

* * * Goals * * *

Sec. 1. GOALS

By enacting this legislation, the General Assembly intends to modernize Vermont's school district governance structure in a manner that:

- (1) improves governance efficiency;
- (2) enables higher quality educational delivery;
- (3) moderates the growth rate of education spending;
- (4) preserves local voice where it demonstrably supports quality and cost-effectiveness;
- (5) is sensitive and responsive to the diverse needs of the State; and
- (6) uses a structured voluntary process first, with a limited and targeted involuntary mechanism only if necessary to meet statewide goals.

* * * Supervisory Unions * * *

Sec. 2. 16 V.S.A. § 301 is redesignated to read:

§ ~~301~~ 265. APPORTIONMENT OF EXPENSES

Sec. 3. 16 V.S.A. chapter 7, subchapter 2 is amended to read:

Subchapter 2. ~~Supervisory Union Expenses~~ Division of State into Supervisory Unions

§ 280. SUPERVISORY UNIONS

The State is divided into the supervisory unions of XXX

1 § 281. SUPERVISORY UNION A

2 Supervisory union A is formed of the following member school districts and
3 their member municipalities:

4 (1) School district A, which is composed of XXX...

5 Sec. 4. 16 V.S.A. § 261 is amended to read:

6 § 261. ORGANIZATION AND ADJUSTMENT OF SUPERVISORY
7 UNIONS

8 ~~(a) The State Board shall review on its own initiative or when requested as~~
9 ~~per subsection (b) of this section and may regroup the supervisory unions of~~
10 ~~the State or create new supervisory unions in such manner as to afford~~
11 ~~increased efficiency or greater convenience and economy and to facilitate~~
12 ~~prekindergarten through grade 12 curriculum planning and coordination as~~
13 ~~changed conditions may seem to require. The board of a member school~~
14 ~~district may propose to the General Assembly to adopt, repeal, or amend~~
15 ~~boundaries of the supervisory union it belongs to in accordance with the~~
16 ~~following procedure:~~

17 (1) A proposal to adopt, repeal, or amend a supervisory union boundary
18 may be made by a member school district board or by petition of five percent
19 of the total voters of a member school district.

20 (2) An official copy of the supervisory union boundary adjustment
21 proposal shall be filed as a public record with the clerk of the member school

1 district pursuing a boundary adjustment at least 10 days before the first public
2 hearing regarding the boundary adjustment proposal. The school district clerk
3 shall certify the date on which the clerk received the official copy and the date
4 copies shall be made available to members of the public upon request.

5 (3)(A) The member school district board shall hold at least two public
6 hearings prior to the vote on the boundary adjustment proposal.

7 (B) The first public hearing shall be held in accordance with
8 subdivision (a)(2) of this section and at least 30 days before the vote.

9 (4)(A) If the boundary adjustment proposal is made by a member school
10 district board, the board may revise the proposal as a result of suggestions and
11 recommendations made at a public hearing, but in no event shall such revisions
12 be made less than 20 days before the date of the meeting to vote on the
13 boundary adjustment proposal.

14 (B) If revisions are made, the school board shall post a notice of these
15 revisions in the same places as the warning for the meeting not less than 20
16 days before the date of the meeting and shall attach such revisions to the
17 official copy of the request kept on file for public inspection in the office of the
18 clerk of the member school district.

19 (5)(A) If the boundary adjustment proposal is made by petition, the
20 second public hearing shall be held not later than 10 days after the first public

1 hearing. The school board shall not have the authority to revise a boundary
2 adjustment proposal made by petition.

3 (B) After the warning and hearing requirements of this section are
4 satisfied, the boundary adjustment proposal shall be submitted to the voters of
5 the member school district proposing the boundary adjustment at the next
6 annual meeting, primary election, or general election in the form in which it
7 was filed, except that the school board may make technical corrections.

8 (6)(A) Notice of each public hearing and of the annual or special
9 meeting shall be given in accordance with 17 V.S.A. § 2641.

10 (B)(i) Each notice shall specify the supervisory union boundaries to
11 be adjusted, repealed, or amended, setting out those boundaries in the amended
12 form, with deleted matter struck through and new matter underlined.

13 (ii) If the school board determines that the boundary adjustment
14 proposal is too long or unwieldy to set out in amended form, the notice shall
15 include a concise summary of the boundary adjustment proposal and shall state
16 that an official copy of the boundary adjustment proposal is on file for public
17 inspection in the office of the clerk of the school district and that copies thereof
18 shall be made available to members of the public upon request.

