Danville School Act 73 Information Session

October 22, 2025

Agenda

- Schedule
- Petition and Dec 6 Vote Review
  - What are we voting on? What does the vote mean?
- Act 73 Summary
  - Redistricting
  - Class Sizes
- Redistricting Task Force Update
  - Evaluation Criteria and Template
  - Current Options Overview
- Danville Budget Review
- Region Update
  - How are other districts in the region approaching redistricting?
- Public Schools and Choice Review

Schedule

- **October 22, 6pm - Danville School** - Informational Meeting
- **October 28 - Winooski** - Redistricting Task Force Meeting
    - 6pm: Public comment session
- **November 4, 6pm - Danville School** - Informational Meeting
    - Finalize Warned Article
- **November 10** - Redistricting Task Force Meeting
- **November 20** - Redistricting Task Force Meeting
- **December 1** - Redistricting Task Force Report Due
- **December 3, 6pm - Danville School** - Informational Meeting
- **December 6, 3pm - Danville School Gym** - Danville School District Town Meeting
    - In Person Vote

Petition and Dec 6 Vote Review

- On December 6, 2025, we will be having a floor vote on the following question:
    - Shall the voters of the Danville School District authorize and direct the school board to close the existing high school by ceasing to operate grades 9 through 12 at the Danville School as of June 30, 2026, and thereafter provide for the education of students in those grades by paying tuition to a public or approved independent school as authorized by 16 V.S.A. §822?
- This vote is **not** advisory

Act 73 Summary

- Act 73, originally known as H.454, was passed by the Vermont General Assembly in the 2025 legislative session, and was signed into law by Governor Scott July 1, 2025
- The main intent of Act 73 is to reduce education costs and curb property tax increases
- Creates a Redistricting Task Force to generate proposals for new governance maps and structure by December 1, 2025 (Sec. 3(f))
    - Districts should be between 4,000 and 8,000 PreK-12 students (Sec. 3(c)(1))
    - Intent is for the GA to enact one of these maps effective July 1, 2026 (Sec. 1(b)(2)(A)(i))
    - New boards elected November 2027 (Sec. 1(b)(2)(B)), and new districts fully operational July 1, 2028 (Sec. 1(b)(2)(C))
- Establishes Class Size Minimums (Sec. 6)
- Establishes Statewide School Calendar and Graduation Requirements (Sec. 9)
- Establishes Foundation Formula, phased in from FY 2029-2032 (Sec. 34-43, 45b.)
- Restructured Statewide Property Taxes (Sec. 46-61)
- <u>Only</u> Foundation Formula and Property Tax changes are dependent on the adoption of new districts (Sec. 70(f))

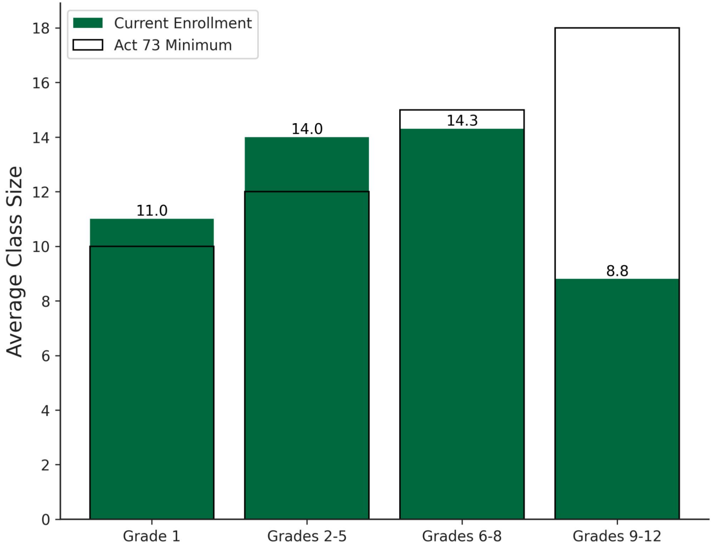
How Act 73 Will Reduce Costs (Allegedly)

- There are several main ways Act 73 aims to reduce costs and property taxes
  - New district boundaries to generate savings through scale
  - Decreasing staff-to-student ratios
  - Programmatic updates to PreK, CTE, and special education
  - Consolidation of administrative functions
  - Implementation of the foundation formula
  - Cap on local spending
  - Shifting some costs away from the Education Fund
  - Revamped construction aid
- All of these are in Sec. 1(b)(3). See Appendix for full text.

