district’s weighted long-term membership as defined  
16 in 16 V.S.A. § 4001.

17 (2) “Adjusted for inflation” means adjusting the school district’s  
18 education spending by the National Income and Product Accounts (NIPA)  
19 implicit price deflator for state and local government consumption  
20 expenditures and gross investment published by the U.S. Department of

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1 Commerce, Bureau of Economic Analysis, from fiscal year 2025 through fiscal  
2 year 2031 and rounding upward to the nearest whole dollar amount.

3 (3) “Transition gap” means the amount, whether positive or negative,  
4 that results from subtracting the school district’s educational opportunity  
5 payment as calculated pursuant to 16 V.S.A. § 4010(f) for fiscal year 2031  
6 from the school district’s education spending in fiscal year 2025, as adjusted  
7 for inflation. The school district’s education spending shall be adjusted for  
8 inflation on or before November 15 by the Secretary of Education.

9 Sec. 81. SUPPLEMENTAL DISTRICT SPENDING; CAP; TRANSITION;

10 FISCAL YEARS 2031–2039

11 Notwithstanding 32 V.S.A. § 5401(22), in each of fiscal years 2031–2039,  
12 the voters of a school district other than an interstate school district shall not  
13 approve spending in excess of the following percentage of the product of the  
14 base amount, as defined in 16 V.S.A. § 4001(16), and the school district’s  
15 long-term membership, as defined in 16 V.S.A. § 4001(7):

16 (1) in fiscal years 2031–2035, 10 percent;

17 (2) in fiscal year 2036, 9 percent;

18 (3) in fiscal year 2037, 8 percent;

19 (4) in fiscal year 2038, 7 percent; and

20 (5) in fiscal year 2039, 6 percent.

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1 Sec. 82. HOMESTEAD PROPERTY TAX RATE; TRANSITION; FISCAL  
2 YEARS 2031–2034;

3 (a) Notwithstanding 32 V.S.A. § 5402, in each of fiscal years 2031–2034,  
4 the homestead property tax rate for a school district shall equal the homestead  
5 property tax rate imposed pursuant to 32 V.S.A. § 5402 plus a yearly  
6 adjustment equal to:

7 (1) in fiscal year 2031, the transition gap multiplied by 0.80;

8 (2) in fiscal year 2032, the transition gap multiplied by 0.60;

9 (3) in fiscal year 2033, the transition gap multiplied by 0.40; and

10 (4) in fiscal year 2034, the transition gap multiplied by 0.20.

11 (b) As used in this section, “transition gap” means the amount, whether  
12 positive or negative, that results from subtracting the uniform homestead  
13 property tax rate for fiscal year 2031 were it calculated assuming no tax rate  
14 transition under this section from the homestead property tax rate for the  
15 school district in fiscal year 2030.

16 Sec. 83. HOMESTEAD PROPERTY TAX RATE; TRANSITION;  
17 REPORT

18 On or before December 15, 2028, the Department of Taxes, in consultation  
19 with the Joint Fiscal Office and the Agency of Education, shall submit a  
20 written report to the House Committee on Ways and Means and the Senate

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1 Committee on Finance with recommendations and an implementation plan to  
2 ensure that homestead education property tax rates do not increase as part of  
3 the transition to the new foundation formula.

4 Sec. 84. 2025 Acts and Resolves No. 73, Sec. 53(b) is amended to read:

5 (b) On or before December 15, ~~2026~~ 2028, the Department of Taxes, in  
6 consultation with the Joint Fiscal Office, shall submit a proposal to the House  
7 Committee on Ways and Means and the Senate Committee on Finance  
8 designing a homestead exemption structure that minimizes the:

9 \* \* \*

10 Sec. 85. 32 V.S.A. § 5414 is amended to read:

11 § 5414. CREATION; EDUCATION FUND ADVISORY COMMITTEE

12 (a) Creation. There is created the Education Fund Advisory Committee to  
13 monitor Vermont's education financing system, conduct analyses, and perform  
14 the duties under subsection (c) of this section.

15 (b) Membership. The Committee shall be composed of the following  
16 members:

17 (1) ~~the Commissioner of Taxes or designee;~~

18 (2) ~~the Secretary of Education or designee;~~

19 (3) ~~the Chair of the State Board of Education or designee;~~

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1           ~~(4)~~ two members of the public with expertise in education financing,  
2 who shall be appointed by the Speaker of the House;

3           ~~(5)~~(2) two members of the public with expertise in education financing,  
4 who shall be appointed by the Committee on Committees;

5           ~~(6)~~(3) ~~one member~~ two members of the public with expertise in  
6 education financing, who shall be appointed by the Governor; and

7           ~~(7) the President of the Vermont Association of School Business~~  
8 ~~Officials or designee;~~

9           ~~(8)~~(4) one representative from the Vermont School Boards Association  
10 (VSBA) with expertise in education financing, selected by the Executive  
11 Director of VSBA;

12           ~~(9) one representative from the Vermont Superintendents Association~~  
13 ~~(VSA) with expertise in education financing, selected by the Executive~~  
14 ~~Director of VSA; and~~

15           ~~(10) one representative from the Vermont National Education~~  
16 ~~Association (VTNEA) with expertise in education financing, selected by the~~  
17 ~~Executive Director of VTNEA.~~

18           (c) Powers and duties.