19 (7)(A) Voting on a boundary adjustment proposal shall be by Australian
20 ballot.

1 (B)(i) The ballot shall show each boundary adjustment to be adopted,
2 repealed, or amended in the amended form, with deleted matter struck through
3 and new matter underlined, and shall permit the voter to vote on each separate
4 proposal contained within the boundary adjustment request.

5 (ii) If the school board determines that the boundary adjustment
6 proposal is too long or unwieldy to be shown in the amended form, voters shall
7 be permitted to vote upon each separate proposal in its entirety in the form of a
8 yes or no proposition.

9 (C) An official copy of the boundary adjustment proposal shall be
10 posted conspicuously in each ballot booth for inspection by the voters during
11 the balloting.

12 ~~(b)(1) Any school district that has so voted at its annual school district~~
13 ~~meeting, if said meeting has been properly warned regarding such a vote, may~~
14 ~~request that the State Board adjust the existing boundaries of the supervisory~~
15 ~~union of which it is a member district. The clerk of the member school district~~
16 ~~shall announce and post the results of the vote immediately after the vote is~~
17 ~~counted.~~

18 ~~(2) Any group of school districts that have so voted at their respective~~
19 ~~annual school district meeting, regardless of whether the districts are members~~
20 ~~of the same supervisory union, may request that the State Board adjust existing~~
21 ~~supervisory union boundaries and move one or more nonrequesting districts to~~

1 ~~a different supervisory union if such adjustment would assist the requesting~~
2 ~~districts to realign their governance structures into a unified union school~~
3 ~~district pursuant to chapter 11 of this title. The clerk of the school district,~~
4 ~~within 10 days after the day of the meeting, shall certify to the Secretary of~~
5 ~~State each separate boundary adjustment contained within the boundary~~
6 ~~adjustment proposal, showing the facts as to its origin and the procedure~~
7 ~~followed, which shall include:~~

8 (A)(i) if the boundary adjustment proposal was made by the school
9 board, the minutes recorded by the school board that detail the origins and
10 intent of each separate boundary adjustment proposal; and

11 (ii) if the boundary adjustment proposal was made by voter
12 petition, the body of the petition and evidence of the required number of
13 petition signatures;

14 (B) a copy of the official certified copy of the boundary adjustment
15 proposal filed with the clerk of the school district pursuant to subdivision
16 (a)(2) of this section;

17 (C) copies of the warnings and published notices for each of the
18 public hearings held pursuant to subdivision (a)(3) of this section;

19 (D) minutes recorded by the school board that detail each of the
20 public hearings held pursuant to subdivision (a)(3) of this section;

1 (E) copies of warnings and published notices for the meeting to vote
2 on the boundary adjustment proposal;

3 (F) a copy of the ballot and the results of the vote or votes on the
4 boundary adjustment proposal; and

5 (E) the results of the advisory supervisory union board votes made
6 pursuant to subsection (c) of this section.

7 ~~(3) The State Board shall act on a request made pursuant to this~~
8 ~~subsection within 75 days of receipt of the request and may regroup the school~~
9 ~~districts in the area so as to ensure reasonable supervision of all of these public~~
10 ~~schools.~~ If the voters do not approve the boundary adjustment proposal, no
11 further action shall be taken unless and until a new boundary adjustment
12 proposal is initiated pursuant to this section.

13 ~~(c) The State Board may designate any school district, including a unified~~
14 ~~union district, as a supervisory district if it will provide for the education of all~~
15 ~~resident students in prekindergarten through grade 12 and is large enough to~~
16 ~~support the planning and administrative functions of a supervisory union.~~ If
17 the voters of the member school district vote to approve the boundary
18 adjustment proposal, the boards of the supervisory unions affected by the
19 boundary adjustment request shall hold an advisory vote to approve the
20 boundary adjustment proposal within 45 days after the results of the school
21 district vote. The clerk of the school district requesting the boundary

1 adjustment shall submit the results of the advisory supervisory union board
2 votes to the Secretary of State with the information required to be submitted
3 pursuant to subdivision (b)(2) of this section.

