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SPECIAL SESSION

H.13

Representative Beck of St. Johnsbury moves that the bill be amended as follows:

First: In Sec. D.101 (fund transfers, reversions, reserves), by inserting a subdivision (a)(4) to read as follows:

(4)(A) Of the \$34,500,000 in funds carried forward under subdivision C.1000(d)(2) of this act, \$33,800,000 shall be transferred to the Education Fund in fiscal year 2019.

(B) Beginning in fiscal year 2020, and each fiscal year after that, an amount equal to \$14,000,000 minus the Act 46 incentive amount for that fiscal year shall be transferred from the Education Fund to the General Fund.

(i) As used in this subsection (a), the term “Act 46 incentive amount” means the amount of revenue forgone as a result of the statewide property tax incentives permitted to school districts under 2015 Acts and Resolves No. 46, Secs. 6 and 7. The Act 46 incentive amount shall be determined by the Commissioner of Taxes, after consultation with the Secretary of Education, the Secretary of Administration, and the Joint Fiscal Office, and published in the December 1 letter required by 32 V.S.A. § 5402b.

1                   (ii) When the amounts transferred under this subdivision (B) have  
2                   equaled the amounts transferred under subdivision (A), this subdivision (B)  
3                   shall be repealed effective on July 1 of the following fiscal year.

4                   Second: By striking out Secs. H.8–11 (allocation of revenue and yields)  
5                   and H.13 (effective dates) and inserting in lieu thereof the following:

6   \* \* \* Allocation of Education Funds \* \* \*

7                   Sec. H.8 16 V.S.A. § 4025 is amended to read:

8                   § 4025. EDUCATION FUND

9                   (a) The Education Fund is established to comprise the following:

10                   (1) ~~All~~ all revenue paid to the State from the statewide education tax on  
11                   nonresidential and homestead property under 32 V.S.A. chapter 135;

12                   (2) ~~For each fiscal year, the amount of the general funds appropriated~~  
13                   ~~and transferred to the Education Fund shall be \$305,900,000.00, to be~~  
14                   ~~increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal~~  
15                   ~~Office and Administration determination of the National Income and Product~~  
16                   ~~Accounts (NIPA) Implicit Price Deflator for State and Local Government~~  
17                   ~~Consumption Expenditures and Gross Investment as reported by the U.S.~~  
18                   ~~Department of Commerce, Bureau of Economic Analysis through the fiscal~~  
19                   ~~year for which the payment is being determined, plus an additional one tenth~~  
20                   ~~of one percent. [Repealed.]~~







1 ~~spending~~, per equalized pupil, above the base spending amount for the school  
2 year; and the denominator is the property dollar equivalent yield for the school  
3 year, as defined in subdivision (15) of this section.

4 (ii) For districts with education spending per equalized pupil that  
5 is less than the base spending amount, the education property tax spending  
6 adjustment shall be zero.

7 (B) ~~“Education income tax spending adjustment” means the greater~~  
8 ~~of: one or a fraction in which the numerator is the district’s education~~  
9 ~~spending plus excess spending, per equalized pupil, for the school year; and~~  
10 ~~the denominator is the income dollar equivalent yield for the school year, as~~  
11 ~~defined in subdivision (16) of this section. [Repealed.]~~

12 \* \* \*

13 (15) “Property dollar equivalent yield” means the amount of education  
14 spending per equalized pupil that would result if the homestead tax rate were  
15 \$1.00 per \$100.00 of equalized education property value, and the statutory  
16 reserves under 16 V.S.A. § 4026 and section 5402b of this title were  
17 maintained, calculated as if total statewide education spending per equalized  
18 pupil were equal to the total statewide education spending per equalized pupil  
19 minus the total statewide base spending amount per equalized pupil.

20 (16) ~~“Income dollar equivalent yield” means the amount of spending per~~  
21 ~~equalized pupil that would result if the income percentage in subdivision~~

1 ~~6066(a)(2) of this title were 2.0 percent, and the statutory reserves under~~  
2 ~~16 V.S.A. § 4026 and section 5402b of this title were maintained.~~ “Base  
3 income percentage” means a percentage set by the General Assembly each  
4 year under subsection 5402b(b) of this title.

