
VBA Legislative Update – Week 13 April 12, 2025

→ House Passes Major Education Transformation Package

On Friday afternoon, on a tri-partisan [vote of 87-55](#), the House passed H.454 An act relating to transforming Vermont's education governance, quality, and finance systems. The bill takes a slower, more measured approach to reforming school funding and governance than Gov. Phil Scott's education transformation plan, but it includes several ideas from the governor's proposal, including fewer school districts, class-size minimums, universal graduation requirements for high school students and a shift to a foundation formula to fund education. A timeline for the bill is [here](#).

Highlights of the bill include:

◆ **New School Districts Design.** The bill tasks a new subcommittee comprised of five appointed, retired superintendents and four lawmakers to draft potential district maps with no fewer than 4,000 students per district. The subcommittee would meet this summer and fall and present three proposals for new school district boundaries to the legislature by December 1.

The bill directs the subcommittee to consider "educational research, Vermont's geographic and cultural landscape, historic school attendance patterns, and a comprehensive analysis of school locations, conditions, and capacity" as they propose district boundaries. The legislature would finalize district boundaries during its 2026 session. The following year the legislature would create voting wards with each school district for the election of school board members. The first elections for the new districts would occur in 2028.

◆ **Class Size Minimums.** The bill also would set class-size minimums. In kindergarten, the average class size minimum would be 12; for grades 1 to 4, it would be 15; and in grades 5 to 12, it would be 18. Some classes would be exempt from the minimums, including career and technical education, Advanced Placement courses, English Language Learners instruction, and special-education classes. To receive public funds, independent schools would have to abide by the class-size minimums. Schools would be able to apply for a waiver from the State Board of Education if they can't comply with the prescribed class-size minimums.

◆ **School Size.** The bill includes intent language that schools operating grades 6-12, or any subset of those grades, would be required to have a minimum enrollment of 450 students. For context, 2023 enrollment data provided from AOE shows Vermont has approximately 180 public schools that wouldn't meet the minimum.

◆ **School Construction.** The bill would revise the State Aid for School Construction Program by adopting a debt service subsidy model, where the State would provide grants of 20% to 40% of a school's annual debt service amortization payments (principal plus interest) for

eligible construction expenses. This would shift a portion of the costs associated with school construction financing out of local school budgets.

♦ **Private Schools.** To be eligible for tax-payer funded tuition, a private school in Vermont would have to meet a number of qualifications, including:

- At least 51% of its student enrollment must be composed of students attending on a district-funded tuition basis during the 2024/2025 school year and complies with the minimum class size requirements;
- The school must have the ability to provide special education services to all enrolled students to the same extent as would be required of a public school operated by a school district
- The school must meet education quality standards;
- Or, the school must be therapeutic approved independent school located in Vermont or another state or country and is approved under the laws of that state or country.

Per-pupil tuition paid to eligible private schools would be equal to the base amount multiplied by the weighted pupil count attending the school.

♦ **Special Education.** The bill requires AOE to develop a three-year strategic plan on Special Education in consultation with the State Advisory Panel on Special Education. The strategic plan would include unambiguous measurable outcomes, a timeline for implementation, and be designed to ensure successful implementation of Act 173 (2018). The plan must also outline the supports and processes necessary for the transition to a weighted funding formula for Special Education to succeed, including a suggested transition timeline and benchmarks for success.

♦ **Funding.** The major tax elements of the bill are:

- **A foundation formula.** Districts will be granted a foundational payment of \$15,033 per student called an Educational Opportunity Payment (EOP) per each weighted student. Weights would apply to students living in poverty, those who qualify for special education and English Language Learners. Eligible districts would also receive “sparse school district grants” reflecting the enrollment of public schools in the district, and “small school grants” for schools that are “small by necessity.” Districts will be allowed to vote to spend up to 10% above that grant in what is called Supplemental District Spending.
- **Homestead Exemption.** The bill would transition from a property tax credit to a homestead exemption. The homestead exemption allows a homeowner to exempt part of their property tax burden based on a sliding scale depending on their income. This change is intended to improve transparency and reduces complexity. The limit for assistance caps out at \$115,000 of household income.
- **Property Tax Rate Classifications.** The bill creates three new classifications of non-homestead property, for a total of four tax rates. The new classifications for tax rates are homestead and non-homestead, which would now include three sub-classifications: apartment, residential, and non-residential. Business property would be classified and taxed as non-homestead, non-residential.