4 (d) ~~Upon application by a supervisory union board, the State Board may~~
5 ~~waive any requirements of chapter 5 or 7 of this title with respect to the~~
6 ~~supervisory union board structure, board composition, or board meetings, or~~
7 ~~the staffing pattern of the supervisory union, if it can be demonstrated that such~~
8 ~~a waiver will result in efficient and effective operations of the supervisory~~
9 ~~union; will not result in any disproportionate representation; and is otherwise~~
10 ~~in the public interest. If the voters of the member school district vote to~~
11 ~~approve the boundary adjustment proposal, after confirming that the clerk of~~
12 ~~the member school district has certified each of the documents listed in~~
13 ~~subdivision (b)(2) of this section, the Secretary of State shall file the certificate~~
14 ~~and deliver copies of it to the Agency of Education, the State Board of~~
15 ~~Education, the Clerk of the House, the Secretary of the Senate, and the chairs~~
16 ~~of the committees concerned with supervisory union boundaries of both houses~~
17 ~~of the General Assembly.~~

18 (e) The boundary adjustment proposal shall become effective upon
19 affirmative enactment of the proposal, either as proposed or as amended by the
20 General Assembly.

1 Sec. 5. TRANSITION TO NEW SUPERVISORY UNIONS

2 (a) Transition board formation. Within 30 days following the passage of
3 this act, the Secretary of Education shall separately call a meeting of the school
4 directors of the member school districts within each supervisory union. The
5 number of directors shall be determined and directors shall be elected
6 according to 16 V.S.A. § 266. Within 30 days thereafter, the Secretary shall
7 call a meeting and the board shall elect a chair and other necessary officers to
8 serve as a transition board until the first regular annual election of officers.
9 The operational date of the new supervisory unions shall be July 1, 2027.

10 (b) Roles and authority during transitional period. During the transition
11 period:

12 (1) The supervisory unions in existence on July 1, 2026, shall continue
13 to provide administrative, planning, and educational services for their member
14 school districts until the new supervisory unions created pursuant to this act are
15 operational.

16 (2) The transition board shall develop bylaws for the new supervisory
17 union that shall address how the expenses of the supervisory union, including
18 those associated with the central office and those associated with the provision
19 of special education services, shall be assessed to member school districts.

20 (3) The transition board shall take all actions necessary to ensure the
21 supervisory union is able to fully comply with and execute each duty assigned

1 to a supervisory union pursuant to 16 V.S.A. § 261a not later than the
2 operational date of the new supervisory union.

3 (4) The transition board shall comply with 16 V.S.A. chapter 53,
4 subchapter 3 for the transition of employees.

5 * * * School District Consolidation * * *

6 Sec. 6. REDUCTION IN NUMBER OF SCHOOL DISTRICTS

7 (a) Reduction in number of school districts; goal. On or before July 1,
8 2029, the State shall provide educational opportunities through 50 percent
9 fewer school districts than exist on July 1, 2026, through the actions described
10 in this section.

11 (b) Voluntary mergers.

12 (1) Supervisory union member district mergers. On or before
13 September 1, 2026, the member school district boards of the following
14 supervisory unions shall establish study committees to study the advisability of
15 forming a new or expanded union school district in any combination that
16 results in the reduction in the number of individual member school districts by
17 50 percent across all supervisory unions, pursuant to the processes and
18 requirements of 16 V.S.A. chapter 11:

19 (A) SU 1;

20 (B) SU 2; etc

1 (2) Other school district mergers. On or before September 1, 2026, the
2 boards of all school districts that are not members of the supervisory unions
3 included in subdivision (1) of this subsection shall establish study committees
4 to study the advisability of forming a new or expanded union school district in
5 any combination that results in the reduction in the total number of individual
6 school districts by 50 percent of the total school districts that this subdivision
7 (2) is applicable to, pursuant to the processes and requirements of 16 V.S.A.
8 chapter 11.

9 (3) Exceptions. Districts with an average daily membership of more
10 than 3,000 students as of July 1, 2026, shall not be required to merge pursuant
11 to this section.

12 Sec. 7. OPERATION MODEL PROTECTION

13 (a) Intent. Nothing in this act shall be construed to restrict or repeal, or to
14 authorize, encourage, or contemplate the restriction or repeal of, the ability of a
15 school district that, as of the effective date of this section, provides for the
16 education of all resident students in one or more grades:

17 (1) by paying tuition on the students' behalf, to continue to provide
18 education by paying tuition on behalf of all students in the grade or grades; or

19 (2) by operating a school offering the grade or grades, to continue to
20 provide education by operating a school for all students in the grade or grades.

