

1 (4) Vermont’s school budgeting process asks school districts and
2 property taxpayers to weigh operating expenditures against capital
3 expenditures within the same budgetary constraints. So long as both costs are
4 borne by the property tax, school districts are disincentivized from taking on
5 school construction projects, and certain communities in Vermont may
6 struggle to support even necessary school construction expenditures.

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

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

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

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

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

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

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

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

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

1 Sec. 66. AGENCY OF EDUCATION; SCHOOL CONSTRUCTION

2 DIVISION; POSITIONS; APPROPRIATION

3 (a) The establishment of the following new limited service classified
4 positions is authorized in the Agency of Education in fiscal year 2027:

5 (1) one School Construction Program Director;

6 (2) one Financial Manager I;

7 (3) one School Construction Coordinator; and

8 (4) one Architectural Design Reviewer or Educational Facility Planner.

9 (b) The sum of \$500,000.00 is appropriated from the General Fund to the
10 Agency of Education in fiscal year 2027 for the positions established in
11 subsection (a) of this section.

12 (c) The Secretary of Education shall include as part of the Agency's budget
13 submitted to the Governor pursuant to 16 V.S.A. § 212(21) for fiscal year 2028
14 a request to provide appropriate funding levels for the positions created by this
15 section, and any other positions necessary, to permanently staff the School
16 Construction Division of the Agency.

17 (d) The School Construction Division shall provide comprehensive
18 technical assistance to the Agency of Education and the State Aid for School
19 Construction Advisory Board on the implementation of the State Aid for
20 School Construction Program.

1 Sec. 66a. FACILITIES MASTER PLAN GRANT PROGRAM;

2 APPROPRIATION

3 The sum of \$1,000,000.00 is transferred from the General Fund to the
4 School Construction Aid Special Fund in fiscal year 2027 for the purpose of
5 awarding grants through the Facilities Master Plan Grant Program established
6 in 16 V.S.A. § 3441 to supervisory unions for the development of educational
7 facilities master plans as part of the study committee process created in Sec. 13
8 of this act.

9 Sec. 67. AGENCY OF EDUCATION; STATE AID FOR SCHOOL

10 CONSTRUCTION; RULEMAKING

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

16 (1) consolidating school governance structures, whether through the
17 study committee process under Sec. 13 of this act or by other voluntary means;

18 (2) improving access for public school students to excellent educational
19 opportunities, including CTE, shared special education services for high-needs
20 students, and improved comprehensive curricular offerings; and

21 (3) remediating or eliminating health and safety issues.

1 Sec. 68. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY
2 BOARD; IDENTIFICATION OF REGIONAL HIGH SCHOOLS
3 AND REHABILITATION OPPORTUNITIES; REPORT

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

6 (1) identifies three to five feasible opportunities for the construction or
7 renovation of regional high schools to promote the consolidation of school
8 governance structures and improve access for public school students to
9 excellent educational opportunities, including CTE, shared special education
10 services for high-needs students, and improved comprehensive curricular
11 offerings; and

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

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

18 **Sec. 68a. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM;**

19 **INTENT**

20 It is the intent of the General Assembly to clarify that the State shall not
21 offer aid under the State Aid for School Construction Program under 16 V.S.A.

1 chapter 123 until the General Assembly has received the Treasurer’s
2 recommendation under 16 V.S.A. § 3445(a)(6)(C) on total State bonding
3 support and annual debt service subsidies to be awarded under the Program,
4 the Agency of Education has operationalized its School Construction Division
5 and completed rulemaking on school construction and capital outlay, and the
6 General Assembly has committed to a stable funding source, which may be
7 State bonding support, to support the Program.

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

9 § 3440. STATEMENT OF POLICY

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

1 including any projects contemplated under subsection 3440(b) of this chapter
2 for funding through State bonding;

3 * * *

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

5 § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY
6 BOARD

7 * * *

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

11 * * *

12 ~~(g) Report. On or before December 15, 2025, the Board 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 on recommendations~~
15 ~~for addressing the transfer of any debt obligations from current school districts~~
16 ~~to future school districts as contemplated by Vermont's education~~
17 ~~transformation. [Repealed.]~~

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

19 § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION
20 PROJECTS

21 (a) Construction aid.

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

8 (2) Approval of preliminary application.

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

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

14 (ii) economic efficiencies;

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

17 (iv) statewide educational initiatives.

