

## Report of Committee of Conference

### H. 955

An act relating to next steps in transforming Vermont's education system.

#### TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

**H.955.** An act relating to next steps in transforming Vermont's education system.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment with further amendment thereto as follows:

First: In Sec. 1, findings; legislative intent, in subsection (a) by striking out subdivision (4) in its entirety and by renumbering the remaining subdivisions to be numerically correct.

Second: In Sec. 2, 16 V.S.A. chapter 10, in section 603, in subdivision (a)(1), by striking out subdivisions (D) and (E) in their entireties and inserting in lieu thereof three new subdivisions to be subdivisions (D), (E), and (F) to read as follows:

(D) Maple Run Unified Union Supervisory District;

(E) Milton Supervisory District; and

(F) Missisquoi Valley Supervisory District.

Third: In Sec. 2, 16 V.S.A. chapter 10, in section 603, in subdivision (a)(2), by striking out subdivisions (D), (E), and (F) in their entireties and inserting in lieu thereof two new subdivisions to be subdivisions (D) and (E) to read as follows:

(D) South Burlington Supervisory District; and

(E) Winooski Supervisory District.

Fourth: In Sec. 2, 16 V.S.A. chapter 10, section 603, in subdivision (a)(5) by striking out subdivision (5) in its entirety and inserting in lieu thereof a new subdivision (5) to read as follows:

(5) Mountain Views Supervisory Union, which is composed of the member school districts of the Pittsfield School District and the Mountain Views School District;

Fifth: In Sec. 13, union school district creation consultation and facilitation; merger committees, in subdivision (b)(1), following "16 V.S.A. §§ 706 and 707." by inserting "A merger committee member shall be a current

member of a school board participating in that particular merger committee. If the school board member assigned to a merger committee is no longer a member of the member's appointing school board for any reason, the school board shall appoint a new member to the merger committee."

Sixth: In Sec. 13, union school district creation consultation and facilitation; merger committees, in subdivision (b)(4), by striking out subdivision (A) in its entirety and inserting in lieu thereof a new subdivision (A) to read as follows:

(A)(i) If a merger committee identifies a school district as necessary that is not a member of the merger committee or that is not a member of the CESA, or both, the merger committee shall work with the applicable facilitator or facilitators to adjust merger committee membership as necessary.

(ii) A school district may join a different merger committee than the one it was assigned to by a facilitator if a majority of the school board members vote to leave the assigned merger committee and join a new merger committee.

Seventh: In Sec. 13, union school district creation consultation and facilitation; merger committees, in subdivision (b)(5), following "determined it was inadvisable to form a new unified union school district." by inserting "The report shall be transmitted to the Secretary of Education and the State Board of Education at the same time."

Eighth: In Sec. 13, union school district creation consultation and facilitation; merger committees, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) Secretary review. The Secretary shall review the report and proposed articles of agreement of any merger committee that determines it is advisable to propose the formation of a new unified union school district and submit a recommendation to the State Board. If the Secretary fails to submit the Secretary's recommendation to the State Board within 30 days following the receipt of the report and proposed articles of agreement or on or before December 1, 2027, whichever date shall occur first, the State Board shall take action pursuant to 16 V.S.A. § 709(c) regardless of whether the Secretary submits a recommendation regarding the proposed unified union school district.

Ninth: In Sec. 14, guidance for merger committee groupings, by striking out subdivisions (1)–(18) in their entirety and inserting in lieu thereof 20 new subdivisions to be subdivisions (1)–(20) to read as follows:

(1) Group one: Addison Central School District, Addison Northwest School District, Lincoln School District, and Mount Abraham Unified School District.

(2) Group two: Barstow Unified School District, Ira School District, Mill River Unified Union School District, Otter Valley Unified Union School District, Quarry Valley Unified Union School District, Rutland City School District, Rutland Town School District, and Slate Valley Unified Union School District.

(3) Group three: Mettawee School District, Stratton School District, Taconic and Green Regional School District, Wells Spring Unified Union School District, and Winhall School District.

(4) Group four: Arlington School District, Mount Anthony Union High School District #14, North Bennington Graded School District, Sandgate School District, and Southwest Vermont Union Elementary School District.

(5) Group five: Halifax School District, Readsboro School District, Searsburg School District, Somerset School District, Stamford School District, Twin Valley Unified School District, Vernon Town School District, and Windham Southeast School District.

(6) Group six: Athens Grafton School District, Bellows Falls Union High School District, Marlboro School District, River Valleys Unified School District, Rockingham School District, West River Modified Union Education District, Westminster School District, and Windham School District.

(7) Group seven: Green Mountain Unified School District, Ludlow-Mount Holly Unified Union School District, and Springfield School District.

(8) Group eight: Hartford School District, Hartland School District, Mount Ascutney School District, Mountain Views School District, Pittsfield School District, and Weathersfield School District.

(9) Group nine: Echo Valley Community School District, First Branch Unified School District, Granville-Hancock Unified District, Orange Southwest Unified Union School District, Rochester-Stockbridge Unified District, Sharon School District, Stafford School District, and White River Unified District.