5 (17) “Base spending amount” means the amount that results from the  
6 following calculation:

7 (A) the sum of the total projected Education Fund revenue sources  
8 under 16 V.S.A. § 4025(a)(1)-(7) for the following fiscal year, plus any surplus  
9 from the prior fiscal year, minus the total projected amount of revenue raised  
10 by the statewide education homestead tax in the following fiscal year, without  
11 regard to any adjustment under chapter 154 of this title; minus

12 (B) an amount equal to the projected Education Fund expenditures  
13 for the following fiscal year, minus the projected education payments under  
14 16 V.S.A. § 4028 for the following fiscal year, and plus any projected transfer  
15 to the Education Fund Budget Stabilization Reserve Fund established under  
16 16 V.S.A. § 4026; plus

17 (C) the projected amount of revenue raised by the statewide  
18 education homestead tax that would result if the homestead tax rate were \$1.00  
19 per \$100.00 of equalized education property value in the following fiscal year;  
20 divided by



1 income percentage, the base spending amount, and a nonresidential property  
2 tax rate for the following fiscal year. The Commissioner shall also indicate the  
3 impact on these variables of holding education spending level with the prior  
4 fiscal year. In making these calculations, the Commissioner shall assume:

5 (1) the homestead base tax rate in subdivision 5402(a)(2) of this title is  
6 \$1.00 per \$100.00 of equalized education property value;

7 (2) ~~the applicable percentage in subdivision 6066(a)(2) of this title~~  
8 ~~is 2.0;~~ [Repealed.]

9 (3) the statutory reserves under 16 V.S.A. § 4026 and this section ~~were~~  
10 are maintained at five percent; and

11 (4) the percentage change in the ~~median~~ average education tax bill  
12 applied to nonresidential property; and the percentage change in the ~~median~~  
13 average education tax bill of homestead property; and the percentage change in  
14 the ~~median~~ average education tax bill for taxpayers who claim an adjustment  
15 under subsection 6066(a) of this title are equal.

16 (b) For each fiscal year, the General Assembly shall set a property dollar  
17 equivalent yield and ~~an income dollar equivalent yield;~~ a base income  
18 percentage consistent with the definitions in this chapter.

19 \* \* \*

20 (d) Annually, on or about January 15, the Joint Fiscal Office and Secretary  
21 of Administration shall provide to the Emergency Board a calculation of the

1 base spending amount for the upcoming fiscal year. The Emergency Board  
2 shall review the calculation at its January meeting and shall adopt a base  
3 spending amount for the upcoming fiscal year.

4 \* \* \* Yield, Applicable Percentage and Nonresidential Rate for

5 Fiscal Year 2019 \* \* \*

6 Sec. H.13 PROPERTY DOLLAR EQUIVALENT YIELD AND BASE

7 INCOME PERCENTAGE FOR FISCAL YEAR 2019

8 (a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2019 only, the  
9 property dollar equivalent yield shall be \$10,251.

10 (b) Notwithstanding any other provision of law, for fiscal year 2019 only,  
11 the base income percentage under 32 V.S.A. § 6066(a)(2) shall be 1.66.

12 (c) The nonresidential rate for fiscal year 2019 shall be the statutory default  
13 rate of \$1.535 per \$100 of equalized education property value under 32 V.S.A.  
14 § 5402(a)(2).

15 \* \* \* Statewide Education Property Tax Bills \* \* \*

16 Sec. H.14 32 V.S.A. § 5402(b) is amended to read:

17 (b) The statewide education tax shall be calculated as follows:

18 \* \* \*

19 (2) Taxes assessed under this section shall be assessed and collected in  
20 the same manner as taxes assessed under chapter 133 of this title with no tax  
21 classification other than as homestead or nonresidential property; provided,

1 however, that the tax levied under this chapter shall be billed to each taxpayer  
2 by the municipality in a manner that clearly indicates the tax is separate from  
3 any other tax assessed and collected under chapter 133, including an  
4 itemization of the separate taxes due. The bill may be on a single sheet of  
5 paper with the statewide education tax and other taxes presented separately and  
6 side by side.

7 \* \* \*

8 Sec. H.15 32 V.S.A. § 6066a(f) is amended to read:

9 (f) Property tax bills.