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

19 (i)(I) the project or part of the project fulfills a need occasioned

20 by:

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

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

7 (vi) if the applicant school district is applying for construction aid

8 for a school building that was constructed or renovated before 1980, the

9 applicant has completed indoor air quality testing for polychlorinated

10 biphenyls that was conducted according to the Department of Environmental

11 Conservation’s standards for testing.

12 (3) Priorities. Following approval of a preliminary application and

13 provided that the district has voted funds or authorized a bond for the total

14 estimated cost of a project, the Agency, with the advice of the State Aid for

15 School Construction Advisory Board, shall assign points to the project as

16 prescribed by rule of the Agency so that the project can be placed on a priority

17 list based on the number of points received.

18 (4) Request for legislative appropriation. The Agency shall submit its

19 annual school construction funding request to the Governor as part of its

20 budget pursuant to subdivision 212(21) of this title and shall clearly identify

21 those projects contemplated under subsection 3440(b) of this chapter for

1 funding through State bonding. Following submission of the Governor’s
2 recommended budget to the General Assembly pursuant to 32 V.S.A. § 306
3 and submission of the Governor’s recommended capital budget to the General
4 Assembly pursuant to 32 V.S.A. § 309, the House ~~Committee~~ Committees on
5 Education and on Ways and Means and the Senate ~~Committee~~ Committees on
6 Education and on Finance shall recommend a total school construction
7 appropriation for the next fiscal year to the General Assembly for inclusion in
8 the education payment under subsection 4011(a) of this title.

9 (5) Final approval for construction aid.

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

15 (B) The Secretary may approve a final application for a project
16 provided that:

17 (i) the project has received preliminary approval;

18 (ii) the district has voted funds or authorized a bond for the total
19 estimated cost of the project, provided that the district shall not issue the bond
20 until the Secretary notifies the district of its State bonding support;

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

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

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

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

10 (vii) if the total estimated cost of the proposed project is less than
11 \$50,000.00, no performance bond or irrevocable letter of credit shall be
12 required.

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

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

20 (6) Award of construction aid.

1 (A) The base amount of an award shall be ~~fund 20~~ 30 percent of the
2 ~~eligible debt service total approved~~ cost of a project. Projects are eligible for
3 additional bonus incentives as specified in rule ~~for~~ to fund up to an additional
4 ~~20~~ 45 percent of the ~~eligible debt service total approved~~ cost.

5 (B) Construction aid shall be awarded as a debt service subsidy, as
6 support through State bonding, or as a combination of both. Amounts shall be
7 awarded annually and are subject to an annual appropriation for the purposes
8 of the program.

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) Annually, 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
20 use of State bonding support for school construction under this Program affects
21 overall capital budget capacity.

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

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

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

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

12 Sec. 73. REPEAL

13 16 V.S.A. § 3454 (deferred maintenance) is repealed.

14 Sec. 74. 16 V.S.A. § 4033 is added to read:

15 § 4033. LEGACY DEBT AID

16 (a) A school district shall be eligible to receive legacy debt aid pursuant to
17 this section only if the district is not identified as a bad faith participant in the
18 facilitator report submitted pursuant to Sec. 15 of legislation enacted by the
19 General Assembly in 2026 that requires each school board to participate in a
20 study committee to study the advisability of forming a unified union school
21 district.

1 **(b) An eligible school district’s legacy debt aid shall equal 75 percent of**
2 the debt service cost of any debt that is approved by the voters of the district
3 related to facility construction and renovation and for which construction has
4 begun as of December 31, 2025.

5 **(c) Aid shall be awarded annually for annual debt service costs up to a**
6 maximum total annual amount of \$45,750,000.00 and is subject to an annual
7 appropriation for the purposes of the legacy debt aid.

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

9 (a) Annually, the General Assembly shall appropriate funds for an
10 education payment to pay for statewide education spending ~~and~~, a portion of a
11 base education amount for each adult education and secondary credential
12 program student, and any other amounts the State is obligated to provide under
13 this chapter or chapter 123 of this title.

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

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

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

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

11 Sec. 77a. 24 V.S.A. § 1758 is amended to read:

12 § 1758. CONDUCT OF MEETINGS

13 (a) Meetings of voters in municipal corporations under this subchapter shall
14 be conducted in the same manner as the annual city and town meetings are
15 conducted. The qualifications of voters at such meetings shall be the same as
16 the qualifications of voters at annual city and town meetings. The vote on the
17 question of issuing bonds for such improvements shall be by Australian ballot.

