What changes with education reforms?

Acts 73 and 170 aim to transform Vermont's education governance, quality, and finance systems

Current system	Enacted legislation in Act 73 of 2025 & Act 170 of 2026	Updates
School / district consolidation		**GOVERNANCE**
Vermont currently has 120 school districts and 52 supervisory unions. Local voters or school boards decide whether to close a school.	Act 73 established a School District Redistricting Task Force to propose three possible plans for districts of 4000-8000 kids. With Act 170, the Legislature opted against forced consolidation, instead requiring all districts to participate in designated merger committees to explore the formation of unified, union school districts with at least 2,000 students. Merger committee recommendations are due on **September 1, 2027**, before public votes on whether to accept or reject merger recommendations on **March 7, 2028**. By **November 1, 2029**, the State Board of Education (BOE) must propose merger options for small districts that have not merged.	**What's happened so far:** The Act 73 School District Redistricting Task Force met from August to November of 2025. They opted not to recommend maps in their final report, but to endorse a longer-term, more cooperative approach for shared resources between schools and districts, which led to the voluntary merger committees of Act 170. **What's next:** The Act 170 merger committees began meeting in the fall of 2026. If all goes as planned, progress reports will be submitted to the Legislature in the 2027 Legislative Session, before final reports and merger votes on Town Meeting Day 2028.
Cooperative Educational Service Areas (CESAs)		**GOVERNANCE**
CESAs did not exist prior to Act 170; although cooperative structures were in place in some districts.	Following the School District Redistricting Task Force's decision not to recommend new district maps, Act 170 created seven Cooperative Educational Service Areas (CESAs), tasked with delivering shared programs and services to save resources. Act 170 assigned each Supervisory Union (SU) to a CESA, requiring each SU to appoint a board member to serve on its assigned CESA by **July 18, 2026** and for the first meeting of each CESA to be called by **August 2, 2026**.	**What's happened so far:** CESA boards began meeting in the summer of 2026. **What's next:** Each CESA must appoint an executive director, establish bylaws, and adopt an operating budget. CESAs must be ready to offer services (including transportation, curriculum coordination/development, professional development, and facilities master planning) by **July 1, 2027**.
School boards		**GOVERNANCE**
Vermont currently has 900 school board members across 120 districts.	Act 73 aimed to reduce total districts with boards to 10-20 districts. Following the School District Redistricting Task Force's recommendations that did not include new district boundaries, Act 170 did not create a forced merger process with an explicit number of school districts—so the eventual number of school boards is yet to be determined.	**What's happened so far:** N/A—with the consolidation process shifting to merger committees, this work is on hold. **What's next:** The fate of local school boards will be determined by how merger committee discussions go, and where/how many districts voluntarily merge.

Current system	Enacted legislation in Act 73 of 2025 & Act 170 of 2026	Updates
Statewide calendar		**GOVERNANCE**
There is currently no statewide academic calendar.	Act 73 requires the AOE to establish a statewide academic calendar, to take effect in Academic Year 2028-2029.	**What's happened so far:** N/A **What's next:** The Secretary of Education is required to publish a statewide academic calendar by **January 15, 2027**, ahead of implementation in the 2028-2029 academic year.
Income sensitivity for property tax payers		**FINANCE**
Vermonters currently have the option to pay income-based school taxes, provided as a credit against property taxes. For decades, two-thirds of primary homeowners have qualified. But fewer than half do now, due to failure to adjust for inflation and changing real estate values.	Act 73 returns education funding to a property tax-based system for all residential homeowners. Homestead exemptions will exclude a portion of primary home value from school property taxes for low- and moderate-income homeowners. However, property values will be the main driver of school taxes, leaving taxpayers vulnerable to volatility in property values. Act 170 tasked the Tax Department with ensuring that homestead rates do not increase in the transition to the foundation formula and with minimizing tax cliffs, along with recommendations for an inflation measure and expanding the exemption to households with incomes up to $175,000.	**What's happened so far:** Act 170 pushed back the implementation date for the homestead exemption by one year, from 2028 to **July 1, 2029**. **What's next:** The Tax Department's recommendations and implementation plan are due on **December 15, 2027**. The Legislature is set to consider the findings during the 2028 Legislative Session.
Foundation formula		**FINANCE**
Local school administrators and boards build budgets based on the needs of their kids with regular opportunities for community members to weigh in. Local voters then vote on those budgets, typically on Town Meeting Day. Those voter decisions determine primary homeowners' tax rates and the amount to be received from the state Education Fund.	Acts 73 and 170 move the state away from local control over school budgets to a statewide "foundation formula". The AOE and Legislature will calculate an annual foundation grant for a fixed funding amount per student, with supplemental funding for certain categories of students (rural, low-income, etc.). The Legislature will also set a uniform state property tax rate each year. Acts 73 and 170 commissioned several reports to guide the foundation formula implementation process. These reports include (1) a Foundation Formula Report, tasked with examining pupil weights, determining sparsity, providing career and technical education (CTE), and a recommended base grant amount (2) a School Transportation Report, tasked with reporting on the current landscape and cost of education transportation, as well as recommendations for education transportation under the new system (3) considerations on a funding mechanism for pre-kindergarten education and (4) a report on current tuitions and fees, with recommendations for the new system. The foundation formula is set to be implemented on **July 1, 2029**.	**What's happened so far:** While Acts 73 and 170 set up a framework for the foundation formula to be implemented, key details still must be worked out for the plan to move forward. **What's next:** The reports commissioned in Acts 73 and 170 are due in **December 2026** and **January 2027**. While the Legislature has established a path to a foundation formula, the biggest decisions–such as the base per-pupil funding amount–haven't been made. Additionally, implementation is contingent on a number of things that still need to be resolved–including (a) establishment of new districts, (b) handling district capital debt and collective bargaining agreements, and (c) passage of legislation that addresses CTE, special education funding, sparsity metrics, secondary student weights, geographic cost differences, and pre-K funding.