1 (b) School operation. All governance transitions contemplated pursuant to
2 this act shall preserve the ability of a district that, as of the effective date of this
3 section, provides for the education of all resident students in one or more
4 grades by operating a school for all students in the grade or grades if it chooses
5 to do so and shall not require the district to pay tuition for students if it ceases
6 to exist as a discrete entity and realigns into a supervisory district or union
7 school district.

8 (c) Tuition payment. All governance transitions contemplated pursuant to
9 this act shall preserve the ability of a district that, as of the effective date of this
10 section, provides for the education of all resident students in one or more
11 grades by paying tuition on the students' behalf, to continue to provide
12 education by paying tuition on behalf of all students in the grade or grades if it
13 chooses to do so and shall not require the district to limit the options available
14 to students if it ceases to exist as a discrete entity and realigns into a
15 supervisory district or union school district.

16 (d) Different operating structures. Nothing in this section shall prohibit
17 school districts, regardless of their operating structure, from voluntarily
18 merging pursuant to the processes and requirements of 16 V.S.A. chapter 11.

19 **Sec. 8. EVALUATION BY THE STATE BOARD OF EDUCATION**

20 School districts. When evaluating a proposal to create a union school
21 district pursuant to 16 V.S.A. chapter 11, including a proposal submitted

1 pursuant to the provisions of Sec. 6 of this act, the State Board of Education
2 shall:

3 (1) consider whether the proposal is designed to meet the goals set forth
4 in Sec. 1 of this act and to reduce the number of school districts as set forth in
5 Sec. 6(a) of this act; and

6 (2) be mindful of any other district in the region that may become
7 geographically isolated, including the potential isolation of a district with low
8 fiscal capacity or with a high percentage of students from economically
9 deprived backgrounds as identified in 16 V.S.A. § 4010(d).

10 (A) At the request of the State Board, the Secretary of Education
11 shall work with the potentially isolated district and other districts in the region
12 to move toward voluntary merger that does not result in such isolation.

13 (B) The State Board is authorized to deny approval to a proposal that
14 would geographically isolate a district that would not be an appropriate
15 member of another governance structure in the region; provided, however, that,
16 notwithstanding 16 V.S.A. § 709(c)(2), the State Board shall approve other
17 mergers formed pursuant to this act that do not geographically isolate a district.

18 Sec. 9. NONMERGING DISTRICT PROPOSALS

19 On or before November 30, 2027, the board of each school district in the
20 State that is not a member of a newly formed school district or that does not
21 expect to become a member of a newly formed school district on or before July

1 1, 2029, solely on behalf of its own district or jointly with the boards of other
2 districts, shall submit a proposal to the Secretary of Education and the State
3 Board of Education in which the district:

4 (1) proposes to retain its current governance structure, to work with
5 other districts to form a different governance structure, or to enter into another
6 model of joint activity;

7 (2) demonstrates, through reference to enrollment projections,
8 student-to-staff ratios, the comprehensive data collected pursuant to 16 V.S.A.
9 § 165, and otherwise, how the proposal submitted pursuant to this section
10 supports the district's or districts' ability to meet or exceed each of the goals
11 set forth in Sec. 1 of this act; and

12 (3) identifies detailed actions it proposes to take to continue to improve
13 its performance in connection with each of the goals set forth in Sec. 1 of this
14 act.

15 Sec. 10. FINAL STATE ACTION

16 (a) Agency of Education's proposal. In order to modernize Vermont's
17 school district governance structures and meet the goals set forth in Sec. 1 of
18 this act while reducing the number of school districts by 50 percent, the
19 Secretary shall:

20 (1) Review the governance structures of the school districts and
21 supervisory unions of the State as they will exist, or are anticipated to exist, on

1 July 1, 2029. This review shall include consideration of any proposals
2 submitted by districts or groups of districts pursuant to Sec. 6 of this act and
3 conversations with those and other districts.

4 (2) On or before June 1, 2028, the Secretary shall develop, publish on
5 the Agency of Education’s website, and present to the State Board of
6 Education a proposed plan that, to the extent necessary to promote the purpose
7 stated at the beginning of this subsection, would merge districts into larger
8 school districts in an effort to reduce the number of school districts by 50
9 percent to not more than 56 total school districts. The Agency shall only
10 recommend merging districts with the same operating structures. If it is not
11 possible or practicable to develop a proposal that realigns some districts, where
12 necessary, in a manner that adheres to the protections of Sec. 7 of this act
13 (protection for tuition-paying and operating districts), then the proposal may
14 also allow some school districts not to merge and instead to continue to exist
15 and operate as they did as of July 1, 2026.