18 The form of the ballot to be used shall be substantially as follows:

19 I. Shall the bonds of the of in an amount not to exceed
20 be issued for the purpose of?

21 If in favor of the bond issue, make a cross (x) in this square .

1 If opposed to the bond issue, make a cross (x) in this square .

2 In the discretion of the ~~legislative branch~~ Legislative Branch, the form of
3 the ballot may also state the maximum rate of interest to be paid on the bonds,
4 in which case the form of the ballot to be used shall be substantially as follows:

5 I. Shall bonds of the of in an amount not to exceed
6 bearing interest not to exceed percent, be issued for the purpose of
7

8 If in favor of the bond issue, make a cross (x) in this square .

9 If opposed to the bond issue, make a cross (x) in this square .

10 (b) If a school board submits to its voters the proposition of incurring a
11 bonded debt to pay for an improvement, the form of the ballot shall be as set
12 forth in subsection (a) of this section, however:

13 (1) If the entire costs of the improvement are not eligible for State
14 construction aid pursuant to 16 V.S.A. chapter 123 because the costs exceed
15 the maximum allowed by formula established by the ~~State Board of Education~~
16 Agency of Education, the ballot text set forth in subsection (a) shall be
17 preceded by the following introductory sentences:

18 The school board proposes to incur bonded indebtedness for the purpose
19 of at the estimated total project cost of \$ It is estimated that
20 percent of the project will not be eligible for State school construction aid
21 because its (unit costs and/or allowable space) cause it to exceed the maximum

1 cost for state participation under the ~~State Board of Education's~~ Agency of
2 Education's formula for school construction. Therefore, the percent of the
3 project that is estimated to be ineligible under the formula shall be built at
4 100% school district cost without State participation. The cost of the portion
5 of construction which is ineligible under the formula is \$

6 (2) The ballot may contain language conditioning commencement of the
7 improvement by the school board on receipt of final approval by the ~~State~~
8 ~~Board of Education~~ Agency of Education for State construction aid under
9 16 V.S.A. § 3448(a)(5) ~~3445(a)(5)~~.

10 (3) The warning and ballot shall contain the following set forth in bold-
11 faced type:

12 State funds may not be available at the time this project is otherwise
13 eligible to receive State school construction aid. The district is responsible for
14 all costs incurred in connection with any borrowing done in anticipation of
15 State school construction aid.

16 Funds to cover annual debt service costs on the bonds shall be raised
17 through the district's supplemental district spending tax. Any bonded
18 indebtedness incurred for school construction shall constitute an ongoing
19 obligation of the district not subject to annual authorization of supplemental
20 district spending.

1 (c) A public informational hearing adhering to the requirements of
2 17 V.S.A. § 2680(g) shall be held to discuss the proposition of a school district
3 incurring a bonded debt to pay for an improvement. At such hearing, the
4 school board shall distribute to the participants a written estimate of the
5 following factors:

6 (1) ~~the~~ The percentage of the costs of the improvement that will not be
7 eligible for State school construction aid because its unit costs or allowable
8 space, or both, cause it to exceed the maximum cost for State participation
9 under the State Board of Education's Agency of Education's formula for
10 school construction.

11 (2)(A) The estimated supplemental district spending tax rate that would
12 be required to pay annual debt service costs on the bonds for each of the
13 following aid scenarios:

14 (i) if the district receives no State aid for the project;

15 (ii) if the district receives State aid of 30% of the total approved
16 cost of the project; and

17 (iii) if the district receives State aid of 75% of the total approved
18 cost of the project.

19 (B) The board shall notify the participants of the following
20 assumptions that shall be made when estimating annual supplemental district
21 spending tax rates to pay annual debt service costs on the bonds:

1 of the school district votes to provide notice of availability, it must specify how
2 notice of availability shall be given, and such notice of availability shall be
3 provided to the electorate at least 30 days before the district’s annual meeting.

4 The proposed budget shall be prepared and distributed at least ~~ten~~ 10 days
5 before a sum of money is voted on by the electorate. Any proposed budget
6 shall show the following information in a format prescribed by the Secretary:

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

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

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

19 (iv) the definition of “~~education spending~~ supplemental district
20 spending,” the ~~number of pupils and number of equalized pupils in~~ long-term
21 membership of the school district, and the district’s ~~education spending~~ per

1 ~~equalized~~ pupil supplemental district spending in the proposed budget and in
2 each of the prior three years;

3 (v) the supplemental district spending yield; and

4 (vi) the annual debt service cost of any outstanding capital
5 indebtedness.

6 (D) ~~The~~ If the board determines that the district should raise funds to
7 cover expenditures other than annual debt service obligations on outstanding
8 capital indebtedness for school construction, the board shall present ~~the~~ a
9 supplemental district spending budget to the voters by means of a ballot in the
10 following form:

11 “Article #1 (School Budget):

12 Shall the voters of the school district approve the school board
13 to expend \$ _____ for expenditures other than annual debt service obligations
14 on any outstanding capital indebtedness, which is the amount the school board
15 has determined to be necessary in excess of the school district’s educational
16 opportunity payment for the ensuing fiscal year?

