

1 H.538

2 Introduced by Committee on Ways and Means

3 Date:

4 Subject: Education funding; education; average daily membership; equalized
5 pupils; small schools grants; excess spending calculations; renter
6 rebates; income sensitivity; applicable percentage; student-to-staff
7 ratios

8 Statement of purpose of bill as introduced: This bill proposes to make several
9 changes to Vermont's education funding laws. The bill would eliminate the
10 fast growth provision in the calculation of the average daily membership,
11 lower the hold harmless provision for a decrease in the equalized pupil count,
12 phase out small school grants over four years beginning in fiscal year 2016
13 except in cases of geographic necessity, lower the excess spending threshold
14 over three years beginning in fiscal year 2015, lower the percentage of
15 allocable rent for renter's rebate claims, extend the slope for income sensitivity
16 adjustments, raise the applicable percentage floor, lower the total amount of an
17 income sensitivity adjustment allowed in any given year, and require the
18 Agency of Education to establish student-teacher ratios.

19 An act relating to making miscellaneous amendments to education funding
20 laws

1 It is hereby enacted by the General Assembly of the State of Vermont:

2 * * * Increase in Average Daily Membership (applies to long-term
3 membership calculations for fiscal year 2015 and after) * * *

4 Sec. 1. 16 V.S.A. § 4010(b) is amended to read:

5 (b) The ~~commissioner~~ Secretary shall determine the long-term membership
6 for each school district for each student group described in subsection (a) of
7 this section. The ~~commissioner~~ Secretary shall use the actual average daily
8 membership over two consecutive years, the latter of which is the current
9 school year. ~~If, however, in one year, the actual average daily membership of~~
10 ~~kindergarten through 12th grade increases by at least 20 students over the~~
11 ~~previous year, the commissioner shall compute the long-term membership by~~
12 ~~adding 80 percent of the actual increase, to a maximum increase of 45~~
13 ~~equalized pupils.~~

14 * * * Decrease in Equalized Pupils; Hold-Harmless Provision

15 (applies to equalized pupil calculations in fiscal year 2015 and after) * * *

16 Sec. 2. 16 V.S.A. § 4010(f) is amended to read:

17 (f) For purposes of the calculation under this section, a district's equalized
18 pupils shall in no case be less than ~~96 and one half~~ 95 percent of the district's
19 equalized pupils in the previous year.

* * * Small Schools Grants

(Secs. 3–5 eff. July 1, 2015 and applicable to grants that would have been
made in in fiscal year 2016 and after) * * *

Sec. 3. 16 V.S.A. § 4015(a) is amended to read:

(a) In this section:

(1) “Eligible school district” means a school district ~~which~~ that:

(A) operates at least one school; and

~~(A) (B) has a two-year average combined enrollment of fewer than
100 students in all the schools operated by the district; or~~ has an average
grade size of 20 or fewer; and

~~(B) has an average grade size of 20 or fewer~~ (C) has been
determined by the Secretary to be eligible due to geographic necessity.

* * *

(7) “Eligible due to geographic necessity” means that the Secretary has
determined, on an annual basis, that the driving times, distances, and travel
routes are an obstacle to transporting students, consistent with the methodology
used by the Secretary in response to 2009 Acts and Resolves No. 153,
Sec. 21(1). The Secretary may also consider the available capacity of other
neighboring schools to enroll additional students. A determination by the
Secretary of eligibility due to geographic necessity under this section shall
be final.

1 Sec. 4. SMALL SCHOOL GRANT; TRANSITION

2 (a) Any school district that was eligible for a small school grant pursuant to
3 16 V.S.A. § 4015(a) in fiscal year 2015 but is not eligible for a grant in fiscal
4 year 2016 because the district is not “eligible due to geographic necessity”
5 shall receive a small school grant in fiscal year 2016 that is equal to 75 percent
6 of the grant it received under subsection (a) in fiscal year 2015.

7 (b) Any school district that was eligible for a small school grant pursuant to
8 16 V.S.A. § 4015(a) in fiscal year 2015 but is not eligible for a grant in fiscal
9 year 2017 because the district is not “eligible due to geographic necessity”
10 shall receive a small school grant in fiscal year 2017 that is equal to 50 percent
11 of the grant it received under subsection (a) in fiscal year 2015.

12 (c) Any school district that was eligible for a small school grant pursuant to
13 16 V.S.A. § 4015(a) in fiscal year 2015 but is not eligible for a grant in fiscal
14 year 2018 because the district is not “eligible due to geographic necessity”
15 shall receive a small school grant in fiscal year 2018 that is equal to 25 percent
16 of the grant it received under subsection (a) in fiscal year 2015.

17 Sec. 5. 16 V.S.A. § 4015(c) and (d) are amended to read:

18 ~~(c) Small schools financial stability grant: In addition to a small schools~~
19 ~~support grant, an eligible school district whose two-year average enrollment~~
20 ~~decreases by more than ten percent in any one year shall receive a small~~
21 ~~schools financial stability grant. However, a decrease due to a reduction in the~~

1 ~~number of grades offered in a school or to a change in policy regarding paying~~
2 ~~tuition for students shall not be considered an enrollment decrease. The~~
3 ~~amount of the grant shall be determined by multiplying 87 percent of the base~~
4 ~~education amount for the current fiscal year, by the number of enrollment, to~~
5 ~~the nearest one hundredth of a percent, necessary to make the two year~~
6 ~~average enrollment decrease only ten percent. [Repealed.]~~

7 (d) Funds for ~~both~~ grants under this section shall be appropriated from the
8 ~~education fund~~ Education Fund and shall be added to payments for the base
9 education amount or deducted from the amount owed to the ~~education fund~~
10 Education Fund in the case of those districts that must pay into the ~~fund~~ Fund
11 under section 4027 of this title.