19           ~~(4)~~ Annually, on or before December 15, the Committee shall make  
20 recommendations to the General Assembly regarding:

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- 1           ~~(A)~~ updating the weighting factors using the weighting model and  
2 methodology used to arrive at the weights enacted under 2022 Acts and  
3 Resolves No. 127, which may include recalibration, recalculation, adding or  
4 eliminating weights, or any combination of these actions, as necessary;
- 5           ~~(B)~~ changes to, or the addition of new or elimination of existing,  
6 categorical aid, as necessary;
- 7           ~~(C)~~ changes to income levels eligible for a property tax credit under  
8 section 6066 of this title;
- 9           ~~(D)~~(1) means to adjust the revenue sources for the Education Fund;
- 10          ~~(E)~~(2) means to improve equity, transparency, and efficiency in  
11 education funding statewide;
- 12          ~~(F)~~(3) the amount of the Education Fund stabilization reserve;
- 13          ~~(G)~~(4) school district use of reserve fund accounts;
- 14          (5) enactment of any updates to weights or categorical aid recommended  
15 by the Joint Fiscal Office and the Agency of Education; and
- 16          ~~(H)~~(6) any other topic, factor, or issue the Committee deems relevant  
17 to its work and recommendations.
- 18          ~~(2) The Committee shall review and recommend updated weights,~~  
19 ~~categorical aid, and changes to the excess spending threshold to the General~~  
20 ~~Assembly not less than every three years, which may include a~~

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1 ~~recommendation not to make changes where appropriate. In reviewing and~~  
2 ~~recommending updated weights, the Committee shall use the weighting model~~  
3 ~~and methodology used to arrive at the weights enacted under 2022 Acts and~~  
4 ~~Resolves No. 127.~~

5 (d) Assistance. The Committee shall have the administrative, technical,  
6 and legal assistance of the Department of Taxes and the Agency of Education.

7 (e) Meetings.

8 (1) The Commissioner of Taxes shall call the first meeting of the  
9 Committee to occur on or before July 15, ~~2026~~ 2031.

10 (2) The Committee shall select a chair from among its members at the  
11 first meeting.

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

13 (f) Compensation and reimbursement. Members of the Committee shall be  
14 entitled to per diem compensation and reimbursement of expenses as permitted  
15 under section 1010 of this title for up to four meetings per year.

16 \* \* \* Effective Dates \* \* \*

17 Sec. 86. EFFECTIVE DATES

18 This act shall take effect on July 1, 2026, except as follows:

19 (1) This section, Sec. 18 (Act 73 effective dates), Sec. 27a (rulemaking;  
20 reserve guidance), Sec. 27c (student profile form), Sec. 34(a) (repeal of 2025

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1 Acts and Resolves No. 73, Secs. 62 and 63), Sec. 53 (transition provisions),  
2 Sec. 56 (valuing property in a limited equity cooperative), Sec. 61 (repeals),  
3 Sec. 62 (rate multipliers), Sec. 63 (prospective repeal), Sec. 79 (transition  
4 repeals), Sec. 83 (tax rate transition report), Sec. 84 (homestead exemption  
5 structure report delay), and Sec. 85 (Education Fund Advisory Committee)  
6 shall take effect on passage.

7 (2) Sec. 2a (16 V.S.A. § 604; services offered) shall take effect on July  
8 1, 2027.

9 (3) Sec. 57 (grand list contents) shall take effect on July 1, 2027, and  
10 shall apply to grand lists lodged beginning in calendar year 2028.

11 (4) Sec. 60 (transition provisions) shall take effect on January 1, 2029,  
12 provided that the conditions under 2025 Acts and Resolves No. 73, Sec.  
13 70(f)(1)(A), (B), and (C), as amended by this act, have been met.

14 (5) Sec. 54 (regional assessment district boundaries) shall take effect  
15 and the boundary submission to the General Assembly shall be due on  
16 December 15, 2029, provided that the conditions under 2025 Acts and  
17 Resolves No. 73, Sec. 70(f)(1)(A), as amended by this act, have been met.

18 (6) Sec. 29 (16 V.S.A. § 4019), Secs. 58 and 59 (tax classifications),  
19 Sec. 64 (homestead definition), Sec. 76 (education payments), Sec. 77  
20 (supplemental district spending definition), Sec. 78 (supplemental district

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1 spending budget vote), and Secs. 80–82 (foundation formula transitions) shall  
2 take effect on July 1, 2030, provided that the conditions under 2025 Acts and  
3 Resolves No. 73, Sec. 70(f)(1), as amended by this act, have been met.

4 (7) Sec. 30 (creation of regional assessment districts), Secs. 31–33  
5 (conforming changes for regional assessment), Sec. 34(b) (repeal of 32 V.S.A.  
6 chapter 131), and Secs. 37–52 (conforming changes for repeal of 32 V.S.A.  
7 chapter 131) shall take effect on January 1, 2031, provided regional assessment  
8 district appeals boards shall commence jurisdiction over valuation appeals and  
9 notices of changes of valuation on July 1, 2031.

10

11

12

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

14

\_\_\_\_\_

15

Senator \_\_\_\_\_

16

FOR THE COMMITTEE