Act 73 - Class Size Minimums

- Effective July 1, 2026, excluding “small by necessity” or “sparse by necessity” schools (Sec. 6):
    - Grade 1: 10 students
    - Grades 2-5: 12 students
    - Grades 6-8: 15 students
    - Grades 9-12: 18 students
    - Multiage classrooms for grades kindergarten through eight shall be limited to two grade levels per classroom.
    - Exclusions:
        - PreK and kindergarten
        - Career and Technical Education (CTE)
        - Flexible Pathways
        - Terminal Courses
        - AP Courses
        - Courses that require specialized equipment, including driver’s education
        - Special education, intervention, and English learner small groups

We don’t know what these mean, yet!



Source: Redistricting School Explorer

Act 73 - Class Size Minimums - Penalties

If minimums are not met after two-year review (by July 1, 2028 at the earliest), and a waiver is not granted, the Secretary must recommend one or more of the following actions (Sec. 6(b)):

1) the Agency continue to provide technical assistance for one more cycle of review;
2) the State Board adjust supervisory union boundaries or responsibilities of the superintendency pursuant to section 261 of this title;
3) the Secretary assume administrative control of an individual school, school district, or supervisory union, including budgetary control to ensure sound financial practices, only to the extent necessary to correct deficiencies;
4) the State Board close an individual school or schools and require that the school district pay tuition to another public school or an approved independent school pursuant to chapter 21 of this title; or
5) the State Board require two or more school districts to consolidate their governance structures.

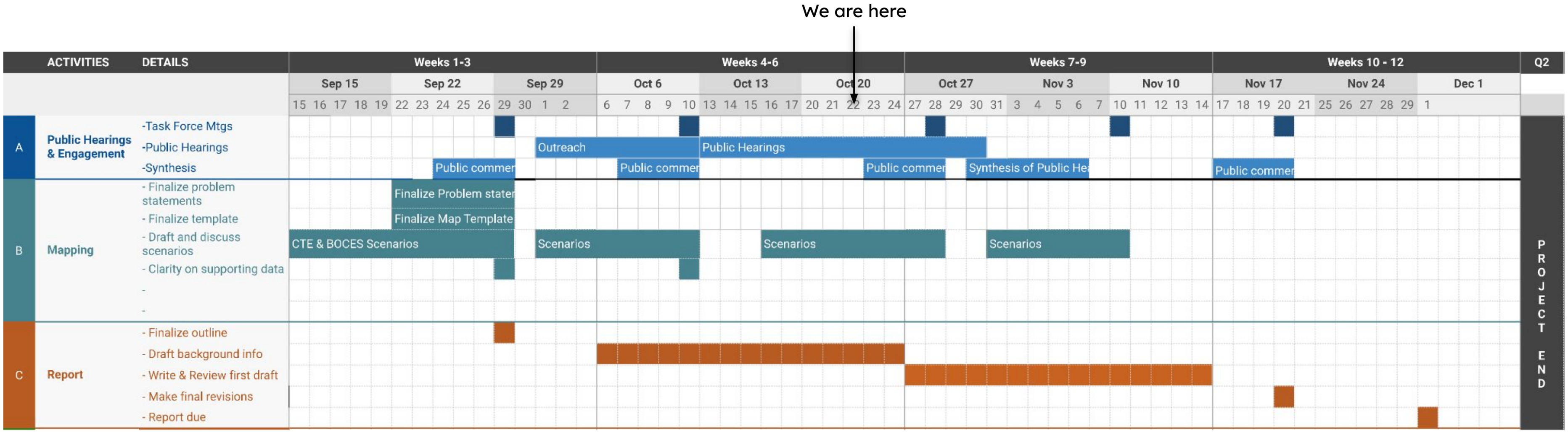
Act 73 - “Small by Necessity” or “Sparse by Necessity”

- The State Board of Education will define these terms by **December 1, 2025** (Sec. 8(b))
- **“Small school”** currently means a two-year average enrollment less than 100 pupils (Sec. 37(a)(2))
- **“Sparse area”** means a town fewer than 55 persons / sq. mi (Sec. 37(a)(3))
    - Danville has 39 persons / sq. mi
- Full text of definitions in the Appendix

Redistricting Task Force Update

- Task Force Website: https://aoa.vermont.gov/school-district-redistricting-task-force
- Meeting since August 1
- Created evaluation template for proposals
  - Goal: local elementary schools, central middle schools, and regional high schools
- Agreed on three map approaches to develop further:
  - Regional Comprehensive High Schools
  - CTE Regions
  - BIMS - BOCES + Integrated Mergers that are Strategic
- Next meeting: October 28