12 * * * Excess Spending (Sec. 6 applies to budgets in fiscal years 2015 and
13 2016; Sec. 7 applies in fiscal year 2017 and after) * * *

14 Sec. 6. 32 V.S.A. § 5401(12) is amended to read:

15 (12) "Excess spending" means:

16 (A) the per-equalized-pupil amount of the district's education
17 spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be
18 added from a capital construction reserve fund under 24 V.S.A. § 2804(b);

19 (B) in excess of ~~125~~ 123 percent of the statewide average district
20 education spending per equalized pupil in the prior fiscal year, as determined

1 by the ~~commissioner of education~~ Secretary of Education on or before
2 November 15 of each year based on the passed budgets to date.

3 Sec. 7. 32 V.S.A. § 5401(12) is amended to read:

4 (12) "Excess spending" means:

5 (A) the per-equalized-pupil amount of the district's education
6 spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be
7 added from a capital construction reserve fund under 24 V.S.A. § 2804(b);

8 (B) in excess of ~~123~~ 121 percent of the statewide average district
9 education spending per equalized pupil in the prior fiscal year, as determined
10 by the Secretary of Education on or before November 15 of each year based on
11 the passed budgets to date.

12 * * * Renter Rebate (applies to claims filed after January 1, 2014) * * *

13 Sec. 8. 32 V.S.A. § 6061(7) is amended to read:

14 (7) "Allocable rent" means for any housesite and for any taxable year ~~21~~
15 19 percent of the gross rent. "Gross rent" means the rent actually paid during
16 the taxable year by the individual or other members of the household solely for
17 the right of occupancy of the housesite during the taxable year. "Allocable
18 rent" shall not include payments made under a written homesharing agreement
19 pursuant to a nonprofit homesharing program, or payments for a room in a
20 nursing home in any month for which Medicaid payments have been made on
21 behalf of the claimant to the nursing home for room charges.

1 recommend a proportional adjustment to the applicable percentage base for
2 homestead income based adjustments under section 6066 of this title, but the
3 applicable percentage base shall not be adjusted below ~~4.8~~ 1.9 percent.

4 * * * Income Sensitivity Limit (applies to claims filed after

5 January 1, 2014 and applies to property taxes paid in 2014) * * *

6 Sec. 11. 32 V.S.A. § 6067 is amended to read:

7 § 6067. CREDIT LIMITATIONS

8 Only one individual per household per taxable year shall be entitled to a
9 benefit under this chapter. An individual who received a homestead exemption
10 or adjustment with respect to property taxes assessed by another state for the
11 taxable year shall not be entitled to receive an adjustment under this chapter.

12 No taxpayer shall receive an adjustment under subsection 6066(b) of this title
13 in excess of \$3,000.00. No taxpayer shall receive total adjustments under this
14 chapter in excess of ~~\$8,000.00~~ \$6,000.00 related to any one property tax year.

15 * * * Student-to-Staff Ratios * * *

16 Sec. 12. STUDENT-TO-STAFF, STUDENT-TO-ADMINISTRATOR, AND

17 STUDENT-TO-TEACHER RATIOS

18 (a) The Secretary of Education shall develop a comprehensive proposal to
19 establish minimum student-to-staff ratios, student-to-administrator ratios, and
20 student-to-teacher ratios in public elementary and secondary schools and
21 supervisory unions in Vermont.

1 (b) As used in this section:

2 (1) "Teacher" includes any person licensed to be employable as a
3 teacher who is employed as a teacher and is providing direct instruction to
4 students in one or more elementary or secondary grades, but does not include a
5 person providing career technical education.

6 (2) "Administrator" includes any person employed as a superintendent,
7 assistant superintendent, principal, assistant principal, special education
8 director, essential early education director, or Title I coordinator.

9 (3) "Staff" includes all paid personnel employed by a school district or
10 supervisory union, but shall exclude:

11 (A) career technical education teachers;

12 (B) vocational education and adult education directors;

13 (C) central services business office personnel;

14 (D) operations and maintenance personnel;

15 (E) transportation personnel;

16 (F) food service personnel; and

17 (G) enterprise or community service operations personnel.

18 (c) At a minimum, the proposal shall include:

19 (1) mandatory minimum ratios at the district or the school level, which
20 may include variations by grade, school size, and other factors;

21 (2) mandatory minimum ratios at the supervisory union level;

1 (d) Sec. 6 (excess spending; 123 percent) of this act shall take effect on
2 July 1, 2014 and shall apply to education budgets for fiscal years 2015 and
3 2016.

4 (e) Sec. 7 (excess spending; 121 percent) of this act shall take effect on
5 July 1, 2016 and shall apply to education budgets for fiscal year 2017 and
6 after.

7 (f) Secs. 8 (renter rebate) and 9 (housesite value) of this act shall take effect
8 on January 1, 2014 and apply to claims filed after that date.

9 (g) Sec. 10 (applicable percentage) of this act shall take effect on July 1,
10 2013.

11 (h) Sec. 11 (adjustment limit) of this act shall take effect on January 1,
12 2014 and apply to claims filed after that date.

13 (i) Sec. 12 (student-to-staff ratios) of this act shall take effect on passage.

14 (j) This section shall take effect on passage.