17 The _____ District estimates that this proposed budget, if
18 approved, will result in per pupil ~~education~~ supplemental district spending of
19 \$ _____, which is _____% higher/lower than per pupil ~~education~~
20 supplemental district spending for the current year, and a supplemental district

1 spending tax rate of _____ per \$100.00 of equalized education property
2 value.

3 If these expenditures are not approved, the District estimates a
4 supplemental district spending tax rate of _____ per \$100.00 of equalized
5 education property value to pay for the District’s annual debt service
6 obligations on outstanding capital indebtedness.”

7 (E) If the board receives a determination of the district’s State aid for
8 school construction pursuant to 16 V.S.A. § 3445(a)(5), prior to issuing any
9 bonds for school construction, the board shall present to the voters for one-time
10 authorization a supplemental district spending budget to cover the annual debt
11 service obligations for school construction by means of a ballot in the
12 following form:

13 “Article #1 (School Budget):

14 Shall the voters of the school district approve the school board to
15 expend \$ _____, which is the amount the school board has determined to be
16 necessary to cover the annual debt service obligations on school construction
17 for the ensuing fiscal year?

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

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

4 (b) Membership. The Committee shall be composed of the following
5 members:

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

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

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

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

11 ~~(5)~~(2) two members of the public with expertise in education financing,
12 who shall be appointed by the Committee on Committees;

13 ~~(6)~~(3) ~~one member~~ two members of the public with expertise in
14 education financing, who shall be appointed by the Governor; and

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

17 ~~(8)~~(4) one representative from the Vermont School Boards Association
18 (VSBA) with expertise in education financing, selected by the Executive
19 Director of VSBA;

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

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

7 (c) Powers and duties.

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

10 ~~(A) updating the weighting factors using the weighting model and~~
11 ~~methodology used to arrive at the weights enacted under 2022 Acts and~~
12 ~~Resolves No. 127, which may include recalibration, recalculation, adding or~~
13 ~~eliminating weights, or any combination of these actions, as necessary;~~

14 ~~(B) changes to, or the addition of new or elimination of existing,~~
15 ~~categorical aid, as necessary;~~

16 ~~(C) changes to income levels eligible for a property tax credit under~~
17 ~~section 6066 of this title;~~

18 ~~(D)~~(1) means to adjust the revenue sources for the Education Fund;

19 ~~(E)~~(2) means to improve equity, transparency, and efficiency in
20 education funding statewide;

21 ~~(F)~~(3) the amount of the Education Fund stabilization reserve;

1 ~~(G)~~(4) school district use of reserve fund accounts;

2 (5) enactment of any updates to weights or categorical aid recommended
3 by the Joint Fiscal Office and the Agency of Education;

4 (6) the appropriations required to fully fund each school district's
5 educational opportunity payment under the foundation formula established in
6 16 V.S.A. chapter 133 for the current and upcoming fiscal year; and

7 ~~(H)~~(7) any other topic, factor, or issue the Committee deems relevant
8 to its work and recommendations.

9 ~~(2) The Committee shall review and recommend updated weights,~~
10 ~~categorical aid, and changes to the excess spending threshold to the General~~
11 ~~Assembly not less than every three years, which may include a~~
12 ~~recommendation not to make changes where appropriate. In reviewing and~~
13 ~~recommending updated weights, the Committee shall use the weighting model~~
14 ~~and methodology used to arrive at the weights enacted under 2022 Acts and~~
15 ~~Resolves No. 127.~~

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

18 (e) Meetings.

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

1 structure report delay), and Sec. 85 (Education Fund Advisory Committee)
2 shall take effect on passage.

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

7 (4) Sec. 24 (16 V.S.A. § 828), Sec. 29 (16 V.S.A. § 4019), Secs. 58 and
8 59 (tax classifications), Sec. 64 (homestead definition), Sec. 74 (legacy debt
9 aid), Sec. 76 (education payments), Sec. 77 (supplemental district spending
10 definition), Sec. 77a (school district incurrence of indebtedness), Sec. 78
11 (supplemental district spending budget vote), and Secs. 80–82 (foundation
12 formula transitions) shall take effect on July 1, 2030, provided that the
13 conditions under 2025 Acts and Resolves No. 73, Sec. 70(f)(1), as amended by
14 this act, have been met.

15 (5) Sec. 60 (transition provisions) shall take effect on January 1, 2029,
16 provided that the conditions under 2025 Acts and Resolves No. 73, Sec.
17 70(f)(1)(A), (B), and (C), as amended by this act, have been met.

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