Redistricting Task Force Timeline



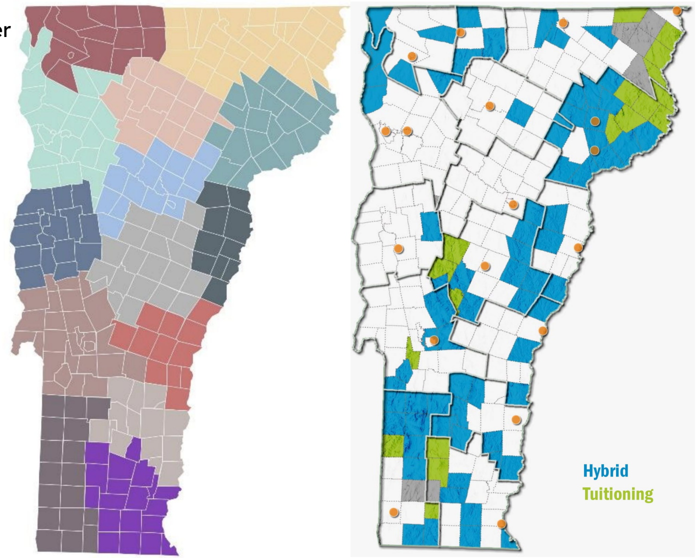
Redistricting Task Force Evaluation Criteria

- Requirements:
  - Improved quality of educational programs and services.
  - Equitable educational opportunities and resources for all students.
  - More coherent and consistent PreK-12 system.
  - Economies of scale for educational services.
  - More efficient governance.
  - Increased cost effectiveness.

- Considerations (Sec. 3(c)(3)):
  - current school district and town boundaries and other historic and current community connections, including access to regional services for students, such as designated agencies;
  - geographic barriers, including mountains and rivers;
  - population distribution;
  - location, capacity, and the facility condition index score of current school buildings;
  - transportation and employment patterns and practices;
  - grand list values accounting for the homestead exemption and current education spending;
  - student demographics;
  - the debt, liabilities, and assets of current school districts;
  - staffing levels and salary scales;
  - opportunities to support **local elementary schools, central middle schools, and regional high schools**, with the least disruption to students;
  - access to career and technical education (CTE) for all eligible students;
  - the maximization of cost efficiencies;
  - the location of schools and CTE centers

