H.54			
Introduced by Representatives Sibilia of Dover, Colburn of Burlington,			
Gannon of Wilmington, Marcotte of Coventry, Pajala of			
Londonderry, Partridge of Windham, Sims of Craftsbury, Small			
of Winooski, Campbell of St. Johnsbury, Donnally of Hyde			
Park, Elder of Starksboro, and Rogers of Waterville			
Referred to Committee on			
Date:			
Subject: Education; equalized pupils; weighted membership			
Statement of purpose of bill as introduced: This bill proposes to implement the			
recommendations in the Pupil Weighting Factors Report, commissioned by the			
Generally Assembly, dated December 24, 2019, by adjusting the existing			
weighting factors and adding new weighting factors that are used to calculate			
equalized pupils while mitigating property tax rate increases that result from			
these changes.			
An act relating to adjusting the existing weighting factors, and adding new weighting factors, used to calculate equalized pupils			

1	It is hereby enacted by the General Assembly of the State of Vermont:
2	* * * Weighted Membership Changes * * *
3	Sec. 1. FINDINGS AND PURPOSE
4	(a) The Vermont Supreme Court, in Brigham v. State, 166 Vt. 246 (1997),
5	held that education in Vermont is "a constitutionally mandated right" and that
6	to "keep a democracy competitive and thriving, students must be afforded
7	equal access to all that our educational system has to offer." Therefore, the
8	Court held that in order to "fulfill its constitutional obligation the [S]tate must
9	ensure substantial equality of educational opportunity throughout Vermont."
10	(b) The General Assembly reflected this holding in statute, 16 V.S.A. § 1,
11	that states that "the right to education is fundamental for the success of
12	Vermont's children in a rapidly-changing society and global marketplace as
13	well as for the State's own economic and social prosperity. To keep
14	Vermont's democracy competitive and thriving, Vermont students must be
15	afforded substantially equal access to a quality basic educationit is the policy
16	of the State that all Vermont children will be afforded educational
17	opportunities that are substantially equal although educational programs may
18	vary from district to district."
19	(c) Students come to school with dissimilar learning needs and
20	socioeconomic backgrounds that may require different types and levels of
21	educational support for them to achieve common standards or outcomes.

1	Similarly, schools in different contexts may also require different levels of
2	resources due to their scale of operations or the price they must pay for key
3	resources. Therefore, school districts with similar education property tax rates
4	may achieve significantly different student outcomes.
5	(d) Vermont applies weighting factors to its school district pupil count in
6	order to determine education property tax rates for each district. These
7	weighting factors are intended to reflect the resources required by a district to
8	educate students based on certain characteristics, such as students who are
9	from economically deprived backgrounds or students for whom English is not
10	their primary language.
11	(e) The application of these weighting factors results in an "equalized
12	pupil" count. A relatively higher equalized pupil count corresponds to
13	relatively lower education property tax rates for the district. This benefit
14	provides the district with greater taxing capacity that can be used to increase its
15	education spending, resulting in more resources to benefit students and
16	improve student outcomes.
17	(f) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of
18	Education to study the efficacy of the current weighting factors and to consider
19	whether new weighting factors should be included in the equalized pupil count.
20	(g) On December 24, 2019, the Agency issued its Pupil Weighting Factors

Report (Report), which was produced by a University of Vermont-led team of

1	researchers. The Report found that neither the cost factors incorporated in the
2	weighing formula nor the values of the current weights reflect contemporary
3	educational circumstances and costs and that stakeholders viewed the existing
4	approach as "outdated." The Report found that values for the existing weights
5	have weak ties, if any, with evidence describing differences in the costs for
6	educating students with disparate needs or operating schools in different
7	contexts and recommended that the General Assembly increase certain of the
8	existing weights and add certain new weighting factors.
9	(h) The purpose of this act is to correct for the fact that, for more than
10	20 years, the weighting formula has resulted in many of Vermont's school
11	districts being overtaxed and underfunded, especially smaller and poorer
12	school districts, resulting in inequities for some of the State's most vulnerable
13	children. This act is intended to fulfill Vermont's constitutional mandate to
14	ensure that all students receive substantial equality of educational opportunity
15	throughout the State.
16	Sec. 2. 16 V.S.A. § 4010 is amended to read:
17	§ 4010. DETERMINATION OF WEIGHTED MEMBERSHIP
18	(a) On or before the first day of December during each school year, the
19	Secretary shall determine the average daily membership of each school district
20	for the current school year. The determination shall list separately:

(1) resident prekindergarten children;

1	(2) resident students being provided elementary or kindergarten		
2	education in kindergarten through grade five; and		
3	(3) resident students being provided secondary education in grades six		
4	through eight; and		
5	(4) resident students in grades nine through 12.		
6	(b) The Secretary shall determine the long-term membership for each		
7	school district for each student group described in subsection (a) of this		
8	section. The Secretary shall use the actual average daily membership over two		
9	consecutive years, the latter of which is the current school year.		
10	(c) The Secretary shall determine the weighted long-term membership for		
11	each school district using the long-term membership from subsection (b) of		
12	this section, and the following weights for each class, and the adjustments		
13	under subsections (d) and (e) of this section, if applicable:		
14	(i) prekindergarten—0.46;		
15	Elementary or kindergarten 1.0		
16	Secondary 1.13		
17	(ii) kindergarten through grade five—1.0;		
18	(iii) grades six through eight—1.23; and		
19	(iv) grades nine through 12—1.20.		
20	(d)(1) The weighted long-term membership calculated under subsection (c)		
21	of this section shall be increased for each school district to compensate for		

1	additional costs imposed by students from economically deprived			
2	backgrounds. The adjustment shall be equal to the total from subsection (c) of			
3	this section, multiplied by 25 percent 1.16 , and further multiplied by the			
4	poverty ratio of the district.			
5	(e)(2) The weighted long-term membership calculated under subsection (c)			
6	of this section shall be further increased by 0.2 ± 1.58 for each student in average			
7	daily membership for whom English is not the primary language.			
8	(e)(1) The weighted long-term membership calculated under subsection (c)			
9	of this section shall be increased for differences in the cost of education			
10	because of the higher cost of education in geographically isolated areas of the			
11	State. The adjustment shall be equal to the total from subsection (c) of this			
12	section, multiplied by:			
13	(A) 0.23, where the number of persons per square mile in the school			
14	district is 35 or fewer;			
15	(B) 0.17, where the number of persons per square mile in the school			
16	district is 36 or more but fewer than 56; or			
17	(C) 0.11, where the number of persons per square mile in the school			
18	district is 56 or more but fewer than 101.			
19	(2) If the number of persons per square mile in a school district is 55 or			
20	fewer, the weighted long-term membership calculated under subsection (c) of			

this section shall be further increased for the additional cost of operating small

1	schools in geographically isolated areas of the State. The adjustment shall be			
2	equal to:			
3	(A) 0.26 multiplied by the number of students enrolled in a school in			
4	the school district with a long-term membership of fewer than 100 students; of			
5	(B) 0.12 multiplied by the number of students enrolled in a school in			
6	the school district with a long-term membership of 100 or more but fewer than			
7	251 students.			
8	* * *			
9	Sec. 2a. 16 V.S.A. § 4010 is amended to read:			
10	§ 4010. DETERMINATION OF WEIGHTED MEMBERSHIP			
11	* * *			
12	(d)(1) The weighted long-term membership calculated under subsection (c)			
13	of this section shall be increased for each school district to compensate for			
14	additional costs imposed by students from economically deprived			
15	backgrounds. The adjustment shall be equal to the total from subsection (c) of			
16	this section, multiplied by $\frac{1.16}{2.06}$, and further multiplied by the poverty ratio			
17	of the district.			
18	* * *			
19	Sec. 2b. 16 V.S.A. § 4010 is amended to read:			
20	§ 4010. DETERMINATION OF WEIGHTED MEMBERSHIP			
21	* * *			