(10) Group 10: Blue Mountain Union School District, Cabot School District, Caledonia Cooperative School District, Danville School District, Peacham School District, Oxbow Unified Union School District, Thetford Town School District, Twinfield Unified School District, and Waits River Valley Union School District #36.

(11) Group 11: Canaan School District, Essex North Supervisory Union, Kingdom East Unified Union School District, NEK Choice School District, and St. Johnsbury School District.

(12) Group 12: Brighton School District, Charleston School District, Coventry School District, Derby School District, Holland School District, Jay

School District, Lake Region Union Elementary-Middle School District, Lake Region Union High School District, Lowell School District, Morgan School District, Newport City School District, Newport Town School District, North Country Union High School District, North Country Union Junior High School Board, Troy School District, and Westfield School District.

(13) Group 13: Mount Mansfield Unified Union School District and Champlain Valley School District.

(14) Group 14: Essex Westford Educational Community Unified Union School District.

(15) Group 15: Cambridge School District, Craftsbury School District, Elmore-Morristown Unified Union School District, Hazen Union School District, Lamoille North Modified Unified Union School District, Mountain View Union Elementary School District, Stannard Town School District, Stowe School District, and Wolcott School District.

(16) Group 16: Enosburgh-Richford Unified Union School District, Northern Mountain Valley Unified Union School District, and Missisquoi Valley School District.

(17) Group 17: Fairfax School District, Fletcher School District, Georgia School District, and Maple Run Unified School District.

(18) Group 18: Burlington School District, South Burlington School District, and Winooski ID.

(19) Group 19: Alburgh School District, Champlain Islands Unified Union School District, Colchester School District, Milton Town School District, and South Hero School District.

(20) Group 20: Barre Unified Union School District, Harwood Unified Union School District, Montpelier Roxbury School District, Paine Mountain School District, and Washington Central Unified Union School District.

Tenth: By striking out Sec. 24, tuition in excess of foundation formula; legislative intent, in its entirety and inserting in lieu thereof a new Sec. 24 to read as follows:

Sec. 24. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

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(e) A school eligible to receive tuition pursuant to this section shall be prohibited from requiring tuition from a student attending the school, according to the provisions of this chapter, above the amount of tuition paid by a sending school district pursuant to section 823 of this chapter.

Eleventh: By striking out Sec. 24a, deleted, in its entirety and inserting in lieu thereof a new Sec. 24a to read as follows:

Sec. 24a. SCHOOL FEES; REPORT

On or before January 1, 2027, the Agency of Education shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance with the following:

(1) information regarding the fees charged by public schools for both tuitioned students and resident students;

(2) information regarding fees charged by approved independent schools that are eligible to receive public tuition to students attending the school on public tuition; and

(3) recommendations for any guardrails necessary on a school's ability to charge fees to a publicly funded student under the foundation formula.

Twelfth: In Sec. 27, intradistrict budgeting; Agency of Education; District Quality Standards; rulemaking, by striking out "December 31, 2028" and inserting in lieu thereof "June 1, 2028"

Thirteenth: By striking out Sec. 29a, 2025 Acts and Resolves No. 73, Sec. 7, in its entirety and inserting in lieu thereof a new Sec. 29a to read as follows:

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

Sec. 7. FAILURE TO COMPLY WITH EDUCATION QUALITY STANDARDS; STATE BOARD ACTION

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

(b) Notwithstanding 16 V.S.A. § 165(a)(9)(C) and (b), a school's failure to comply with the class size minimum requirements contained in 16 V.S.A. § 165(a)(9) shall not count towards the three consecutive school years of noncompliance that enables the Secretary to recommend action to the State Board until the State Board adopts updates to the Education Quality Standards rule 2000 series, Agency of Education, Education Quality Standards (22-000-003) to reflect the addition of class size minimums to the education quality standards, or July 1, 2027, whichever date shall come first.

Fourteenth: By adding two new reader assistance headings and three new sections to be Secs. 29c, 29d, and 29e to read as follows:

\* \* \* Definitions \* \* \*

Sec. 29c. 16 V.S.A. § 11 is amended to read:

§ 11. CLASSIFICATIONS AND DEFINITIONS

(a) As used in this title, unless the context otherwise clearly requires:

\* \* \*

(36) “Average class size” means the total number of students enrolled across all classes included in a grade band or content area, as applicable, divided by the total number of individual classes contained in a grade band or content area, as applicable, calculated separately for each school and each grade band or content area, as specified in subdivision 165(a)(9) of this title; provided, however, that the following shall not be included in the determination of average class size:

(A) prekindergarten, kindergarten, career and technical education, flexible pathways, terminal courses, advanced placement courses, courses that require specialized equipment, and driver’s education classes;

(B) small group services for the purpose of providing special education, supplemental or targeted academic intervention, or English learner instruction; and

(C) specialized or targeted academic opportunities.

(37) “Class” means a group of students, taught by a single teacher or team of teachers, organized for instruction in specific subjects or grade levels, for a defined period during the regular school day. Each course section shall be counted as a separate class. A class with more than one teacher of record shall be counted as a single class.