16 (3) Any mergers proposed by the Agency shall meet the following
17 criteria:

18 (A) only school districts with small student counts shall be merged;

19 (B) while school districts do not need to be contiguous in order to
20 be merged, such mergers shall take into account the geography of each

1 applicable school district and any other geographical areas affected by a
2 proposed merger;

3 (C) only school districts with adequate infrastructure capacity to
4 consolidate schools should such a need develop shall be merged;

5 (D) mergers shall lead to improved opportunity for resident students;
6 and

7 (E) mergers shall lead to the potential to gain staffing and
8 administrative efficiencies.

9 (b) State Board's plan.

10 (1) School districts. On or before November 30, 2028, the State Board
11 shall review and analyze the Secretary's proposal under the provisions in
12 subsection (a) of this section, may take testimony or ask for additional
13 information from districts and supervisory unions, shall approve the proposal
14 either in its original form or in an amended form that adheres to the provisions
15 of subsection (a) of this section, and shall publish on the Agency's website its
16 order merging and realigning districts. The Board shall be prohibited from
17 merging school districts whose operating structures differ as of July 1, 2026.

18 (2) Supervisory unions. On or before November 30, 2028, the State
19 Board shall submit a written report to the House and Senate Committees on
20 Education with recommended supervisory union boundaries that reflect the
21 new school districts created through voluntary merger pursuant to Sec. 6 of this

1 act and the Board’s order merging and realigning school districts pursuant to
2 subdivision (1) of this subsection.

3 (c) Applicability. This section shall not apply to:

4 (1) an interstate school district;

5 (2) a regional career technical center school district formed under
6 16 V.S.A. chapter 37, subchapter 5A; or

7 (3) a school district that, between July 1, 2026, and July 1, 2028, began
8 to operate as a unified union school district or obtained an affirmative vote of
9 all necessary districts to voluntarily merge into a new union school district
10 pursuant to Sec. 6 of this act; provided, however, that as part of the State
11 Board’s plan developed pursuant to subsection (b) of this section, the State
12 Board may realign a newly formed unified union school district to include a
13 geographically isolated district where necessary to achieve the goals of this act.

14 Sec. 11. QUALITY ASSURANCE; ACCOUNTABILITY; DATA
15 COLLECTION; REPORT

16 The Secretary of Education shall regularly review, evaluate, and keep the
17 State Board of Education and the General Assembly apprised of the following:

18 (1) the discussions, studies, and activity among districts to move
19 voluntarily toward creating new, larger school districts pursuant to Sec. 3 of
20 this act; and

1 (2) the data and other information collected in connection with
2 education quality standards pursuant to 16 V.S.A. § 165, and related on-site
3 education quality reviews, including data and information regarding the equity
4 of educational opportunities, academic outcomes, personalization of learning, a
5 safe school climate, high-quality staffing, and financial efficiency.

6 * * * Exploration and Transition Grants * * *

7 Sec. 12. EXPLORATION AND TRANSITION GRANTS; REPORT

8 Notwithstanding 16 V.S.A. § 4025:

9 (1) Supervisory union transition facilitation grant. Within 15 days
10 following the date each transitional board of each supervisory union created
11 pursuant to this act holds a meeting to elect a chair and other necessary officers
12 pursuant to Sec. 5(a), the Secretary of Education shall, from the Education
13 Fund, pay each transitional board a supervisory union transition facilitation
14 grant in the amount of \$250,000.00.

15 (2) Study committee grant. The Secretary of Education shall, from the
16 Education Fund, reimburse up to \$10,000.00 of fees paid by two or more
17 school districts for facilitation, legal, and other consulting services necessary
18 for the initial exploration of the advisability of forming a new union school
19 district for study committees that convene pursuant to 16 V.S.A. chapter 11 on
20 or after July 1, 2026, pursuant to Sec. 6 of this act.

1 (3) Merger support grant.