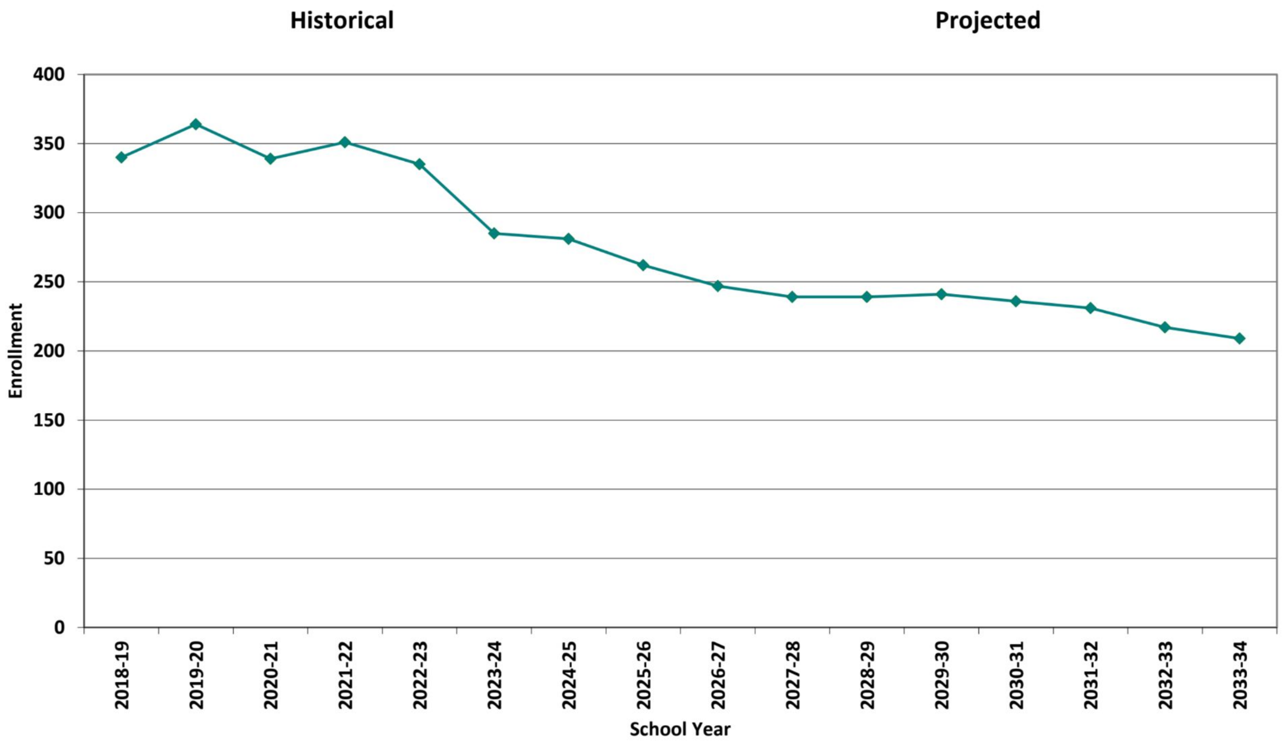
Redistricting Task Force Map Approaches

- Regional Comprehensive High Schools
  - "When we talk about comprehensive high schools, we're talking about high schools that offer a full academic program as well as a career and tech program" - Dr. Jay Badams
  - Map to be revealed and discussed October 28
- CTE Regions
  - Based around current CTE centers, and using the schools with CTE centers as the regional high schools (see map)
  - Only proposal with an actual map and completed evaluation template, thus far
- BIMS - BOCES + Integrated Mergers that are Strategic
  - BOCES – shared services outside of governance (e.g.-curriculum, special education, etc)
  - Current proposal is 5 BOCES regions that follow the VSA regions. Then, gutting the central offices to move those shared services to BOCES, and then pursue strategic mergers from there
  - Unclear who is determining which mergers are strategic
  - Map to be discussed further October 28
- Counties as Districts
  - Rejected at October 10 meeting