1	$\underline{(d)(1)}$ The weighted long-term membership calculated under subsection (c)			
2	of this section shall be increased for each school district to compensate for			
3	additional costs imposed by students from economically deprived			
4	backgrounds. The adjustment shall be equal to the total from subsection (c) of			
5	this section, multiplied by $\frac{2.06}{2.97}$, and further multiplied by the poverty ratio			
6	of the district.			
7	* * *			
8	* * * Municipal Tax Rate Increase; Mitigation * * *			
9	Sec. 3. MITIGATION OF MUNICIPAL PROPERTY TAX RATE			
10	INCREASES; FISCAL YEARS 2023–2025			
11	For fiscal years 2023, 2024, and 2025, an increase to a municipality's			
12	property tax rate that equals or exceeds 20 percent of what that municipal tax			
13	rate would have been but for the amendments to 16 V.S.A. § 4010 (weighted			
14	membership) under this act, shall be mitigated by a reduction in the			
15	municipality's statewide education property tax payments made to the State in			
16	the fiscal year. The property tax rate increase shall be calculated each fiscal			
17	year. If the rate increase qualifies for mitigation under this section, then the			
18	education property tax payment shall be reduced as follows:			
19	(1) For fiscal year 2023, by an amount equal to 75 percent of the			
20	revenue raised due to the tax rate increase.			

1	(2) For fiscal year 2024, by an amount equal to 50 percent of the		
2	revenue raised due to the tax rate increase.		
3	(3) For fiscal year 2025, by an amount equal to 25 percent of the		
4	revenue raised due to the tax rate increase.		
5	* * * Suspension of Excess Spending Penalty * * *		
6	Sec. 4. SUSPENSION OF EXCESS SPENDING PENALTY; REPORT		
7	(a) Notwithstanding any provision of law to the contrary, for fiscal		
8	year 2022, the excess spending penalty under 16 V.S.A. § 4001(6)(B) and		
9	32 V.S.A. § 5401(12) is suspended.		
10	(b) On or before December 15, 2022, the Agency of Education and the		
11	Department of Taxes shall report to the General Assembly regarding the effect		
12	of the suspension of the excess spending penalty under subsection (a) of this		
13	section. The Agency and the Department shall include in their report any		
14	necessary recommendations for legislation.		
15	* * * Preservation of Merger Incentives * * *		
16	Sec. 5. MERGER INCENTIVES		
17	2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, and		
18	2015 Acts and Resolves No. 46, each as amended, created incentives for		
19	school districts that voluntarily merged. This act is not intended to, and shall		
20	not, deprive any school district of any incentive for which it qualified under		
21	those acts. Therefore, despite the effect of the amended and new weighting		

1	factors under Sec. 2 of this act on property taxes, the limitations under those		
2	acts on property tax increases and decreases remain in effect for those towns		
3	that received that benefit under those acts.		
4	* * * Repeal of Small School Grants * * *		
5	Sec. 6. 16 V.S.A. § 4015 is amended to read:		
6	§ 4015. SMALL SCHOOL SUPPORT		
7	(a) In this section:		
8	(1) "Eligible school district" means a school district that:		
9	(A) operates at least one school with an average grade size of 20 or		
10	fewer; and		
11	(B) has been determined by the State Board, on an annual basis, to be		
12	eligible due to either:		
13	(i) the lengthy driving times or inhospitable travel routes between		
14	the school and the nearest school in which there is excess capacity; or		
15	(ii) the academic excellence and operational efficiency of the		
16	school, which shall be based upon consideration of:		
17	(I) the school's measurable success in providing a variety of		
18	high quality educational opportunities that meet or exceed the educational		
19	quality standards adopted by the State Board pursuant to section 165 of this		
20	title;		