Current system	Enacted legislation in Act 73 of 2025 & Act 170 of 2026	Updates
Property classifications		**FINANCE**
There are now two categories of property: homestead and non-homestead. Homestead property includes a primary residence and all contiguous land. Non-homestead includes everything else—commercial and industrial property, second homes, open land, etc. There is a uniform state tax rate on non-homestead property, while homestead rates vary town to town based on per-pupil spending.	Act 73 set up a framework to divide nonhomestead property into two categories: nonhomestead nonresidential and nonhomestead residential (targeted at second homes). This would allow the Legislature to set tax rates higher for second homes than for commercial, industrial, or other nonhomestead property. Act 170 further defined the nonhomestead residential property tax classification. The Legislature must choose to set new rates for the new property tax classification categories by the end of the 2029 Legislative Session, or the new categories are repealed.	**What's happened so far:** Act 73 commissioned a report from the Tax Department on the implementation of new property tax classifications, including definitions, forms, identification, and tax rate multipliers, submitted in December 2025. The Legislature built on this work in the 2026 session to clarify the identification process for each property type, aiming to categorize second homes (nonhomestead residential) as year-round, habitable dwellings that are not used as primary residences or rented long-term. **What's next:** During the 2027-2028 calendar year, the Tax Commissioner is tasked with assigning each parcel to a property tax classification. The Legislature would then need to set rates for the new categories ahead of the automatic repeal date of **July 1, 2029**.
State Aid for school construction		**FINANCE**
There is currently no system for state aid for school construction, since the suspension of Vermont's state aid for school construction program (created under Act 185 in 1996) in 2007.	Act 73 set up a program, administered by AOE and an advisory board, to provide construction aid covering 20-40% of approved construction costs–though without determining a funding source. Act 170 changed the program to cover at least 30% of approved funding costs. Applicants from consolidated districts and districts with at least 2,000 pupils are eligible for an additional 45% (75% total) of approved funding costs to be covered by the state. School construction expenditures are exempt from the cap on supplemental district spending. Under Act 170, AOE is required to begin including school construction funding requests as part of its budget submitted to the governor, but the program still lacks a clear funding source.	**What's happened so far:** There have been previous task forces and working groups of school construction that informed the provisions in Act 73. While Act 170 moved away from forced district mergers, the law built in incentives for mergers in the state aid for school construction program. **What's next:** On **December 1, 2026**, the State Aid for School Construction Advisory Board will recommend 3-5 opportunities for school construction that would promote consolidation. That report will include cost estimates and considerations on achieving appropriate scale of regional high schools. On **March 1, 2028**, the AOE is set to adopt new rules, prioritizing school construction projects that either (a) aid consolidation (b) improve access to CTE, shared special ed, or improved curricular offerings or (c) improve health and safety.