2 (A) After voter approval of a plan of merger that was developed by a
3 study committee established pursuant to 16 V.S.A. chapter 11 pursuant to
4 Sec. 6 of this act on or after July 1, 2026, the Secretary of Education may pay
5 the transitional board of the new union school district a transition facilitation
6 grant from the Education Fund equal to the lesser of:

7 (i) 10 percent of the base education amount established in
8 16 V.S.A. § 4001(13) multiplied by the greater of either the combined
9 enrollment or the average daily membership of the merging districts on
10 October 1 of the year in which the successful vote is taken; or

11 (ii) \$300,000.00.

12 (B) A new school district formed pursuant to the recommendation of
13 a study committee established pursuant to 16 V.S.A. chapter 11 pursuant to
14 Sec. 6 of this act on or after July 1, 2026, shall be eligible for a grant under this
15 subdivision (3) if the newly formed union school district has:

16 (i) an average daily membership of 3,000 or more students; or

17 (ii) at least 15 separate towns or cities located within the new
18 district's geographical boundaries.

19 (C) Merger support grants shall be available through fiscal year 2032.

20 Eligible newly formed union school districts shall only be eligible for a merger

1 support grant pursuant to this section during the fiscal year following voter
2 approval of a plan of merger.

3 (4) Report. Beginning on December 1, 2026, and annually thereafter
4 until December 1, 3031, the Agency of Education shall submit a written report
5 to the House Committees on Education and on Ways and Means and the
6 Senate Committees on Education and on Finance with information regarding
7 contemplated and active school district mergers and a proposed appropriation
8 amount for the applicable fiscal year to cover the costs associated with the
9 grants created pursuant to this section. The report shall include:

10 (A) a list of school districts that are members of active study
11 committees formed pursuant to 16 V.S.A. chapter 11, the date the study
12 committee formed, and the status of any such study committee;

13 (B) a list of anticipated new union school districts that are likely to be
14 formed during the applicable fiscal year and the forming members and
15 anticipated average daily membership of each; and

16 (C) proposed appropriation amounts for study committee grants and
17 merger support grants for the applicable fiscal year based on the merger
18 activity observed in the field.

19 (5) Recommended appropriations. The Agency shall include
20 recommended appropriation amounts for study committee grants and merger

1 support grants as part of its budget submitted to the Governor pursuant to 16
2 V.S.A. § 212(21).

3 Sec. 13. APPROPRIATION; TRANSITION FACILITATION, STUDY
4 COMMITTEE, AND MERGER SUPPORT GRANTS

5 (a) Notwithstanding 16 V.S.A. § 4025, the sum of \$2,750,000.00 is
6 appropriated from the Education Fund to the Agency of Education in fiscal
7 year 2027 for the purpose of awarding supervisory union transition facilitation
8 grants pursuant to Sec. 12(1) of this act.

9 (b) Notwithstanding 16 V.S.A. § 4025, the sum of \$50,000.00 is
10 appropriated from the Education Fund to the Agency of Education in fiscal
11 year 2027 for the purpose of awarding study committee support grants
12 pursuant to Sec. 12(2) of this act.

13 (c) Notwithstanding 16 V.S.A. § 4025, the sum of \$600,000.00 is
14 appropriated from the Education Fund to the Agency of Education in fiscal
15 year 2027 for the purpose of awarding merger support grants pursuant to Sec.
16 12(3) of this act.

17 (d) The funds appropriated pursuant to this section shall carry forward each
18 fiscal year until fully expended or reverted.

19 * * * Foundation Formula * * *

20 Sec. 14. 16 V.S.A. § 4001(16) is amended to read:

(16) “Base amount” means a per pupil cost-factor amount of ~~\$15,033.00~~
\$16,780.00, which shall be adjusted for inflation annually on or before
November 15 by the Secretary of Education. As used in this subdivision,
“adjusted for inflation” means adjusting the base dollar amount by the National
Income and Product Accounts (NIPA) implicit price deflator for state and local
government consumption expenditures and gross investment published by the
U.S. Department of Commerce, Bureau of Economic Analysis, from fiscal
year ~~2025~~ 2027 through the fiscal year for which the amount is being
determined, and rounding upward to the nearest whole dollar amount.

Sec. 15. REPEAL

2025 Acts and Resolves No. 73, Sec. 35 (16 V.S.A. § 4010) is repealed.

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

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP
AND ~~PER PUPIL EDUCATION SPENDING~~ EDUCATIONAL
OPPORTUNITY PAYMENT

(a) Definitions. As used in this section:

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

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

(3) “Weighting categories” means the categories listed under subsection

(b) of this section.