1	(II) the percentage of students from economically deprived				
2	backgrounds, as identified pursuant to subsection 4010(d) of this title, and				
3	those students' measurable success in achieving positive outcomes;				
4	(III) the school's high student-to-staff ratios; and				
5	(IV) t	(IV) the district's participation in a merger study and			
6	submission of a merger report to the State Board pursuant to chapter 11 of the				
7	title or otherwise.				
8	(2) "Enrollment" means the number of students who are enrolled in a				
9	school operated by the district on October 1. A student shall be counted as o				
10	whether the student i	whether the student is enrolled as a full-time or part-time student.			
11	(3) "Two year average enrollment" means the average enrollment of the				
12	two most recently completed school years.				
13	(4) "Average grade size" means two-year average enrollment divided to				
14	the number of grades	the number of grades taught in the district on October 1. For purposes of this			
15	calculation, kindergarten and prekindergarten programs shall be counted				
16	together as one grade.				
17	(5) "AGS facto	or" means the following f	actors for each average grade		
18	size:				
19	Avera	age grade size			
20	More than: - bu	ut less than or equal to:	Factor:		
21	θ	7	0.19		

1	7	9	0.175
2	9	10	0.16
3	10	11	0.145
4	11	12	0.13
5	12	13	0.115
6	13	14	0.10
7	14	15	0.085
8	15	16	0.070
9	16	17	0.055
10	17 -	18	0.040
11	18	19	0.025
12	19	20	0.015
13	(6) "School district" means a town, city, incorporated, interstate, or		
14	union school district or a joint contract school established under chapter 11,		
15	subchapter 1 of this title.		
16	(b) Small schools support grant: Annually, the Secretary shall pay a small		
17	schools support grant to any eligible school district. The amount of the grant		
18	shall be the greater of:		
19	(1) the amount determined by multiplying the two-year average		
20	enrollment in the district by \$500.00 and subtracting the product from		
21	\$50,000.00, with a maximum grant of \$2,500.00 per enrolled student; or		

1	(2) the amount of 87 percent of the base education amount for the current
2	year, multiplied by the two-year average enrollment, multiplied by the AGS
3	factor.
4	(c) [Repealed.]
5	(d) [Repealed.]
6	(e) In the event that a school or schools that have received a grant under this
7	section merge in any year following receipt of a grant, and the consolidated
8	school is not eligible for a grant under this section or the small school grant for
9	the consolidated school is less than the total amount of grant aid the schools
10	would have received if they had not combined, the consolidated school shall
11	continue to receive a grant for three years following consolidation. The amount
12	of the annual grant shall be:
13	(1) in the first year following consolidation, an amount equal to the
14	amount received by the school or schools in the last year of eligibility;
15	(2) in the second year following consolidation, an amount equal to two-
16	thirds of the amount received in the previous year; and
17	(3) in the third year following consolidation, an amount equal to one-
18	third of the amount received in the first year following consolidation.
19	[Repealed.]

1	Sec. 7. 16 V.S.A. § 4030 is amended to read:
2	§ 4030. DATA SUBMISSION; CORRECTIONS
3	* * *
4	(b) The Secretary shall use data submitted on or before January 15 prior to
5	the fiscal year that begins the following July 1, in order to calculate the
6	amounts amount due each school district for any fiscal year for the following:
7	(1) transportation aid due under section 4016 of this title; and
8	(2) the small school support grant due under section 4015 of this title.
9	* * *
10	Sec. 8. 16 V.S.A. § 1531 is amended to read:
11	§ 1531. RESPONSIBILITY OF STATE BOARD
12	* * *
13	(c) For a school district that is geographically isolated from a Vermont
14	career technical center, the State Board may approve a career technical center
15	in another state as the career technical center that district students may attend.
16	In this case, the school district shall receive transportation assistance pursuant
17	to section 1563 of this title and tuition assistance pursuant to section 1561(c) of
18	this title. Any student who is a resident in the Windham Southwest
19	Supervisory Union and who is enrolled at public expense in the Charles H.
20	McCann Technical School or the Franklin County Technical School shall be

considered to be attending an approved career technical center in another state

pursuant to this subsection, and, if the student is from a school district eligible
for a small schools support grant weighting adjustment pursuant to section

4015 4010 of this title, the student's full-time equivalency shall be computed
according to time attending the school.

* * * Nonoperating School Districts * * *

Sec. 9. FINDINGS AND STATEMENT OF INTENT

- (a) The weighting changes and new weights under Sec. 2 of this act are designed to reflect the actual cost of educating students taking into account student needs and the characteristics of their educational environments.