Current system	Enacted legislation in Act 73 of 2025 & Act 170 of 2026	Updates
Pupil weighting		**FINANCE**
Act 127 of 2022 established a new system of weighting students to provide supplemental funding for those deemed to need additional resources: children from families in poverty, English language learners (ELL), middle school and high school students, and students in small, rural schools. Act 127 additionally added categorical aid for schools with between 1 and 25 English language learners. These new weights took effect in the 2024-25 year.	Act 73 revised the newly adopted weights. It also removed the categorical aid for schools with between one and twenty-five ELL pupils, replacing that categorical aid and the ELL weight with tiered weights. It added new tiered weights for students with disabilities and replaced sparsity and small school weights with support grants for schools deemed small or sparse by necessity. The new weights are set to go into effect with the new foundation formula and will be reviewed/updated every five years.	**What's happened so far:** N/A **What's next:** The Foundation Formula Report due on **December 1, 2026** is set to include recommended updates to weights, including for sparsity, secondary pupils, and CTE. For the foundation formula to go into effect, the Legislature must make additional decisions around the weights–including whether to add a weight for secondary pupils.
Special education funding		**FINANCE**
Act 173 of 2018 changed special education funding to block grants based on total student population, which reduced funding for districts with a disproportionate share of special education students. This change took effect for the 2023-24 school year, so there is limited information about the impact.	Act 73 converts the block grant to new tiered weights for students with disabilities. AOE is tasked with reviewing and making recommendations for additional changes to special education funding Under Act 170, CESAs may pursue special education cost-sharing and service delivery. The adoption of the foundation formula is contingent on additional legislation to address special education.	**What's happened so far:** A report due from AOE on **September 1, 2025** confirmed many past findings: increases in the number of kids needing services, increased external placements and other extraordinary costs, and a lack of evaluation of the effects of the last big reform, Act 173 of 2018. AOE was tasked with submitting a three-year strategic plan on special education by **December 1, 2025**. The report cited gaps in outcomes from students on IEPs and the need for additional oversight, but did not present a finalized strategic plan, instead creating the framework for a plan to be developed. For now, funding for special education is unchanged. **What's next:** The Foundation Formula Report due **December 1, 2026** is set to include recommendations for funding special education under the foundation formula. CESAs will also be considering how to collaborate on special education delivery.

Current system	Enacted legislation in Act 73 of 2025 & Act 170 of 2026	Updates
Regional assessment districts		**FINANCE**
Currently, individual municipalities are responsible for full reappraisals.	Act 73 created a framework for regional assessment districts, intending for all member towns to be reappraised every six years. Under Act 170, these regional assessment districts are based on new district boundaries, following merger committee and voter decisions.	**What's happened so far:** Act 170 pushed back the implementation date from **January 1, 2029** to **January 1, 2031**. Merger committees–which could affect the new district boundaries, and therefore regional assessment districts–have begun meeting. **What's next:** Contingent on new school district boundaries, the Tax Commissioner is required to propose regional assessment district boundaries by **December 15, 2029**. The Commissioner must submit yearly progress reports from 2029 until final implementation in 2031.
Graduation requirements		**QUALITY**
Proficiency-based graduation requirements have been in place since 2014, beginning with the class of 2020. Currently, each supervisory union or district sets its own standards, with districts requiring between 16.5-28.5 credits for graduation.	Act 73 requires the State Board of Education (BOE) to recommend and establish new statewide graduation requirements. The requirements are set to take effect in Academic Year 2027-28, first applied to the class of 2031.	**What's happened so far:** AOE was required to submit its recommendations for statewide graduation requirements by January 1, 2026. The requirements recommended a minimum of 22.5 credits to graduate. **What's next:** The BOE is expected to finalize its decision on the requirements by the end of 2026, ahead of them going into effect the following year.

Current system	Enacted legislation in Act 73 of 2025 & Act 170 of 2026	Updates
Class size minimums		QUALITY
There are currently no class size minimums.	Act 73 created class size minimums based on average class size across service areas–not including certain types of classes, such as CTE, kindergarten, and advanced placement courses. Waivers will be available for schools deemed "small by necessity" or "sparse by necessity". Schools that don't meet minimums over three consecutive school years are held in violation of the minimums. The Secretary of Education may recommend remediation to the BOE for any school that does not meet minimums, which may include adjustments to supervisory union boundaries, school closure, district consolidation, or technical assistance. Average class size minimums are: • grade 1: 10 students; • grades 2-5: 12 students; • grades 6-8: 15 students; • grades 9-12: 18 students Multiage K-8 classrooms must be limited to two grades per classroom.	**What's happened so far:** Act 170 pushed back the enforcement date from Act 73's original date. Class size minimums will begin to be enforced when the State Board updates the Education Quality Standards to reflect minimums or on **July 1, 2027**, whichever comes first. **What's next:** The State Board of Education Class Size Minimum Subcommittee is expected to meet through the **end of 2026**, and is expected to commence rulemaking in **early 2027**. Since schools must be in violation of minimums for three consecutive years before AOE and State Board intervention, the first time the Secretary of Education may recommend remediation to any schools would be following the **2029-2030 Academic Year**. In the meantime, the State Board of Education is required to update its rules to define "small by necessity" and "sparse by necessity" schools by **March 31, 2027**.