



VERMONT LEGISLATIVE  
**Joint Fiscal Office**

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## Fiscal Note

June 15, 2026

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### **S.214 (Act 124) – An act relating to the provision of prekindergarten education in geographically isolated school districts**

As enacted<sup>1</sup>

#### **Act Summary**

This act allows the Northeast Kingdom (NEK) Choice School District to pay tuition to a public school in New Hampshire for eligible prekindergarten (PreK) students. The New Hampshire school must be within a district located within 25 miles of the Vermont border. This act becomes effective on July 1, 2026.

#### **Fiscal Impact**

The Joint Fiscal Office (JFO) estimates that this act will increase Education Fund expenditures, beginning in fiscal year 2028. Annually, up to 14 students will gain access to Universal Prekindergarten (UPK) through this act. The estimated maximum fiscal impact on the Education Fund will be about \$60,000 and is considered de minimis.

This projection is based on feedback from the district and the Department of Children and Families (DCF), which estimate a range of 0-14 students gaining UPK access each year. It also assumes the UPK tuition rate increases by 3% for fiscal year 2028. JFO cannot estimate what, if any, additional administrative costs these students may generate for the school district or supervisory union.

#### **Background and Details**

##### **Section 1: Paying PreK Tuition to New Hampshire Schools**

Section 1 amends 16 V.S.A § 829 to allow the NEK Choice School District to pay tuition on behalf of its PreK students to prekindergarten programs at a public school within New Hampshire. Essex North Supervisory Union will be responsible for enrollment and tuition payment-related administrative duties. The tuition paid on behalf of any enrolled PreK students will equal the statewide Universal Prekindergarten (UPK) tuition rate for the fiscal year.

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<sup>1</sup> *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

*The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.*

For fiscal year 2027, the UPK rate equals \$4,106 per enrolled student. This rate is increased annually by an inflator.<sup>2</sup> Per DCF and the NEK Choice School District, a maximum of 14 students will become eligible for UPK under this act. As a parent or guardian needs to secure a program spot for a student to attend, the estimated range of students who will utilize this expanded access is between 0 and 14 annually.

Any fiscal impact under this act will not impact the Education Fund in fiscal year 2027. As the district's fiscal year 2027 budget has been passed, new expenditures will be borne by the existing budget. In future years, any additional expenditures from this act will impact the Education Fund. All else equal, an increase in Education Fund expenditures will result in the lowering of the property tax yields and/or an increase in the nonhomestead rate, resulting in an increase in property tax bills.

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<sup>2</sup> *Inflated by the National Income and Product Accounts (NIPA) implicit price deflator for state and local government consumption expenditures and gross investments*