

[View this email in your browser](#)

Education Legislative Report

The Legislature's third attempt at a budget, [H.16](#), will become law without the Governor's signature on Saturday, June 30. Governor Scott announced last night that he will not veto the latest budget which was passed by the House and Senate yesterday, stating "I'm left with no choice but to allow this bill to become law without my signature. Make no mistake, however, that I will be fighting to address these tax rates, and others, in the future – especially as our economy and our surplus continue to grow."

The budget uses \$20.4 million of General Fund surplus revenue to buy down the residential tax rate next year and increases the non-residential tax rate by 4.5 cents. For fiscal year 2019 only, the bill sets the following: (1) property dollar equivalent yield is \$10,220.00 (compared to \$9,842 proposed in the Tax Commissioner's November 30, 2017 letter), (2) income dollar equivalent yield is \$12,380.00 (compared to \$11,990 proposed in Tax Commissioner's November 30, 2017 letter), and (3) non-residential tax rate is \$1.58 per \$100.00 of equalized education property value (compared to \$1.629 proposed in Tax Commissioner's November 30, 2017 letter). You can see the Education Fund Outlook based on these rates [here](#).

Setting the property dollar equivalent yield and income dollar equivalent yield at the above levels will keep the average statewide residential tax rate flat for fiscal year 2019. The use of one time money to buy down residential rates in 2019 means that residential and non-residential rates will need to increase by 2 cents in fiscal year 2020 before any increase in education spending at the local level.

The budget bill also includes statewide bargaining for teachers' health insurance for contracts starting July 1, 2020, makes changes to the VEHI board composition, and establishes a staff-to-student ratios task force charged with presenting its findings concerning optimum staff-to-student ratios by December 15, 2018.

The Vermont Education Legislative Collaborative will issue a final legislative report with details on all the above provisions of the bill in mid-July.

Published By: Vermont School Boards Association, Vermont Superintendents Association, Vermont Principals' Association, Vermont Council of Special Education Administrators, Vermont Association of School Business Officials and Vermont School Board Insurance Trust
Attn: Katherine Hope, 2 Prospect St., Montpelier, VT 05602 (802)-223-3580