1 (4) “Child with a disability” means any child in Vermont eligible under
2 State rules to receive special education who is enrolled in any of kindergarten
3 through grade 12.

4 (5) “Disability” means any of:

5 (A) a specific learning disability or a speech or language impairment,
6 each of which is identified as “Category A”;

7 (B) an emotional disturbance, intellectual disability, developmental
8 delay, or other health impairment, each of which is identified as “Category B”;
9 or

10 (C) autism spectrum disorder, deaf-blindness, hearing impairment,
11 orthopedic impairment, traumatic brain injury, or visual impairment, each of
12 which is identified as “Category C.”

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

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

19 (b) Determination of average daily membership and weighting categories.
20 On or before the first day of December during each school year, the Secretary
21 shall determine the average daily membership, as defined in subdivision

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

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

~~(A)~~(1) pupils in prekindergarten;

~~(B)~~(2) pupils in kindergarten through grade five;

~~(C)~~(3) pupils in grades six through eight;

~~(D)~~(4) pupils in grades nine through 12;

~~(E)~~(5) pupils whose families are at or below 185 percent of FPL,

using the highest number of pupils in the district:

~~(i)~~(A) that meet this definition under the universal income

declaration form; or

~~(ii)~~(B) who are directly certified for free and reduced-priced

meals; ~~and~~

~~(F)~~(6) EL pupils who have been most recently assessed at an English

language proficiency level of:

(A) Level 1;

(B) Level 2 or 3;

(C) Level 4; or

(D) Level 5 or 6;

(7) EL pupils who are identified as Newcomer or SLIFE; and

1 (8) children with a disability whose disability is identified as:

2 (A) Category A;

3 (B) Category B; or

4 (C) Category C, provided that a child with multiple disabilities shall
5 be counted solely under this subdivision (C).

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

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

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

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

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

18 ~~(C) Using average daily membership, list for each school district that~~
19 ~~has low population density the number of pupils in each of subdivisions~~

20 ~~(A)(i)–(iii) of this subdivision (2).~~

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

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

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

5 ~~(B) As used in subdivision (A) of this subdivision (3), “average two-~~
6 ~~year enrollment” means the average enrollment of the two most recently~~
7 ~~completed school years, and “enrollment” means the number of pupils who are~~
8 ~~enrolled in a school operated by the district on October 1. A pupil shall be~~
9 ~~counted as one whether the pupil is enrolled as a full-time or part-time student.~~

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

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

1 receiving school shall provide this information to the sending district in a
2 timely manner.

3 (d) Determination of weighted long-term membership. For each weighting
4 category ~~except the small schools weighting category under subdivision (b)(3)~~
5 ~~of this section~~, the Secretary shall compute the weighting count by using the
6 long-term membership, as defined in subdivision 4001(7) of this title, in that
7 category.

8 (1) ~~The Secretary shall first apply grade level weights~~ Prekindergarten
9 weight. Each pupil included in long-term membership ~~shall count as one,~~
10 ~~multiplied by the following amounts:~~

11 (A) who is enrolled in prekindergarten—shall receive an additional
12 weighting amount of negative 0.54; and

13 (B) grades six through eight—0.36; and [Repealed.]

14 (C) grades nine through 12—0.39 shall receive an additional
15 weighting amount of 0.10.

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

20 (3) ~~The Secretary shall next apply a weight for EL pupils~~ EL proficiency
21 weights. Each EL pupil included in long-term membership shall receive an

1 additional weighting amount, based on the EL pupil's English language
2 proficiency level, of ~~2.49~~:

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

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

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

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

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

14 ~~(A) 0.15, where the number of persons per square mile is fewer than~~
15 ~~36 persons;~~

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

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

20 (5) ~~The Secretary shall lastly apply a weight for pupils who attend a~~
21 ~~small school. If the number of persons per square mile residing within the land~~

1 area of the geographic boundaries of a school district as of July 1 of the year of
2 determination is 55 or fewer, then, for each pupil listed under subdivision
3 ~~(b)(3)(C)~~ of this section ~~(pupils who attend small schools)~~ Special education
4 weights. Each child with a disability included in long-term membership shall
5 receive an additional weighting amount, based on the categorization of the
6 child's disability, of:

7 (A) ~~where the school has fewer than 100 pupils in average two-year~~
8 ~~enrollment, the school district shall receive an additional weighting amount of~~
9 ~~0.21 for each pupil included in the small school's average two-year enrollment~~
10 0.79, if the disability is identified as Category A; or

11 (B) ~~where the small school has 100 or more but fewer than 250~~
12 ~~pupils, the school district shall receive an additional weighting amount of 0.07~~
13 ~~for each pupil included in the small school's average two-year enrollment~~ 1.89,
14 if the disability is identified as Category B; or

15 (C) 2.49, if the disability is identified as Category C.