 Nonoperating school districts pay tuition for their resident students to attend schools. A nonoperating school district counts resident students toward its equalized pupil count and receives a corresponding tax benefit. Unless the tuition paid for a student by a nonoperating school district to a receiving school district reflects the cost of educating that student, the amount of tax benefit to the nonoperating school district and the amount of cost to educate the student incurred by the receiving school district will not be equivalent, resulting in inequity.
- (b) The General Assembly intends that the tuition paid for a student by a nonoperating school district to a receiving school district reflects the cost of educating that student, and therefore in Sec. 10 of this act directs the Secretary of Education to determine how best to achieve this goal.

1	Sec. 10. TUITION PAYMENTS; NONOPERATING SCHOOL DISTRICTS;
2	REPORT
3	On or before December 15, 2021, the Secretary of Education shall examine
4	and report to the House and Senate Committees on Education how the
5	Vermont statutes governing the payment of tuition by nonoperating school
6	districts should be amended to ensure that the tuition paid for a student by a
7	nonoperating school district to a receiving school district reflects the cost of
8	educating that student as reflected in the weight assigned to that student under
9	16 V.S.A. § 4010, as amended by this act.
10	* * * Report on Effect of Inequitable Pupil Weightings on
11	Property Taxes * * *
12	Sec. 11. EFFECT OF INEQUITABLE EQUALIZED PUPIL WEIGHTINGS
13	ON PROPERTY TAXES
14	On or before December 15, 2021, the Agency of Education, in collaboration
15	with the Joint Fiscal Office, shall calculate and report on the cumulative under-
16	and overtaxing that resulted from inequitable and inadequate student equalized
17	pupil weighting from 2000–2018, as reflected in the Pupil Weighting Factors
18	Report, dated December 24, 2019.

1	* * * Report on Effect of Inequitable Pupil Weightings on
2	Student Outcomes * * *
3	Sec. 12. EFFECT OF INEQUITABLE EQUALIZED PUPIL WEIGHTINGS
4	ON STUDENT OUTCOMES
5	On or before December 15, 2021, the Agency of Education shall identify
6	the costs in student outcomes related to inadequate funding through inequitable
7	and inadequate equalized pupil weights from 2000-2018, as reflected in the
8	Pupil Weighting Factors Report, dated December 24, 2019.
9	* * * Moratorium on Education Tax System Changes * * *
10	Sec. 13. MORATORIUM ON EDUCATION TAX SYSTEM CHANGES
11	The General Assembly intends that there be a moratorium on changes to the
12	education tax system until such time as the Pupil Weighting Factors Report,
13	dated December 24, 2019, has been fully considered and its recommendations
14	acted on by the General Assembly.
15	* * * Joint Legislative Education Oversight Committee * * *
16	Sec. 14. JOINT LEGISLATIVE EDUCATION OVERSIGHT COMMITTEE
17	(a) Creation. There is created the Joint Legislative Education Oversight
18	Committee. The Committee shall monitor, evaluate, research, oversee, and
19	provide a continuing review of matters concerning the implementation of the
20	weighting formula changes under this act and the related effects on student

1	equity and outcomes and on changes in education spending and education
2	property tax rates, both on the school district level and the State level.
3	(b) Membership. The Committee shall consist of six members who are
4	appointed biennially. The members shall be the Chair, or the Chair's designee,
5	of each of the following committees: The House and Senate Committees on
6	Appropriations and on Education, the House Committee on Ways and Means,
7	and the Senate Committee on Finance (House and Senate Committees).
8	(c) Powers and duties. In addition to the general duties of the Committee
9	as set forth in subsection (a) of this section, the Committee shall:
10	(1) review Joint Fiscal Office data on education budgets and education
11	tax rates;
12	(2) take testimony from the Vermont School Boards Association, the
13	Vermont Principals Association, the Vermont Superintendents Association, the
14	Vermont NEA, the Agency of Education, and other stakeholders as determined
15	by the Committee on the effects that result from the weighting formula
16	changes;
17	(3) assess the work of the Agency of Education in implementing the
18	weighing formula changes;
19	(4) at the request of any of the House or Senate Committees, research
20	and examine issues that may lead to future legislative action; and

