



To: Senate Government Operations Committee
From: Sue Ceglowski, Executive Director
Re: H.42 As Passed By The House
Date: January 18, 2023

Thank you for the opportunity to speak with the committee about [H.42](#). We support the bill as passed by the House and appreciate your very prompt consideration of it.

I am here today to speak about section 3 of H.42 which suspends the school budget ballot language requirement set forth in 16 V.S.A. Section 563(11)(D) during the years 2023 and 2024. We support suspension of this requirement during the years 2023 and 2024 (the Legislature already suspended this requirement for fiscal year 2025 through fiscal year 2029 in Act 127 of 2022).

[16 V.S.A. Section 563\(11\)\(D\)](#) requires school boards to use the following specified language in school budget ballots:

“Article #1 (School Budget):

Shall the voters of the school district approve the school board to expend \$ _____ , which is the amount the school board has determined to be necessary for the ensuing fiscal year? It is estimated that this proposed budget, if approved, will result in education spending of \$_____ per equalized pupil. This projected spending per equalized pupil is _____ % higher/lower than spending for the current year.

While well intentioned, the required language relies on just two elements of the budget consideration process - budget proposed and education spending per equalized pupil. Because the required language presents an incomplete picture, it has the potential to induce voters to form a misunderstanding around the effects of a school district’s budget approval. For example, if voters see that spending per equalized pupil is going up in their district, they may conclude that their property taxes are increasing (which may not be true, depending on the yield set by the Legislature and the Common Level of Appraisal in the town). Conversely if voters see that spending per equalized pupil is going down in their district, they may

conclude that their property taxes are decreasing (which may not be true, depending on the yield set by the Legislature and the Common Level of Appraisal in the town).

The language in section 563(11)(D) has its roots in an interest around cost containment and stems from the belief that there will be transparency if boards are required to declare their year over year increase in education spending per equalized pupil on the ballot. This approach assumes that if voters approve higher (or lower) spending per equalized pupil they will do so knowing it translates into higher (or lower) tax impacts for themselves. As noted above, the education tax rate established for each town relies on a more complicated calculation than that, with the CLA and the yields having just as significant, and potentially a more significant, impact on the final tax rate as local spending decisions.

Given the fact that the statutory language does not accurately reflect (or project) the full picture regarding the tax implications for locally approved budgets, we respectfully request that the Committee support H. 42 as passed by the House. We would be happy to participate in any efforts to develop required language that accurately reflects the full picture regarding tax implications for approved school district budgets.

Thank you for the opportunity to speak with the Committee today. We look forward to working with you in the upcoming session.