CTE Regions Map

NESDEC Enrollment Projections



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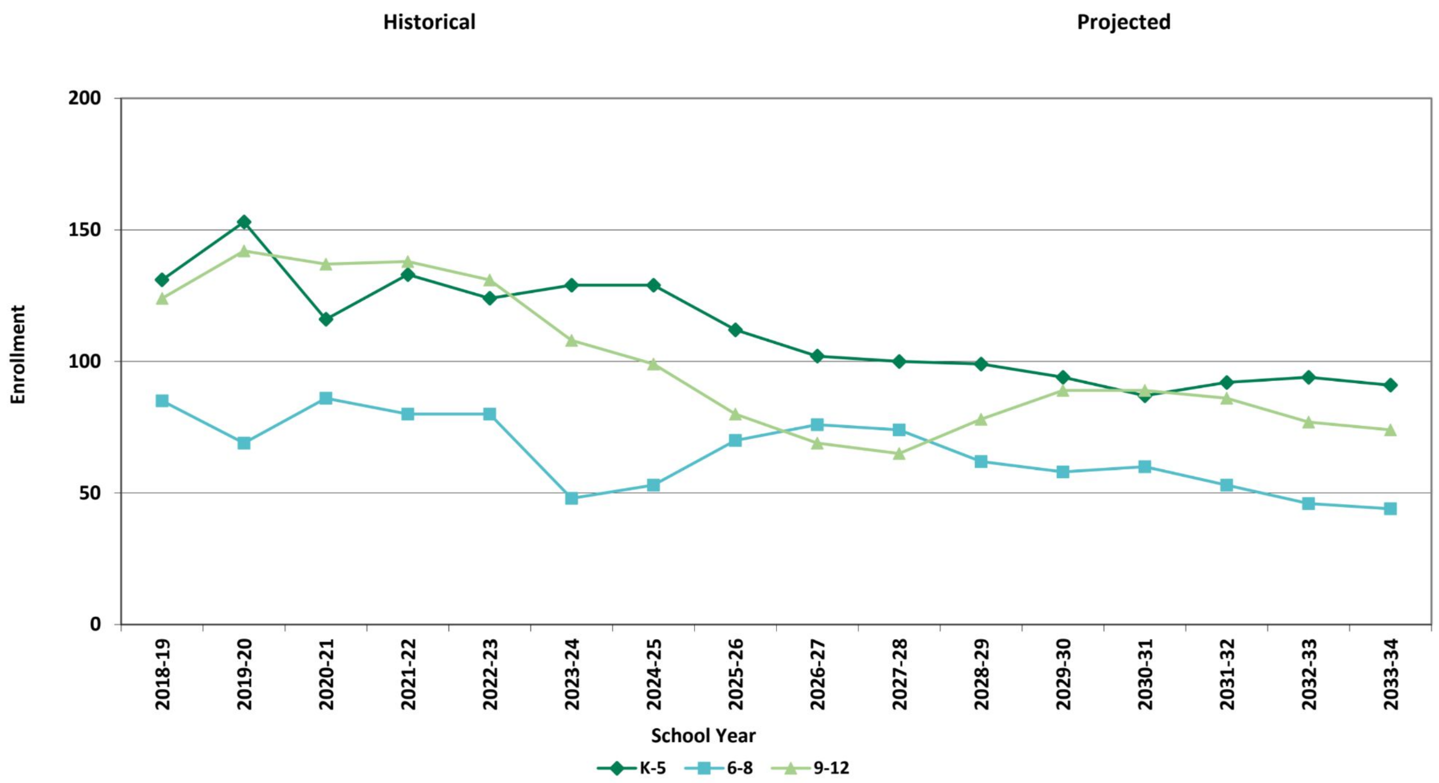
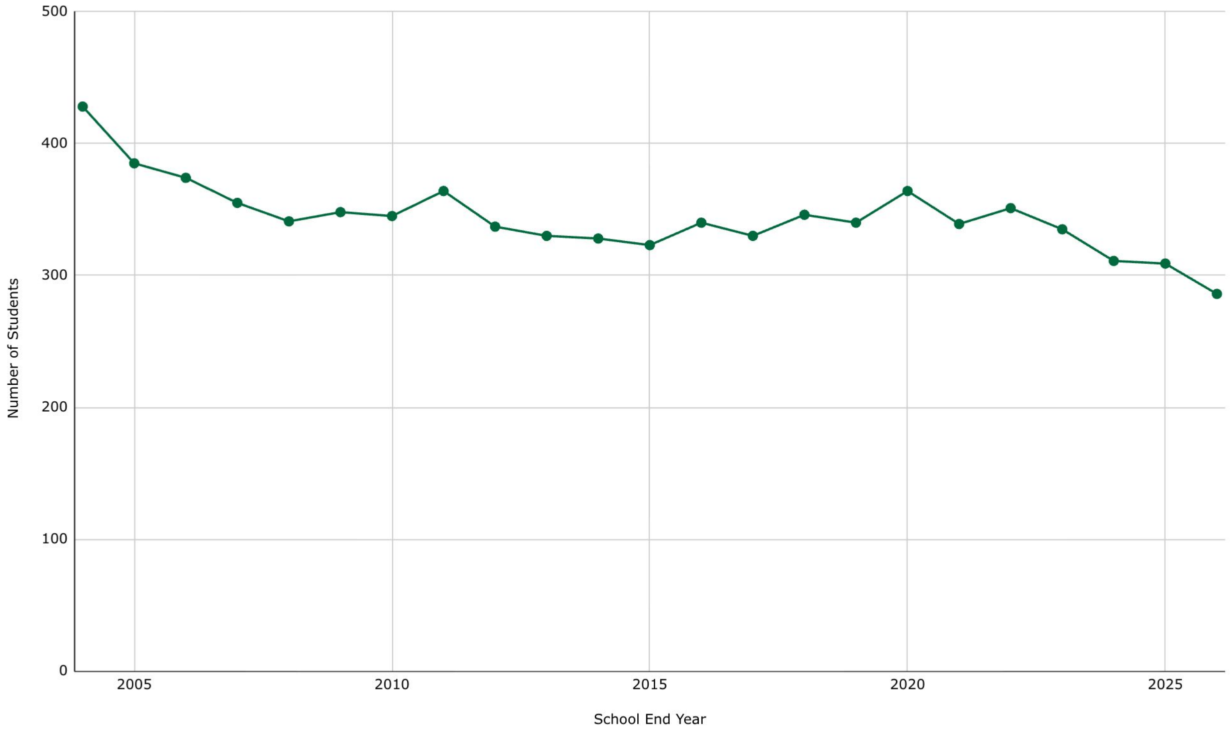
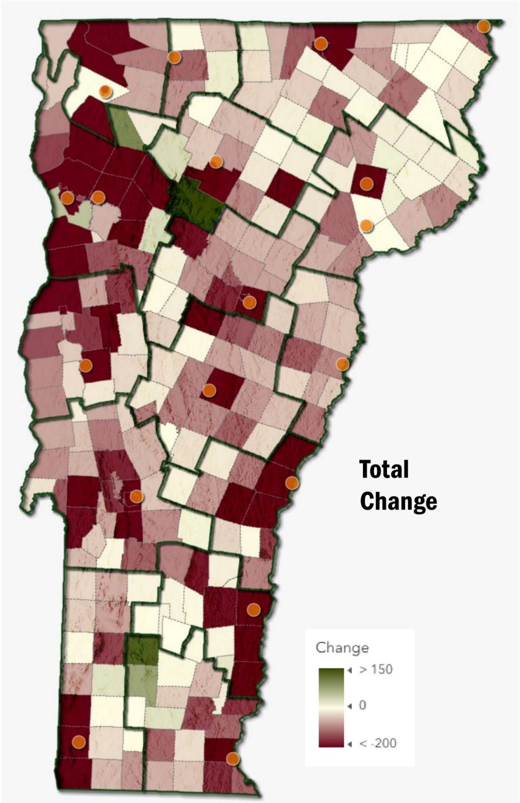