16 (6) A school district's weighted long-term membership shall equal long-
17 term membership plus the cumulation of the weights assigned by the Secretary
18 under this subsection.

19 (e) Hold harmless. A district's weighted long-term membership shall in no
20 case be less than 96 and one-half percent of its actual weighted long-term

1 membership the previous year prior to making any adjustment under this
2 subsection.

3 (f) Determination of ~~per pupil education spending~~ educational opportunity
4 payment. ~~As soon as reasonably possible after a school district budget is~~
5 ~~approved by voters, the Secretary shall determine the per pupil education~~
6 ~~spending for the next fiscal year for the school district. Per pupil education~~
7 ~~spending shall equal a school district's education spending divided by its~~
8 ~~weighted long-term membership~~ The Secretary shall determine each school
9 district's educational opportunity payment by multiplying the school district's
10 weighted long-term membership determined under subsection (d) of this
11 section by the base amount.

12 * * *

13 (h) Updates to weights, base amount, and transportation reimbursement.
14 On or before January 1, ~~2027~~ 2026 and on or before January 1 of every fifth
15 year thereafter, the Agency of Education and the Joint Fiscal Office shall
16 calculate, based on their consensus view and with the advice and consultation
17 of a professional judgment panel convened by the Agency, updates to the
18 weights and the base amount, including any inflationary measure, to account
19 for cost changes underlying those weights and shall issue a written report on
20 their work to the House and Senate Committees on Education, the House
21 Committee on Ways and Means, and the Senate Committee on Finance. The

1 General Assembly shall update the weights under this section, the base
2 amount, and transportation reimbursement under section 4016 of this title not
3 less than every five years and the implementation date for the updated weights
4 and transportation reimbursement shall be delayed by a year in order to
5 provide school districts with time to prepare their budgets. Updates to the
6 weights may include recalibration, recalculation, adding or eliminating
7 weights, or any combination of these actions.

8 Sec. 17. 2025 Acts and Resolves No. 73, Sec. 70 is amended to read:

9 Sec. 70. EFFECTIVE DATES

10 * * *

11 (e) Sec. 61a shall take effect on January 1, 2027, ~~provided that the General~~
12 ~~Assembly has enacted new school district boundaries between the enactment~~
13 ~~of this act and January 1, 2027.~~

14 (f) The following sections shall take effect on ~~July 1, 2028, provided that~~
15 ~~the new school districts contemplated by this act have assumed responsibility~~
16 ~~for the education of all resident students and that the expert tasked with~~
17 ~~developing a cost factor foundation formula has provided to the General~~
18 ~~Assembly the report pursuant to Sec. 45a to provide the General Assembly an~~
19 ~~opportunity to enact legislation in consideration of the report July 1, 2029:~~

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

21 (2) Sec. 28 (tuition repeals);

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

2 (4) Sec. 45b (educational opportunity payment transition);

3 (5) Secs. 46, 47, 49, and 50 (statewide education tax; supplemental
4 district spending tax);

5 (6) Sec. 46a (supplemental district spending tax; cap; transition);

6 (7) Sec. 48a (tax rate transition);

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

9 (9) Sec. 57 (Education Fund Advisory Committee; review of foundation
10 formula); and

11 (10) Secs. 60 and 61 (property tax classifications).

12 (g) ~~In Sec. 27, 16 V.S.A. § 823(b) and (c) shall take effect on July 1, 2028,~~
13 ~~provided that the new school districts contemplated by this act have assumed~~
14 ~~responsibility for the education of all resident students and that the cost-factor~~
15 ~~foundation formula report required pursuant to Sec. 45a contains evidence that~~
16 ~~it costs more to educate students in grades nine through 12 but the General~~
17 ~~Assembly has failed to enact legislation to add a secondary student weight.~~

18 [Deleted.]

19 (h) Sec. 62 (regional assessment districts) shall take effect on January 1,
20 2029.

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