The bill will now go to the Senate for consideration. The Governor has signaled that, while the House proposal is not everything he wants, he thinks it is a good start and is hopeful that the end result will be something he will be able to sign. Stay tuned...

→ **[Proposed Changes to Bottle Redemption System.](#)**

Last week we reported that the House Environment committee is considering a bill that would transition the current bottle redemption system to a producer responsibility program model. See last week's Update for details. The committee did not take further testimony on the proposal last week but we expect they will continue in the week ahead.

If the House moves forward with this proposal, the Senate will likely wait until next year to consider it. Stay tuned...

Read more about Extended Producer Responsibility (EPR) laws:

- [Expended Producer Responsibility: A Primer](#)
- [How bottle bill, EPR programs work together](#)
- [Oregon becomes second state to pass packaging EPR law](#)
- [Navigating the EPR Laws: What Alcohol Beverage Producers Need to Know](#)

→ **Local Headlines of Note**

- [Whiplash: Vermont Businesses Decry On-Again, Off-Again Tariffs](#)
- [Vermont's Junior Senator Talks Tariffs, Taxes and Trump](#)
- [Vermont Education Agency Outlines Response to Trump's Anti-DEI Directive](#)
- [Trump executive order targets Vermont's first-in-the-nation 'climate superfund'](#)
- [Lawmakers look to expand unpaid time off](#)
- [Final Reading: House advances changes to its ethics panel's procedures spurred by bag-soaking scandal](#)
- [Nicaraguan students at Vt. high school facing deportation](#)

→ **VBA Bill Report**

VBA BILL REPORT – WEEK 13 April 12, 2025			
Bill	Sponsors	Description	Status
H 24	Rep. Anne Donahue	An Act Relating to Requiring Retail Businesses to Accept Cash This bill proposes to prohibit a retail business from refusing to accept cash payment.	Committees: House Commerce and Economic Development Status: Read first time and referred to the Committee on Commerce and Economic Development (01/09/25)

<u>H 45</u>	Rep. Mary-Katherine Stone; Rep. Tiffany Bluemle; Rep. Abbey Duke; Rep. Barbara Rachelson; Bram Kleppner; Rep. Kate Logan; Rep. Robert Hooper; Rep. Troy Headrick	<p>An Act Relating to Prohibiting Possession of Firearms on Premises Where Alcohol Is Licensed To Be Served</p> <p>This bill proposes to prohibit possession of firearms on premises where alcohol is licensed to be served and to require that notice of the prohibition be posted at each premises.</p>	<p>Committees: House Judiciary</p> <p>Status: Read first time and referred to the Committee on Judiciary (01/21/25)</p>
<u>H 51</u>	Rep. Lucy Boyden; Rep. Matthew Birong	<p>An Act Relating to Miscellaneous Amendments to The Statutes Governing Alcoholic Beverages</p> <p>This bill proposes to: (1) authorize the holder of a fourth-class license to sell its products to not more than eight additional manufacturers or rectifiers; and (2) authorize manufacturers of malt beverages to acquire a retail shipping license and ship malt beverages to first- and second-class licensees.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/21/25)</p>
<u>H 110</u>	Rep. Lucy Boyden	<p>An Act Relating to A Reciprocity Requirement for Out-of-state Consumer Shipping Licenses</p> <p>This bill proposes to limit the issuance of out-of-state malt beverage consumer shipping licenses to breweries that are located in states that allow Vermont brewers to acquire consumer shipping licenses.</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (01/28/25)</p>
<u>H 119</u>	Rep. Carolyn Branagan	<p>An Act Relating to The Beverage Container Redemption System</p> <p>This bill proposes to expand the scope of the beverage container redemption system to include cider, hard kombucha, noncarbonated water, and noncarbonated soft drinks. The bill also would increase the deposit for a container from five cents to 10 cents.</p>	<p>Committees: House Environment</p> <p>Status: Read first time and referred to the Committee on Environment (01/29/25)</p>

