
MEMORANDUM

TO: Superintendents and Business Managers
FROM: Zoie Saunders, M.Ed., Interim Secretary of Education
SUBJECT: Yield Bill Changes to Excess Spending
DATE: July 23, 2024

Purpose

The purpose of this memo is to provide Superintendents, Business Managers and School Boards with information regarding changes to the excess spending threshold that were made in [Act 183 of 2024](#) (known as the “Yield Bill”).

Summary of Changes to Excess Spending in Act 183

- Beginning in FY26, the excess spending threshold will be reinstated.
- The adjusted excess spending threshold is calculated by adding the statewide per pupil spending amount in FY25 plus 118 percent plus yearly New England Economic Project inflation from FY25 to current year.
- Removal of the statutory exemptions for excess spending, and creation of a new exemption for payments toward voter-approved bonds that were approved prior to July 1, 2024.

Potential Impacts

- With the removal of statutory exemptions, school districts pursuing school construction may exceed the excess spending threshold and incur an additional tax for the amount over the threshold.
- The addition to the homestead tax rate is built into the district homestead tax rate for each year.

Existing Pre-Approval Process Requirements

- The AOE Pre-Approval review process for proposed school district construction projects remains in place.



- Per [Title 16 § 3448](#), districts that intend to construct a new school or make extensive additions or alterations to its existing school, shall submit a written preliminary application to the Secretary.
- For questions or requests regarding beginning the pre-approval process, please reach out to AOE's School Facilities Program Manager.

To support districts, the Agency of Education is providing contact information for questions related to this memo:

For finance related questions: Nicole Lee, Director of Education Finance
nicole.lee@vermont.gov

For construction related questions: Bob Donohue, School Facilities Program Manager,
bob.donohue@vermont.gov