1	(5) provide information and assistance to other legislative committees
2	on these matters.
3	(d) Officers. The Committee shall elect a chair, vice chair, and clerk from
4	among its members and shall adopt rules of procedure to perform its duties.
5	The members shall elect a member from the House of Representatives to serve
6	as its initial Chair. The Chair shall rotate biennially between the House and
7	Senate members, and a member from the other body shall serve as the Vice
8	<u>Chair.</u>
9	(e) Quorum and voting.
10	(1) A majority of the members of the entire Committee, whether
11	physically present at the meeting location or participating remotely, constitutes
12	a quorum for the purpose of discussing the business of the Committee or
13	voting to take action.
14	(2) A member of the Committee may vote on an action only if the
15	member is physically or electronically present at the meeting location.
16	(3) An action may be taken by the Committee only by assent of a
17	majority of the members attending and voting, assuming a quorum.
18	(f) Meetings. The Chair of the House Committee on Education shall call
19	the first meeting of the Joint Legislative Education Oversight Committee to
20	occur on or before October 1, 2022. The Committee shall meet twice per year
21	during each of fiscal years 2023–2028 at the call of the Committee's Chair.

1	The Committee may meet more often subject to approval of the Speaker of the
2	House and the President Pro Tempore of the Senate. The Committee shall
3	cease to exist on May 15, 2028.
4	(g) Assistance. The Committee shall have the administrative, technical,
5	and legal assistance of the Office of Legislative Council and the Joint Fiscal
6	Office.
7	(h) Report. Notwithstanding 2 V.S.A. § 20(d), the Committee shall report
8	its activities at least annually to the General Assembly on or before each of
9	November 1, 2022, 2023, 2024, 2025, 2026, and 2027 together with any
10	recommendations for legislative or other action. The report shall be in brief
11	summary form.
12	(i) Compensation and reimbursement. For attendance at meetings during
13	adjournment of the General Assembly, a legislative member of the Committee
14	serving in his or her capacity as a legislator shall be entitled to per diem
15	compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23.
16	These payments shall be made from monies appropriated to the General
17	Assembly.
18	(j) Appropriation. The sum of \$2,400.00 is appropriated to the General
19	Assembly from the General Fund in fiscal year 2022 for per diem
20	compensation and reimbursement of expenses for members of the Joint
21	Legislative Education Oversight Committee.

1	* * * Report on Programmatic Changes * * *
2	Sec. 15. REPORT ON PROGRAMMATIC CHANGES
3	(a) On or before August 31 of each of 2023–2027, each school district shall
4	report to the Agency of Education programmatic changes resulting from the
5	weighting formula changes under this act, including increases and decreases in
6	programmatic investments. This report shall compare these changes in
7	programmatic investments for the school year ending on June 30 of the year
8	the report is due compared with the school year ending on June 30 of the
9	previous year. The school district shall include this report in its annual report
10	to community members under subdivision (a)(2) of 16 V.S.A. § 165 (education
11	quality standards; equal educational opportunities; independent school meeting
12	education quality standards).
13	(b) The Agency of Education shall compile the results of the reports under
14	subsection (a) of this section into a single report, and, on or before September
15	30 of each of 2023–2027, shall submit that report to the Joint Legislative
16	Education Oversight Committee created under Sec. 14 of this act.
17	(c) The Joint Legislative Education Oversight Committee shall consider the
18	findings in this report and include it with the report to the General Assembly
19	under subsection 14(h) of this act, which is due on or before each of
20	November 1, 2023, 2024, 2025, 2026, and 2027.

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1	* * * Effective Dates * * *
2	Sec. 16. EFFECTIVE DATES
3	Secs. 2, 3, 5–8, and 14–15 of this act shall take effect on July 1, 2022;
4	Sec. 2a shall take effect on July 1, 2023; Sec. 2b shall take effect on July 1,
5	2024; and Secs. 1, 4, 9–13, and this section shall take effect on passage.