Danville K-12 Population



Vermont K-12 Population, Census 2000-2020



A Reminder: FY26 Budget

	FY26 Budget
Tuition Revenue	$735,000
Other Revenue	$73,000
Total Revenue	**$808,000**
Base Expenses	$7,661,537
SpEd Expenses	$943,930
Tuition Expenses	$0
Total Spending	**$8,605,467**
Total Net Spending	**$7,797,467**
Students	309
Total Spending / Student	**$27,849**
Equalized Pupils	517.96
Net Spending / Equalized Pupils	$15,054
Act 127 Tax Rate	**$1.7369**

This is the most important number for the state. It is currently higher than tuition to LI ($25,202) and SJA ($24,600). Understanding the basis of what "cheaper" means is central to understanding the redistricting effort.

Note: Since this was published in September, we have gained 2 HS tuitioned students and lost 1 HS resident student. Following slides are updated, but this is kept as reference.

Assumptions:

1. 30 Tuitioned Students
2. $24,500 Tuition Cost
3. 309 Students (Actual)

With Hindsight: FY26 Budget vs HS Choice

Since the September meeting, we added 2 HS tuitioned students. This is an increase in $50,000 (2 * $25,000).

	FY26 Budget		HS Closure		Difference
Tuition Revenue	$571,000		$146,000		-$375,000
Other Revenue	$73,000		$73,000		$0
Total Revenue	**$644,000**		**$219,000**		**-$425,000**
Base Expenses	$7,661,537		$5,363,076		-$2,298,461
SpEd Expenses	$943,930		$943,930		$0
Tuition Expenses	$0		$2,075,430		$2,075,430
Total Spending	**$8,605,467**		**$8,382,436**		**-$223,031**
Total Net Spending	**$7,961,467**		**$8,163,436**		**$201,969**
Students	310		311		3
Total Spending / Student	$27,760		$26,953		-$807
Equalized Pupils	517.96		517.96		0
Net Spending / Equalized Pupils	$15,371		$15,761		$390
Act 127 Tax Rate	**$1.7734**		**$1.8184**		**$0.0450**

This was originally $1,731,030, which assumed 15 students would go to LI, 51 would go to SJA, and 4 additional students would transition from full SJA payment to tuitioned (15 * $25,202 + 55 * $24,600). These ratios have been in use as assumptions for several years. This analysis is run every year.

Because this analysis was close for the first time ever, additional information about full tuition students was requested. This number was then revised to 18 full tuition students to SJA, resulting in an increase of $344,400 (14 * $24,600).

In this scenario, we would lose 17 students that were on HS tuition to Danville, and gain 18 students that were tuitioned from Danville to SJA, making a net gain of 1 student.

The point of this hindsight analysis as delivered in September was to highlight a budget shortfall in FY26, the danger of tuition numbers dropping, and that "cheaper" greatly depends on what context we are in (spending / student vs tax rate).

It is included here to show the pressure points of costs and budgeting, and what these scenarios roughly mean.

Effect of Equalized Pupils

	Current Eq. Pupils		Updated Eq. Pupils		Difference
Tuition Revenue	$146,000		$146,000		$0
Other Revenue	$73,000		$73,000		$0
Total Revenue	**$219,000**		**$219,000**		**$0**
Base Expenses	$5,363,076		$5,363,076		$0
SpEd Expenses	$943,930		$943,930		$0
Tuition Expenses	$2,075,430		$2,075,430		$0
Total Spending	**$8,382,436**		**$8,382,436**		**$0**
Total Net Spending	**$8,163,436**		**$8,163,436**		**$0**
Students	311		311		0
Total Spending / Student	$26,953		$26,953		$0
Equalized Pupils	517.96		540.10		22.14
Net Spending / Equalized Pupils	$15,761		$15,115		-$646
Act 127 Tax Rate	**$1.8184**		**$1.7439**		**-$0.0745**

In Act 127, equalized pupils are based on a long term weighted average. This will take two years to fully acclimate. 18 Danville high schoolers that are *not* under 185% of the Federal Poverty Limit count as 22.14 equalized pupils by Act 127 weights. This quick calculation is meant to demonstrate that the increase from 18 high school students from fully tuitioned to publicly tuitioned is a one year bump, only.

