

H.538

An act relating to making miscellaneous amendments to education funding laws

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

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

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

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

* * * Decrease in Equalized Pupils; Hold-Harmless Provision
(applies to equalized pupil calculations in fiscal year 2015 and after) * * *

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

(f) For purposes of the calculation under this section, a district's equalized pupils shall in no case be less than ~~96 and one half~~ 95 percent of the district's 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. SMALL SCHOOL QUALITY; STUDY

The Secretary of Education shall examine the quality of opportunities and the educational outcomes for students enrolled in schools that receive small school support pursuant to 16 V.S.A. § 4015. In particular, the Secretary shall compare outcomes for students qualifying for free or reduced-price school meals who are enrolled in small schools versus the outcomes for the same population of students who are enrolled in larger Vermont schools. The Secretary shall also compare the success in postsecondary training and education of students who attended small schools and those who did not. The Secretary shall consider whether and to what extent the quality of education provided should be considered when determining whether a school district should remain eligible for small school support if support were limited to schools based on geographic necessity and other factors. On or before January 15, 2014, the Secretary shall submit a report to the House and Senate

Committees on Education detailing the results of this study and presenting recommendations for any changes to statute or rule.

Sec. 4. [Deleted.]

Sec. 5. [Deleted.]

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

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

(12) “Excess spending” means:

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

(B) in excess of ~~425~~ 123 percent of the statewide average district education spending per equalized pupil in the prior fiscal year, as determined by the ~~commissioner of education~~ Secretary of Education on or before November 15 of each year based on the passed budgets to date.

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

(12) “Excess spending” means:

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

(B) in excess of ~~423~~ 121 percent of the statewide average district education spending per equalized pupil in the prior fiscal year, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date.

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

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

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

* * * Income Sensitivity Slope; Housesite Value
(applies to claims filed after January 1, 2014 and
applies to property taxes paid in 2014) * * *

Sec. 8a. RENTER STUDY

The Joint Fiscal Office shall report to the General Assembly on how the State can provide assistance to renters. The report shall review issues with the

current renter rebate program and examine other ways to provide assistance to renters with high rents and low incomes. The report shall be due on or before January 15, 2014 and shall include specific findings and recommendations. The Joint Fiscal Office shall have the assistance of the Department of Taxes and the Office of Legislative Council.

Sec. 9. 32 V.S.A. § 6066(a) is amended to read:

(a) An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to an adjustment amount determined as follows:

(1)(A) For a claimant with household income of \$90,000.00 or more:

(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;

(ii) minus (if less) the sum of:

(I) the applicable percentage of household income for the taxable year; plus

(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of ~~\$200,000.00~~ \$250,000.00.

* * *

Sec. 10. 32 V.S.A. § 5402b(b) is amended to read;

(b) If the ~~commissioner~~ Commissioner makes a recommendation to the ~~general assembly~~ General Assembly to adjust the education tax rates under section 5402 of this title, the ~~commissioner~~ Commissioner shall also recommend a proportional adjustment to the applicable percentage base for homestead income based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below ~~4.8~~ 1.9 percent.

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

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

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

§ 6067. CREDIT LIMITATIONS

Only one individual per household per taxable year shall be entitled to a benefit under this chapter. An individual who received a homestead exemption or adjustment with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive an adjustment under this chapter. No taxpayer shall receive an adjustment under subsection 6066(b) of this title in excess of \$3,000.00. No taxpayer shall receive total adjustments under this chapter in excess of ~~\$8,000.00~~ \$6,000.00 related to any one property tax year.

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

Sec. 12. STUDENT-TO-STAFF RATIOS

(a) The Secretary of Education shall collect data necessary to inform development of a comprehensive plan to establish minimum student-to-staff ratios, student-to-administrator ratios, student-to-classroom teacher ratios, and student-to-teacher ratios in public elementary and secondary schools and supervisory unions in a manner that promotes educational opportunities and outcomes for students in Vermont.

(b) As used in this section:

(1) "Teacher" includes any person licensed to be employable as a teacher who is employed as a teacher and is providing direct instruction to students in one or more elementary or secondary grades.

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

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

(A) central services business office personnel;

(B) operations and maintenance personnel;

(C) transportation personnel;

(D) food service personnel; and

(E) enterprise or community service operations personnel.

(c) At a minimum, the Secretary's data shall be sufficient to inform development of a comprehensive plan that might include:

(1) mandatory minimum ratios at the district or the school level, which may include variations by grade, school size, and other factors such as the unique needs of students from economically deprived backgrounds and students who are English language learners;

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

(3) incentives for compliance; and

(4) implementation dates that would require mandatory staffing ratios beginning in school year 2015–2016 with tax penalties for noncompliance beginning in school year 2016–2017.

(d) On or before January 15, 2014, the Secretary shall present the data to the House and Senate Committees on Appropriations and on Education, the House Committee on Ways and Means, and the Senate Committee on Finance.

Sec. 13. 16 V.S.A. § 836 is amended to read:

§ 836. TUITION OVERCHARGE OR UNDERCHARGE

(a) Annually, on or before November 1, the ~~commissioner~~ Secretary shall inform each ~~school board of a receiving public school, each board of trustees of a receiving approved independent school for which the commissioner has calculated a net cost per pupil,~~ receiving school district and each sending

school district in Vermont of the calculated net cost per elementary or secondary pupil in the receiving schools. Each ~~school board or board of trustees of a receiving school~~ receiving district shall then determine whether it overcharged or undercharged any sending district for tuition charges and shall notify the district by December 15 of the same year of the amount due or the amount to be refunded or credited.

(b) If the sending district has paid tuition charges in excess of three percent of the calculated net cost per elementary or secondary pupil and is not sending enough students to the receiving ~~school~~ district to use the overcharge funds as credit against tuition, the ~~school board or board of trustees of the receiving school~~ receiving district shall refund the overcharge money by July 31. ~~However, interest;~~ provided, however, that the refund shall be equal to the amount of the overcharge that is between three percent and ten percent of the net cost per pupil. Interest owed the sending district on overcharge monies shall begin to accrue on December 1, at the rate of one-half percent per month.

(c) If the receiving district has undercharged tuition in an amount three percent or more than the calculated net cost per elementary or secondary pupil, the ~~school board or the board of trustees of the sending school~~ sending district shall pay the ~~amount of the undercharge~~ receiving district in an amount equal to the amount of the undercharge that is between three percent and ten percent of the net cost per pupil. If payment is not made by July 31 of the year

following the year in which the undercharge was determined, interest owed the ~~sending~~ receiving district on ~~overcharge moneys~~ undercharge monies shall begin to accrue on August 1, at the rate of one percent per month.

* * * Effective Dates * * *

Sec. 14. EFFECTIVE DATES

(a) Sec. 1 (increased average daily membership) of this act shall take effect on July 1, 2013 and shall apply to long-term membership calculations for fiscal year 2015 and after.

(b) Sec. 2 (hold-harmless provision) of this act shall take effect on July 1, 2013 and shall apply to equalized pupil calculations for fiscal year 2015 and after.

(c) Sec. 3 (small schools study) of this act shall take effect on passage.

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

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

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

(g) Sec. 8a (renter rebate study) and Sec. 10 (applicable percentage) of this act shall take effect on July 1, 2013.

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

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

(j) This section shall take effect on passage.