H 144	Rep. Brian Minier; Bridget Burkhardt; Rep. Emilie Krasnow; Rep. Kate Logan; Rep. Laura Sibilia; Rep. Leonora Dodge; Rep. Lisa Hango; Rep. Michelle Bos-Lun	<p>An Act Relating to Enhancing Food Allergen Awareness in Food Service Establishments</p> <p>This bill proposes to require owners and operators of food service establishments to designate employees to complete a food allergen training program. It further proposes to require food service establishments to post signage regarding food allergens.</p>	<p>Committees: House Human Services</p> <p>Status: Read first time and referred to the Committee on Human Services (02/05/25)</p>
H 260	Rep. Esme Cole; Rep. Monique Priestley; Rep. Ela Chapin; Herb Olson; Rep. Jubilee McGill; Rep. Kate McCann; Rep. Kate Nugent; Rep. Mary Howard; Robert "Rob" North; VL Coffin	<p>An Act Relating to Prohibiting Certain Substances in Food Manufactured, Sold, Or Distributed in Vermont</p> <p>This bill proposes to prohibit the manufacture, sale, delivery, or distribution in commerce of food containing brominated vegetable oil, potassium bromate, propylparaben, or red dye no. 3.</p>	<p>Committees: House Human Services</p> <p>Status: Read first time and referred to the Committee on Human Services (02/19/25)</p>
H 339	House Committee on Government Operations and Military Affairs	<p>An Act Relating to Removing the Repeal Of 7 VSA § 230</p> <p>This bill proposes to remove the repeal of 7 V.S.A. § 230 (sale of alcoholic beverages for off-premises consumption).</p>	<p>Committees: Senate Economic Development Housing and General Affairs Committee</p> <p>Status: As Passed the House</p>
H 376	Rep. Kate Nugent; Rep. Brian Cina; Rep. Carol Ode; Rep. Jubilee McGill; Rep. Mari Cordes; Rep. Michelle Bos-Lun; Rep. Monique Priestley; Rep. Phil Pouech; Rep. Troy Headrick	<p>An Act Relating to The Creation Of The Treatment And Recovery Fund And The Labeling And Taxation of Alcoholic Beverages</p> <p>This bill proposes to (1) require all alcoholic beverages sold in the State to bear a label containing a statement of the alcohol content in U.S. Standard Drinks; (2) increase the gallonage taxes on malt beverages and vinous beverages; (3) increase the excise tax on spirits; (4) create the Treatment and Recovery Fund, dedicate the proceeds of the gallonage tax to the Fund, and establish the purposes for which monies from the Fund may be disbursed; and (5) require the Division of Liquor Control t...</p>	<p>Committees: House Government Operations and Military Affairs</p> <p>Status: Read first time and referred to the Committee on Government Operations and Military Affairs (02/26/25)</p>

<u>H 377</u>	Rep. Barbara Rachelson; Rep. Chea Waters Evans	An Act Relating to The Local Media Advertising Tax Credit This bill proposes to create an income tax credit for small businesses that purchase advertising in local media outlets.	Committees: House Ways and Means Status: Read first time and referred to the Committee on Ways and Means (02/26/25)
<u>S 88</u>	Sen. Wendy Harrison; Sen. Alison Clarkson; Sen. Anne Watson; Joseph "Joe" Major; Sen. Randolph Brock; Sen. Rebecca White; Robert "Rob" Plunkett	An Act Relating to Creating an Enhanced Growth Incentive For Employee-owned Businesses This bill proposes to create a new enhanced incentive for locally owned and controlled employee-owned businesses within the Vermont Employment Growth Incentive Program (VEGI).	Committees: Senate Economic Development, Housing and General Affairs Status: Read 1st time & referred to Committee on Economic Development, Housing and General Affairs (02/25/25)
<u>S.131</u>	Sen. Phil Baruth	An act relating to approval of an amendment to the charter of the City of Burlington relating to the possession of firearms This bill proposes to approve an amendment to the charter of the City of Burlington to prohibit the possession of firearms in any building or on any real property or parking area under the ownership or control of an establishment licensed to serve alcohol for on- premises consumption.	Committee: Government Operations Status: Read the 1 st time and referred to Committee on Government Operations (03/20/25)