10 (1) For taxpayers and amounts stated in the notice to towns on July 1,  
11 municipalities shall create and send to taxpayers a homestead property tax bill,  
12 instead of the bill required under subdivision 5402(b)(1) of this title, providing  
13 the total amount allocated to payment of homestead education property tax  
14 liabilities and notice of the balance due. Nothing in this subdivision, however,  
15 shall be interpreted as altering the requirement under subdivision 5402(b)(1) of  
16 this title that the statewide education homestead tax be billed in a manner that  
17 is stated clearly and separately from any other tax. Municipalities shall apply  
18 the amount allocated under this chapter to current-year property taxes in equal  
19 amounts to each of the taxpayers' property tax installments that include  
20 education taxes. Notwithstanding section 4772 of this title, if a town issues a  
21 corrected bill as a result of the November 1 notice sent by the Commissioner

1 under subsection (a) of this section, issuance of ~~such~~ the corrected new bill  
2 does not extend the time for payment of the original bill, nor relieve the  
3 taxpayer of any interest or penalties associated with the original bill. If the  
4 corrected bill is less than the original bill, and there are also no unpaid ~~current~~  
5 ~~year~~ current-year taxes, interest, or penalties and no ~~past-year~~ past-year  
6 delinquent taxes or penalties and interest charges, any overpayment shall be  
7 reflected on the corrected tax bill and refunded to the taxpayer.

8 \* \* \*

9 \* \* \* Property Tax Adjustments \* \* \*

10 Sec. H.16 32 V.S.A. § 6066 is amended to read:

11 § 6066. COMPUTATION OF ADJUSTMENT

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

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

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

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

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

1 (II) the statewide education tax rate, multiplied by the  
2 equalized value of the housesite in the taxable year in excess of ~~\$250,000.00~~  
3 \$200,000.00.

4 (B) For a claimant with household income of less than \$90,000.00  
5 but more than \$47,000.00, the statewide education tax rate, multiplied by the  
6 equalized value of the housesite in the taxable year, minus (if less) the sum of:

7 (i) the income percentage of household income for the taxable  
8 year; plus

9 (ii) the statewide education tax rate, multiplied by the equalized  
10 value of the housesite in the taxable year in excess of ~~\$500,000.00~~  
11 \$400,000.00.

12 (C) For a claimant whose household income does not exceed  
13 \$47,000.00, the statewide education tax rate, multiplied by the equalized value  
14 of the housesite in the taxable year, minus the lesser of:

15 (i) the sum of the income percentage of household income for the  
16 taxable year plus the statewide education tax rate, multiplied by the equalized  
17 value of the housesite in the taxable year in excess of ~~\$500,000.00~~  
18 \$400,000.00; or

19 (ii) the statewide education tax rate, multiplied by the equalized  
20 value of the housesite in the taxable year reduced by \$15,000.00.

1           (2) “Income percentage” in this section means ~~two percent, the base~~  
2           income percentage adopted by the General Assembly for the fiscal year, plus  
3           the base income percentage multiplied by the education income property tax  
4           spending adjustment under subdivision 5401(13)~~(B)~~(A) of this title for the  
5           property tax year ~~which~~ that begins in the claim year for the municipality in  
6           which the homestead residence is located.

7           (3) A claimant whose household income does not exceed \$47,000.00  
8           shall also be entitled to an additional adjustment amount from the claimant’s  
9           municipal taxes for the upcoming fiscal year that is equal to the amount by  
10          which the municipal property taxes for the municipal fiscal year ~~which~~ that  
11          began in the taxable year upon the claimant’s housesite, ~~reduced by the~~  
12          ~~adjustment amount determined under subdivisions (1) and (2) of this~~  
13          ~~subsection, exceeds~~ exceed a percentage of the claimant’s household income  
14          for the taxable year as follows:

15	If household income (rounded to		then the taxpayer is entitled to
16	the nearest dollar) is:		credit for the reduced property tax in
17			excess of this percent of that income:
18	\$0.00 - 9,999.00	<del>2.0</del>	<u>1.50</u>
19	<del>\$10,000.00 – 24,999.00</del>	<del>4.5</del>	
20	<del>\$25,000.00 – 47,000.00</del>	<del>5.0</del>	
21	<u>\$10,000.00 - 47,000.00</u>		<u>3.00</u>



1       Sec. H.16a PROPERTY TAX ADJUSTMENT HOUSESITE CAP

2           (a) Beginning with claim year 2019, the housesite value in 32 V.S.A.  
3       § 6066(a)(1)(B)(ii), (a)(1)(C)(i), and (a)(5) shall be lowered by \$25,000 each  
4       year until it reaches the amount of \$300,000 in claim year 2022.

5           (b) When preparing the Vermont Statutes Annotated for publication each  
6       year, the Office of Legislative Council shall revise the figures in 32 V.S.A.  
7       § 6066(a) to reflect the changes made in this section.