These numbers do not take into account the grade levels of those 18 students, future yield rates, or CLAs, and as such, these are meant only as a guide for information and understanding of how the system works. They do not reflect accurate estimates of future tax rates.

Foundation Formula

	FY26		HS Choice
Total Equalized Pupils	489.82		378.04
Funding per Pupil	$15,033		$15,033
Total Resident Funding	**$7,363,485**		**$5,683,096**
Receiving Tuition Pupils	36.06		9.53
Funding per Pupil	$15,033		$15,033
Total Tuition	**$496,991**		**$143,264**
Total Funding	**$7,860,476**		**$5,826,361**
Current Spending	$8,605,467		$6,307,006
Difference	**-$744,991**		**-$480,645**

Assumptions:

1. FY26 LTW ADM numbers used for pupils
2. Act 73 weights applied

Bottom Line: The foundation formula will be a painful transition for Danville

Region Update

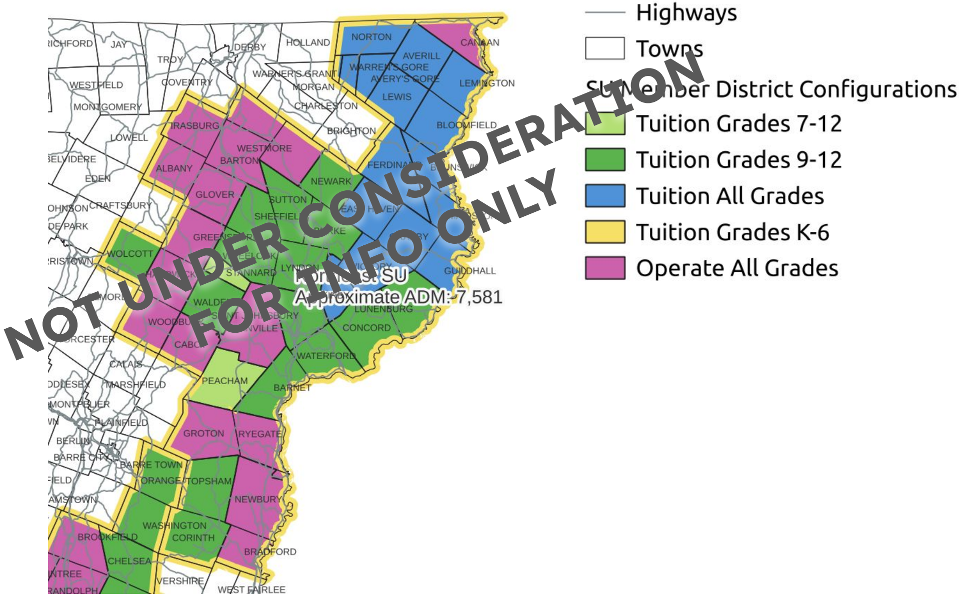
- CCSD, Kingdom East, and St. Johnsbury have all discussed merging, as they are all K-8
- Peacham and Cabot have both sent letters to the Task Force asking to be left in an SU with local control
- Twinfield has sent a letter to the Task Force asking to be either left alone in an SU, or merged with Washington Central (U-32)
- Hazen has talked with surrounding districts, but is waiting for more information from the Task Force before further discussions

Public School and Choice

- Before its final passage, H.454 went through many iterations. In the version passed by the House, Section 8:
    - Removed the ability of a school to close in favor of school choice
    - In the event of a closure, the district had to select three or fewer *public* schools students could go to
    - Full text in Appendix
- Sen. Beck claims this language will come back in the 2026 session. No other legislator has been able to confirm or deny this.
- Rep. Pete Conlon claims this language was intended to be temporary through redistricting. There are no time limits to this section in this version of the bill.

Public School and Choice

- I heard we were going to be unioned with Hazen or Oxbow. Where did that come from?
    - Before settling on a Redistricting Committee, the last map proposed and considered by the Senate Education Committee was a like-with-like plan from Sen. Bongartz. The map of our proposed district is included here for reference.