(38) “Content area” means a grouping of courses aligned to a single educator endorsement area as defined by the Vermont Standards Board for Professional Educators.

(39) “Full-time equivalent class” means the proportion of instructional time relative to a full school year.

(40) “School” means a public or independent educational institution with assigned staff, including teachers and administrators, that serves students within a dedicated building and that is identified by a unique state school identification number assigned by the National Center for Education Statistics.

(41) “School day” means the hours between the latest time at which a student may arrive at school and not be considered late and the time a student is dismissed from school, on a student attendance day.

(42) “Student” means a pupil enrolled in and assigned to a school as of October 1.

(43) “Teacher of record” means the educator primarily responsible for delivering instruction, assessing student learning, and assigning grades for a class, as designated in a school district’s student information system.

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#### Sec. 29d. DEFINITION RULEMAKING; STATE BOARD OF EDUCATION

The State Board of Education shall adopt rules pursuant to 3 V.S.A. chapter 25 that establish definitions for the terms contained in 16 V.S.A. § 11(a)(36)–(43). The Board may adopt rules pursuant to this section with definitions for the terms that differ from the definitions contained in statute.

\* \* \* Prospective Repeals \* \* \*

#### Sec. 29e. PROSPECTIVE REPEALS

(a) 16 V.S.A. § 11(a)(36)–(43) are repealed on the July 1 following the effective date of rules adopted pursuant to Sec. 29d of this act.

(b) 16 V.S.A. § 828(e) shall be repealed on July 1, 2029, if the cost-factor foundation formula report required pursuant to 2025 Acts and Resolves No. 73, Sec. 45a contains evidence that it costs more to educate students in grades nine through 12 but the General Assembly has failed to enact legislation to add a secondary student weight.

Fifteenth: In Sec. 66a, Facilities Master Plan Grant Program; appropriation, by striking out “\$900,000.00” and inserting in lieu thereof “\$800,000.00” and striking out “study committee” and inserting in lieu thereof “merger committee”

Sixteenth: In Sec. 67, Agency of Education, State Aid For School Construction; rulemaking, in subdivision (1), by striking out “study committee” and inserting in lieu thereof “merger committee”

Seventeenth: In Sec. 68a, State Aid For School Construction Program; intent, by striking out “Treasurer’s” and inserting in lieu thereof “Capital Debt Affordability Advisory Committee’s”

Eighteenth: In Sec. 69, 16 V.S.A. § 3440, in subsection (b), by striking out “study committee” and inserting in lieu thereof “merger committee”

Nineteenth: By striking out Sec. 74, 16 V.S.A. § 4033, in its entirety and inserting in lieu thereof a new Sec. 74 to read as follows:

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

§ 4033. LEGACY DEBT AID

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

(b) An eligible school district's legacy debt aid shall equal 75 percent of the debt service cost of any debt that is approved by the voters of the district related to facility construction and renovation and for which construction has begun as of December 31, 2024.

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

(d) On or before February 15, 2029, a school district that is identified as a bad faith participant in the facilitator report submitted pursuant to Sec. 15 of legislation enacted by the General Assembly in 2026 that requires each school board to participate in a merger committee to study the advisability of forming a unified union school district may appeal the facilitator's determination to the Secretary of Education in order to receive aid under this section.

(e) On or before May 15, 2029, the Secretary of Education shall determine whether each school district that has submitted an appeal pursuant to subsection (d) of this section shall receive aid under this section. The Secretary's determination shall be final and shall not be subject to appeal. The Secretary shall develop written policies to implement the appeals process under this section.

Twentieth: By striking out Sec. 77, 32 V.S.A. § 5401(22), in its entirety and inserting in lieu thereof a new Sec. 77 to read as follows:

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

(22) "Supplemental district spending" means the spending that the voters of a school district approve in excess of the school district's educational opportunity payment, as defined in 16 V.S.A. § 4001(17), for the fiscal year, plus the annual debt service costs on any legacy school construction debt not covered by legacy debt aid pursuant to 16 V.S.A. § 4033, provided that the voters of a school district other than an interstate school district shall not approve spending in excess of five percent of the product of the base amount,

as defined in 16 V.S.A. § 4001(16), and the school district’s long-term membership, as defined in 16 V.S.A. § 4001(7). The cap on supplemental district spending shall not apply to school construction expenditures.

Twenty-first: In Sec. 80, educational opportunity payments; tuition; transition; fiscal years 2030–2033, in subdivision (c)(2), by striking out “2031” and inserting in lieu thereof “2030”

Twenty-second: In Sec. 86, effective dates, in subdivision (6), preceding “Sec. 29 (16 V.S.A. § 4019)” by inserting “Sec. 24 (16 V.S.A. § 828(e)),”

*SEN. SETH BONGARTZ*

*SEN. RUTH E. HARDY*

*SEN. CHRISTOPHER P. MATTOS*

*Committee on the part of the Senate*

*REP. PETER C. CONLON*

*REP. EMILIE K. KORNHEISER*

*REP. BETH M. QUIMBY*

*Committee on the part of the House*