8       Sec. H.17 32 V.S.A. § 6067 is amended to read:

9       § 6067. CREDIT LIMITATIONS

10       Only one individual per household per taxable year shall be entitled to a  
11       benefit under this chapter. An individual who received a homestead exemption  
12       or adjustment with respect to property taxes assessed by another state for the  
13       taxable year shall not be entitled to receive an adjustment under this chapter.  
14       No taxpayer shall receive an adjustment under subsection 6066(b) of this title  
15       in excess of \$3,000.00. No taxpayer shall receive ~~total adjustments under this~~  
16       ~~chapter in excess of \$8,000.00 related to any one property tax year an~~  
17       adjustment under subdivision 6066(a)(3) of this title greater than \$2,400.00 or  
18       a cumulative adjustment under subdivisions 6066(a)(1)-(2) and (4) of this title  
19       greater than \$5,600.00.



1 report of deposits into and expenditures from a school capital construction  
2 reserve fund. ~~If the Agency of Education determines that any amount in the~~  
3 ~~reserve fund has not been used for approved school capital construction within~~  
4 ~~five years after deposit into the fund, then 150 percent of that amount shall be~~  
5 ~~added to the district's education spending in the then current year for purposes~~  
6 ~~of calculating the excess spending penalty. The definitions in 16 V.S.A.~~  
7 ~~chapter 133 shall apply to this subsection.~~

8 \* \* \* School Budget Votes \* \* \*

9 Sec. H.21 16 V.S.A. § 428(c) is added to read:

10 (c) Any budget proposed by the school board that contains education  
11 spending, as defined in subdivision 4001(6) of this title, in excess of 110  
12 percent of the statewide average district education spending per equalized  
13 pupil increased by inflation, as determined by the Secretary of Education on or  
14 before November 15 of each year based on the passed budgets to date, shall  
15 require the approval of 60 percent of the individuals voting in order to be  
16 adopted. As used in this subsection, “increased by inflation” means increasing  
17 the statewide average district education spending per equalized pupil for fiscal  
18 year 2015 by the most recent New England Economic Project cumulative price  
19 index, as of November 15, for state and local government purchases of goods  
20 and services, from fiscal year 2015 through the fiscal year for which the  
21 amount is being determined.

1 Sec. H.22 16 V.S.A. § 511(c) is added to read:

2 (c) Any budget proposed by the school board that contains education  
3 spending, as defined in subdivision 4001(6) of this title, in excess of 110  
4 percent of the statewide average district education spending per equalized  
5 pupil increased by inflation, as determined by the Secretary of Education on or  
6 before November 15 of each year based on the passed budgets to date, shall  
7 require the approval of 60 percent of the individuals voting in order to be  
8 adopted. As used in this subsection, “increased by inflation” means increasing  
9 the statewide average district education spending per equalized pupil for fiscal  
10 year 2015 by the most recent New England Economic Project cumulative price  
11 index, as of November 15, for state and local government purchases of goods  
12 and services, from fiscal year 2015 through the fiscal year for which the  
13 amount is being determined.

14 Sec. H.22a 16 V.S.A. § 711e is amended to read:

15 § 711e. BUDGET VOTES BY AUSTRALIAN BALLOT

16 \* \* \*

17 (d) If the union school district has voted to commingle its ballots, the  
18 ballots shall be deposited in separate containers at each polling place. The  
19 board of civil authority may open the containers and count the number of  
20 ballots cast in the election, but shall not count the ballots for purposes of  
21 determining the outcome of the election. At the closing of the polls, the

1 municipal clerk or his or her designee shall appoint a member or members of  
2 the board of civil authority who shall transport the sealed container to the clerk  
3 of the union school district. Under the supervision of the union school district  
4 clerk, the appointed members of the boards of civil authority shall count the  
5 commingled ballots. ~~The~~ Subject to subsection (h) of this section, the budget  
6 shall be established if a majority of the votes cast are in favor.

7 (e) If the union school district has voted not to commingle its ballots, the  
8 municipal clerks of the member towns shall transmit to the union school  
9 district clerk the results of the vote upon completion of the counting. ~~The~~  
10 Subject to subsection (h) of this section, the budget shall be established if a  
11 majority of the votes cast are in favor.