Conclusion

- Act 73 presents multiple threats and plenty of unknowns for Danville High School
- There is limited property tax impact to the vote, but there could be hidden costs unaccounted for
- More information will be known December 1
    - “Small by necessity” and “sparse by necessity” definitions
    - Redistricting Task Force final report

Petition and Dec 6 Vote Review

- On December 6, 2025, we will be having a floor vote on the following question:
    - Shall the voters of the Danville School District authorize and direct the school board to close the existing high school by ceasing to operate grades 9 through 12 at the Danville School as of June 30, 2026, and thereafter provide for the education of students in those grades by paying tuition to a public or approved independent school as authorized by 16 V.S.A. §822?
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We'll see maps!

We'll know much more!

Appendix

Helpful Links

- Redistricting Task Force
- AOE's Act 73 Summary
- Danville School Board Petition Information Page
- Act 73 as Enacted

H.454 Section 8

Notwithstanding any provision of law to the contrary, a school district shall be prohibited from closing an existing public school and then providing for the education of its resident students by paying tuition for its students to attend a public or approved independent school chosen by the parents of the district's students. If a school district that closes an existing public school is unable to provide for the education of its affected resident students in a different school or schools operated by the district, the school district shall provide for the education of its resident students by designating three or fewer public schools to serve as the public school or schools of the district. Notwithstanding any provision of law to the contrary, if designation is required pursuant to this section, the designation process contained in 16 V.S.A. § 827 shall apply to schools operating grades kindergarten through grade 12, or any subset of grades therein.

How Act 73 Will Reduce Costs

I. From Sec. 1(b)(3) of Act 73:
   A. enacting new school district boundaries that increase the efficiency of the delivery of educational services through scale;
   B. addressing inefficiencies of education delivery through programmatic updates to prekindergarten, career and technical education, and special education;
   C. improving staffing ratios to increase sustainability and reduce costs;
   D. addressing high-cost, languishing physical school infrastructure through implementation of a new State aid for school construction program;
   E. evaluating and consolidating education governance structures to reduce administrative costs and burdens;
   F. stabilizing education property taxes by transitioning from an education funding system that funds locally varying budgets to a foundation formula that funds predictable educational opportunity payments;
   G. implementing a foundation formula with costs reflective of the most efficient method of delivery of education services to Vermont pupils of all educational needs within Vermont's existing education structure;
   H. providing a process for regular recalibration of the foundation formula to reduce costs over time as educational efficiencies are gained through the implementation of new governance and programmatic structures;
   I. reserving support for small and sparse schools for schools that are small or sparse by necessity;
   J. shifting certain education and other related costs off of the Education Fund and on to other sources of funding that do not impact the property tax bills of Vermonters;
   K. implementing equalizing measures for any local spending additional to educational opportunity payments that reserve funds within the Education Fund to reduce following-year property tax bills;
   L. imposing a cap on local spending additional to educational opportunity payments to limit property tax rate increases through the supplemental district spending tax;
   M. providing transitionary measures to ease school district movement from current education spending to educational opportunity payments under the new foundation formula; and
   N. replacing the existing property tax credit with a homestead exemption that increases income sensitivity benefits to Vermonters with low and moderate income and smooths existing income sensitivity benefit cliffs

Act 73 - “Small by Necessity” or “Sparse by Necessity”

- Sec. 8(b):
  - Report. On or before **December 1, 2025**, the State Board of Education shall submit a written report to the House and Senate Committees on Education with proposed standards for schools to be deemed “small by necessity” or “sparse by necessity.”
- Sec. 37(a) (Small and Sparse School Definitions and Grants):
  - (2) “Small school” means a school that:
    - (A) has fewer than 100 pupils in two-year average enrollment; and
    - (B) has been determined by the State Board of Education, on an annual basis, to be “small by necessity” under standards consistent with those submitted to the General Assembly pursuant to Sec. 8(b) of this act.
  - (3) “Sparse area” means a city, town, or incorporated village where the number of persons per square mile residing within the land area of the geographic boundaries of the city, town, or incorporated village as of July 1 of the year of determination is fewer than 55 persons. (**Note:** Danville has 39 persons/sq. mile)
  - (4) “Sparse school” means a school that:
    - (A) is within a sparse area; and
    - (B) has been determined by the State Board of Education, on an annual basis, to be “sparse by necessity” under standards consistent with those submitted to the General Assembly pursuant to Sec. 8(b) of this act.