

Education Legislative Report

December 15, 2016 – Issue #1

The 2017- 2018 biennium of the Vermont General Assembly will begin on January 4, 2017. For at least the first week of the session, the legislative schedule will be filled with organizational business including electing leadership for each chamber, announcing committee assignments, and attending inaugurations for various state leadership posts. It will likely not be until sometime during the second week of the session that substantive policy work will commence.

New Leadership in House, Senate and Statewide Offices

The 2016 elections resulted in a new governor and lieutenant governor. Former Lieutenant Governor Phil Scott has been elected as Vermont’s 82nd Governor; he will take office at an inauguration ceremony on Thursday, January 5. David Zuckerman, who previously served as a Chittenden County Senator and member of the Senate Education Committee, will be Vermont’s new Lieutenant Governor. The 2017-2018 legislative biennium will start with the election of new leadership in both the House of Representatives and the Senate, a coincidence that has not occurred since 1995. Mitzi Johnson of South Hero is favored to be the new Speaker of the House. Tim Ashe of Burlington is expected to be elected to the top Senate leadership post, President Pro Tempore.

The 2017-2018 General Assembly will include five new senators and 34 new representatives. Although committee assignments will not be announced until the first week of the session, the large amount of turnover, especially in the House, will mean some changes in education policy committees.

Tax Commissioner’s Letter Provides Preliminary Yields for FY 2018

Each year on December 1, the Commissioner of Taxes is statutorily required to issue a forecast of education tax variables for the next fiscal year. This is the second year in which two yields (property equivalent and income equivalent) and a nonresidential rate are announced rather than a residential tax rate and a non-residential tax rate. This change was made as a part of Act 46 of 2015. The non-residential rate is forecast and calculated in the same way as previous years.

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Tax Commissioner Peterson announced that for fiscal year 2018 (FY18) the dollar equivalent yield is projected at \$10,076 and the income equivalent yield at \$11,875 with the nonresidential rate at \$1.550. The rate and yield projections as compared to FY17 numbers are summarized below.

Base Rates and Yields	FY 2017	FY 2018 (projected)
Homestead Property	\$9,701	\$10,076
Income	\$10,870	\$11,875
Non-residential property	\$1.535	\$1.550

Additionally, district-specific homestead property tax rates will vary from the base rate depending on the level of district spending per equalized pupil. Projected yields are subject to change as the session goes forward and more information is known about district budgets and other possible factors. As an example, last year the December 1 letter forecast the property equivalent yield at \$9,995 and the income yield at \$11,157. The final yields passed into law at the end of the session were \$9,701 and \$10,870 respectively.

The projected yields are an expression of the amount of education spending that could be supported by a \$1.00 tax for those who pay based on the value of residential property and a 2% tax on those who pay based on their income, combined with three factors that vary year to year. These factors are: the value of the education grand list, the increase or decrease in household incomes, and an estimate of education spending based on initial school district budgets. This year, the grand list is estimated to grow at 1.44%, the same growth in value as FY17. Incomes are estimated to grow slightly more, at 3.13%. Finally, preliminary statewide education spending is estimated to be 2.54% higher than FY17. The growth in both the grand list and in incomes, compared to relatively small growth in education spending contribute to the forecast higher per pupil yields than for FY17.

Governor-elect Scott released a statement in response to the tax commissioner's letter stating that more work needs to be done to provide taxpayers with property tax relief. The education and finance committees will consider the yield proposal in the coming months and set the base non-residential property rate and the two homestead yields before the end of the session.

Scott Administration Begins to Take Shape

At the time of publication, some key administration appointees have been named, with more appointments anticipated. Susanne Young, who served as legal counsel to Governor Douglas, will be the Secretary of the Agency of Administration. The current chair of the Green Mountain Care Board, Al Gobeille, will be the Secretary of the Agency of Human Services, and former U.S. Attorney Thomas Anderson will be appointed as Commissioner of Public Safety. The Governor-elect has chosen Julie Slack Moore to be the Secretary of the Agency of Natural Resources; she previously worked in that agency under Governor Douglas. Other cabinet members are expected to be appointed in the coming week.

In November, Governor-elect Phil Scott asked the State Board of Education to initiate the process for appointing a Secretary of Education. The Board is legally required to submit three names to the Governor, from which he will select the Secretary. Current Agency of Education

Secretary Rebecca Holcombe will serve in her current tenure through March 1, 2017. She has also publicly announced that she will apply to continue her service as Secretary of Education under the Scott administration.

Future Education Legislative Reports

At this time of the year, legislators request drafts of bills for introduction in the first days of the session. In each Education Legislative Report, we will report extensively on education bills under consideration in committees, and at the end of the Report, we will list all newly released bills that appear to have provisions related to education.

As leaders of your school districts and supervisory unions, you serve as a voice for public education. As your state associations, we work to support your efforts and represent you efficiently. That stated, there is no substitute for direct contact by constituents with their legislators. We encourage you to read our Reports, keep abreast of issues, and work to stay in touch with your house members and senators. Click [here](#) for a link to contact information for Legislators organized by each supervisory union. This document is also available at www.vtvsba.org/public-policy.

Throughout the session, you will receive regular issues of this Education Legislative Report. The Report is a collaboration of the Vermont School Boards Association (VSBA), the Vermont Superintendents Association (VSA), the Vermont Principals' Association (VPA), the Vermont Association of School Business Officials (VASBO), the Vermont Council of Special Education Administrators (VCSEA) and Vermont School Boards Insurance Trust (VSBIT).

If you have questions regarding the content, contact your Association's executive director or Emily Simmons, Director of Legal and Policy Services at VSBA and author of the Report at esimmons@vtvsba.org.

We look forward to working with you and with state policymakers to address important issues during the upcoming year.