12 (f) If the proposed budget is rejected, the union district board shall prepare  
13 a revised budget. The board shall establish a date for vote on the revised  
14 budget, and shall take appropriate steps to warn a public informational meeting  
15 on the budget and the vote. The date of the public informational meeting shall  
16 be at least five days following the public notice. The date of the vote shall be  
17 at least seven days following the public notice. The vote on the revised budget  
18 shall be by Australian ballot and shall take place in the same locations that the  
19 first vote was taken. ~~The~~ Subject to subsection (h) of this section, the budget  
20 shall be established if a majority of all votes cast are in favor. If the revised

1 budget is rejected, the board shall repeat the procedure in this subsection until  
2 the budget is adopted.

3 (g) Unless clearly inconsistent, the provisions of 17 V.S.A. chapter 55 shall  
4 apply to actions taken under this section.

5 (h) Notwithstanding the majority vote requirements in this section, any  
6 budget proposed by the school board that contains education spending, as  
7 defined in subdivision 4001(6) of this title, in excess of 110 percent of the  
8 statewide average district education spending per equalized pupil increased  
9 by inflation, as determined by the Secretary of Education on or before  
10 November 15 of each year based on the passed budgets to date, shall require  
11 the approval of 60 percent of the individuals voting in order to be adopted. As  
12 used in this subsection, “increased by inflation” means increasing the statewide  
13 average district education spending per equalized pupil for fiscal year 2015 by  
14 the most recent New England Economic Project cumulative price index, as of  
15 November 15, for state and local government purchases of goods and services,  
16 from fiscal year 2015 through the fiscal year for which the amount is being  
17 determined.

18 Sec. H.22b 16 V.S.A. § 722(e) is added to read:

19 (e) Any budget proposed by the unified union school board that contains  
20 education spending, as defined in subdivision 4001(6) of this title, in excess of  
21 110 percent of the statewide average district education spending per equalized

1 pupil increased by inflation, as determined by the Secretary of Education on or  
2 before November 15 of each year based on the passed budgets to date, shall  
3 require the approval of 60 percent of the individuals voting in order to be  
4 adopted. As used in this subsection, “increased by inflation” means increasing  
5 the statewide average district education spending per equalized pupil for fiscal  
6 year 2015 by the most recent New England Economic Project cumulative price  
7 index, as of November 15, for state and local government purchases of goods  
8 and services, from fiscal year 2015 through the fiscal year for which the  
9 amount is being determined.

10 \* \* \* Vermont Tax Structure Commission \* \* \*

11 Sec. H.23 VERMONT TAX STRUCTURE COMMISSION

12 (a) There is hereby established the Vermont Tax Structure Commission  
13 composed of three to five members to be selected as follows:

14 (1) the Speaker of the House, the President Pro Tempore of the Senate,  
15 and the Governor shall each appoint one member; and

16 (2) the three members appointed pursuant to subdivision (1) of this  
17 subsection may select one or two additional members, based on a majority  
18 vote.

19 (b) The Commission shall be appointed as soon as possible after the  
20 effective date of this act. The Commission shall elect a chair and a vice chair  
21 from among its members.

1        (c) The Commission shall prepare a structural analysis of the State's  
2        revenue system and offer recommendations for improvements and  
3        modernization and provide a long-term vision for the tax structure. The  
4        Commission's analysis shall include a review of Vermont's income taxes,  
5        consumption-based taxes, the education financing system, tax expenditures,  
6        and property and asset-based taxes. The Commission shall have as its goal a  
7        tax system that provides sustainability, appropriateness, and equity. For  
8        guidance, the Commission may use the Principles of a High-Quality State  
9        Revenue System as prepared by the National Conference of State Legislatures.

10       A high-quality revenue system:

11            (1) Comprises elements that are complementary, including the finances  
12        of both state and local governments.

13            (2) Produces revenue in a reliable manner. Reliability involves stability,  
14        certainty, and sufficiency.

15            (3) Relies on a balanced variety of revenue sources.

16            (4) Treats individuals equitably. Minimum requirements of an equitable  
17        system are that it imposes similar tax burdens on people in similar  
18        circumstances, it minimizes regressivity, and it minimizes taxes on individuals  
19        with low income.

20            (5) Facilitates taxpayer compliance. It is easy to understand and  
21        minimizes compliance costs.

1           (6) Promotes fair, efficient, and effective administration. It is as simple  
2           as possible to administer, raises revenue efficiently, is administered  
3           professionally, and is applied uniformly.

4           (7) Is responsive to interstate and international economic competition.

5           (8) Minimizes its involvement in spending decisions and makes any  
6           such involvement explicit.

7           (9) Is accountable to taxpayers.

