

## **H.454 An act relating to transforming Vermont's education governance, quality, and finance systems**

The Administration's bill on education transformation, H.454, provides the vehicle for House Education's bill on the future of public education. The version passed out of House Education on Friday afternoon is a strike all amendment to the Administration's education transformation bill. The major components of the bill are outlined below.

### **Intent language and timeline**

It is the intent of the legislature to work strategically and thoughtfully to ensure deliberate, incremental change to support, strengthen, and modernize Vermont's public education system.

The timeline for the legislature's work is as follows:

- 2026 session: create new, larger school districts boundaries
- 2027 session: create voting wards within each school district for the election of school board members
- November 2028: the first school board member elections within the newly created school districts

### **Commission on the Future of Public Education and School District Boundary Subcommittee**

The first major component of the bill (Sec. 2) is the streamlining of the statutory charge for the Commission on the Future of Public Education and the creation of a school district boundary subcommittee. The Commission on the Future of Public Education was created in the Yield bill of 2024, and the initial charge to the commission was wide-ranging and too comprehensive for the timeline set forth in the bill. H.454 significantly narrows the Commission's charge and creates a subcommittee to create three proposals for consolidated school district boundaries.

### **School district boundary subcommittee**

The subcommittee will be composed of five non-voting members of the Commission and "shall determine the most efficient number of school districts and proposed boundary lines, based on educational research, Vermont's geographic and cultural landscape, historic school attendance patterns, and a comprehensive analysis of school locations, conditions, and capacity."

The subcommittee shall recommend not more than three school district boundary proposals to the legislature along with a report by Dec. 1, 2025. The subcommittee is charged with coordinating with the Commission's public engagement process to maximize public input and feedback around new proposed school district boundaries. The committee will have technical assistance from state agencies with expertise in geographic information and mapping.

The remainder of the vision of H.454 can be divided into the following policy areas: (1) scale, (2) statewide cohesion, and (3) statewide education governance.

## **(1) Scale**

Our goal in this section of the bill is to create attainable, research based levels of scale in our education system to increase statewide equity of opportunity and to promote efficiency and Affordability.

Class size - In Sec. 4 of the bill we create the following class size standards in statute:

- The average class size minimum for kindergarten classes shall be 12 students.
- The average class size minimum for grades one through four shall be 15 students.
- The average class size minimum for grades five through 12 in all required content area classes shall be 18 students.
- Multiage classrooms for grades kindergarten through eight shall be limited to two grade levels per classroom.
- CTE classes, flexible pathways, terminal courses, AP courses, course requiring specialized equipment (ex. Science labs) and driver's ed. are excluded from this requirement.
- Small groups for special education, English learner instruction, and specialized intervention are also excluded.

## **Waiver process**

In recognition of the current enrollment reality at many Vermont schools as well as the rural nature of our state, this bill allows a school to obtain a waiver from the State Board of Education (SBE) if they are unable to comply with the new class size minimums. If a school is unable to comply with the class size minimums due to "geographic isolation" or if they have developed an implementation plan (such as consolidation or merger) to meet the standards, the school board may ask the SBE for a waiver. The SBE shall adopt rules to define "geographic isolation."

If the Secretary of Education determines that a school is not meeting the class size minimum standards over the course of two consecutive school years, the Secretary shall recommend action to the SBE using a list of authorized actions and procedures already contained within existing law: providing technical assistance, assume administrative control of a school, or to close a school.

Sec. 5 of the bill does contain a critical exception for failure to comply with these minimums by prohibiting the SBE from ordering school consolidation if a school is unable to consolidate without incurring significant school construction costs. This exception is in effect until the legislature establishes new school district boundaries.

Sec. 6 requires rulemaking by the State Board of Education to ensure compliance with the class size minimum standards in the bill. The SBE will also initiate rulemaking to bring the rules governing independent schools receiving public tuition into compliance with class size minimum standards. There will be a review process before the SBE for an approved independent school not meeting the new class size minimums. The SBE is also charged with developing standards for schools to be deemed "small by necessity."

### School size

The portions of the bill addressing school size only live in intent language and state the legislature's intention that each public school operating grades 6-12, or some subset of those grades, have a minimum average daily membership of at least 450 students. It is also the intent of the legislature to provide a robust state aid for construction program.

Section 8 requires designation in the event a district chooses to close a public school. In the case of a public school closure requiring students to be educated out of district, the school district shall designate three or fewer of the public schools to serve as the public school of the district. The designation process is existing law and can be found in 16 V.S.A. § 827.

### State Aid for School Construction Program

Section 10 establishes a state aid for school construction program with the intent of encouraging the efficient use of public funds to modernize school infrastructure. The construction projects supported by this program shall prioritize cost, geographic accessibility, 21st century education facilities standards, statewide enrollment trends, and the capacity and scale that support best educational practices. The Agency of Education will be responsible for implementing the State Aid for School Construction Program. The Agency of Education will have the authority to adopt rules pertaining to school construction.

### Tuition to Approved Independent Schools

Section 18 of H.454 adds additional criteria that an approved independent school must meet to be approved to accept public tuition. Tuition can only be paid to:

- A public school located in Vermont or another state
- An approved independent school that is located in VT, is approved under current law on or before July 1, 2025, has at least 51% of the total student enrollment attending on public tuition, and complies with the average class size minimums. An approved independent school may also request a waiver from the SBE for failure to meet class size minimums based on geographic isolation.
- A therapeutic approved independent school

There is a transition provision for students currently enrolled in approved independent schools who do not meet this criteria to continue tuition payments to their current school until graduation.

## **(2) Statewide Cohesion**

Aligning statewide structures and systems that are foundational to the administration of Education in Vermont has been a state level goal for years. Now, as we face significant system wide transformation, achieving these benchmarks becomes even more essential.

This bill asks the following:

- AOE will recommend standards for statewide graduation requirements to the SBE on or before January 1, 2026
- AOE will recommend a statewide school calendar, including CTE centers - target effective date is the 28-29 academic year

- AOE will create a report with recommendations for a statewide financial data and student information systems for use in FY29
- AOE will create a report with recommendations for a school construction division within the agency with a staffing plan and description of the role AOE would play within a school construction aid program
- AOE will create a progress report on the development of clear guidance to the field regarding the business processes that would need to occur to facilitate the merger of current school district boundaries into larger, consolidated districts. The report shall also address how to merge data systems, asset and liability transfers, and issues around collective bargaining agreements. Importantly the report requires AOE to describe how they will assist the field with this work and an estimate of the costs associated with such work.
- AOE will generate a report addressing the need for cooperative education services and the oversight of therapeutic schools within the school governance framework at both the state and local level. This report was suggested in the language of the Administration's bill.

### **(3) State-level Governance**

It is essential to ensure that the State Board of Education is an independent and transparent body charged with a vision for public education. The Administration's bill proposed a huge shift in rulemaking responsibility away from the SBE and to the AOE. We strongly disagreed with that approach and instead sought to strengthen the SBE and allow the legislature to make two appointments to the Board. Currently the Governor appoints all members of the Board with the advice and consent of the Senate. However, H.454 allows one member to be appointed by the Speaker and one member to be appointed by the Senate Committee on Committees. The bill also charges the SBE with reviewing their rule series and determining the continuing need to update those rules. The SBE shall submit a written report to the House and Senate Education committees with its recommendations for rules that could be sunsetted, rules that need to be updated, and the priority order of this work. We are also appropriating funds to the SBE to accomplish this work.