

February 4, 2016
Vermont Agency of Education
Bill Talbott

Status of the Supplemental Property Tax Relief Fund Appropriation

- 1) Sec. E.500.3 of the FY 2015 Budget Bill Appropriated \$3.5 Million to the Agency of Education from the Supplemental Property Tax Relief Fund to be used for.
 - i) up to \$400,000 for a contractor to support the chart of accounts rewrite, preparing a school district financial accounting manual and assessing financial management systems of the supervisory unions and to cost options for .
 - ii) Funds for an education analyst (exempt, limited service position).
 - iii) The remaining to be carried forward to subsequent years to
 - (a) continue the education analyst
 - (b) support one-time investments to improve reliable comparative data
 - (c) investments to carry out system changes
 - (d) incentives or rewards to control spending while maintaining or improving student outcomes

- 2) The FY 2016 budget bill appropriated \$3 million of the total \$3.5 million in the grants line and \$500,000 in the personal services line for contracted services and to pay for the education analyst. Page 18 of the Agency's FY 2016 budget book describes using the grants to support continuous improvement programs in school districts working toward the new Education Quality Standards. Subsequent to this the Agency has been awarded a grant from the Nellie Mae Foundation that will cover a large part of this work.
 - a) This year (FY 2016) we have budgeted these funds in the following way
 - i) \$75,000 for the education analyst
 - ii) \$372,000 for contracts. We are currently under contract with the Berry Dunne Consulting Group for \$160,000 to assist in developing the policies and procedures for the new chart of accounts, assess the capabilities of financial management systems in the SU/SDs, develop specifications for compliant financial management systems, cost out options for upgrading financial management system in the SU/SDs.
 - iii) \$160,000 in grants to support the development work of the Education Quality Reviews

- 3) Remaining funds will be used for
 - i) \$318,000 Supporting the development of the Education Quality Review system
 - ii) \$2,500,000 Grants to SU/SDs to upgrade or replace financial management systems (this amount

Note: Sec. E.500.1 of Act 58 of 2015 (FY 2016 Budget Bill) amended the required effective date for the financial management system of the SU/SDs to July 1, 2019, aligning it with the governance change requirements of Act 46 of 2015.