8           (d) It is the intent of the General Assembly that the work of the  
9           Commission not supplant or delay the normal Legislative and Executive  
10           Branch review and alteration of tax and revenue issues under State law.

11           (e) The Commission shall begin its work by:

12           (1) updating and incorporating the relevant work of the Blue Ribbon  
13           Tax Structure Commission created by the 2009 Spec. Sess. Acts and Resolves,  
14           No. 1;

15           (2) updating and incorporating work from the existing studies of  
16           Vermont's education finance system since the enactment of 1998 Acts and  
17           Resolves, No. 60 and 2004 Acts and Resolves, No. 68;

18           (f) The Commission shall submit a two-year work plan and budget to the  
19           Joint Fiscal Committee, the Senate Committee on Finance, and the House  
20           Committee on Ways and Means by February 15, 2019. The work plan shall  
21           outline the work the Commission intends to complete in its review of

1 Vermont's income taxes, consumption-based taxes, education financing  
2 system, tax expenditures, and property and asset-based taxes. The final report  
3 of the Commission shall be made to the General Assembly on or before  
4 January 15, 2021.

5 (g) The Commission shall receive technical support from the Department  
6 of Taxes, the legislative Joint Fiscal Office, and consultants.

7 (h) The Joint Fiscal Office with the assistance of the Legislative Council  
8 and the Department of Taxes may contract with one or more consultants or hire  
9 a limited service position to provide assistance with achieving the goals for the  
10 Commission. The consultants shall have extensive experience with state tax  
11 systems and shall have participated in at least one other study of a state tax  
12 system.

13 (i) Members of the Commission shall be entitled to compensation as  
14 provided under 32 V.S.A. § 1010.

15 \* \* \* JFO Report \* \* \*

16 Sec. H.24 24 V.S.A. § 1892(g) is amended to read:

17 (g) Beginning in ~~2019 and annually~~ 2021 and every four years thereafter,  
18 on or before January 15 ~~of each year~~, the Joint Fiscal Office, with the  
19 assistance of the consulting Legislative Economist, the Department of Taxes,  
20 and the Agency of Commerce and Community Development in consultation  
21 with the Vermont Economic Progress Council, shall examine the

1 recommendations and conclusions of the tax increment financing capacity  
2 study and report created pursuant to subsection (e) of this section, and shall  
3 submit to the Emergency Board and to the House Committees on Commerce  
4 and Economic Development and on Ways and Means and the Senate  
5 Committees on Economic Development, Housing and General Affairs and on  
6 Finance an updated summary report that includes:

7 \* \* \*

8 \* \* \* Staff-to-Student Ratios Task Force \* \* \*

9 Sec. H.25 STAFF-TO-STUDENT RATIOS TASK FORCE

10 (a) Creation. There is created the Staff-to-Student Ratios Task Force, a  
11 collaborative effort among government, nonprofit organizations, research  
12 experts, and other education stakeholders, that will strive best to ensure  
13 education quality while simultaneously ensuring fiscal efficiency in the context  
14 of the State’s declining student population. Specifically, the Task Force is  
15 charged with:

16 (1) reviewing current staff-to-student count ratios for specific categories  
17 of schools and school district configurations, and establishing optimal target  
18 ratios for different school district configurations;

19 (2) identifying barriers that hamper staffing flexibility at the local level,  
20 including whether aspects of the regulatory environment, including mandatory

1 staffing requirements and collective bargaining or other contractual  
2 obligations, contribute to lower staff-to-student ratios;

3 (3) aligning to the greatest extent possible the work of the Task Force  
4 with existing research findings and reports, based on studies conducted either  
5 nationally or in New England, concerning optimal classroom practices and  
6 resources, and class and school sizes for successful learning outcomes, and the  
7 impact of population decline on rural schools;

8 (4) attending to compliance with federal rules and regulations, so as to  
9 avoid jeopardizing the State's federal funding;

10 (5) determining a mechanism or mechanisms that account for the effects  
11 of familial and community level poverty and human services need, including  
12 student experiences of trauma and familial or community level addiction, on  
13 staffing ratios;

14 (6) considering the impact on staff-to-student ratios due to students'  
15 enrollment with independent schools; and

16 (7) developing recommended strategies for districts to help them meet  
17 targets.

18 (b) Membership. The Task Force shall be composed of the following  
19 members:

20 (1) the Secretary of Education or designee;

1           (2) the Executive Director of the Vermont Superintendents Association  
2           or designee;

3           (3) the Executive Director of the Vermont School Boards Association or  
4           designee;

5           (4) the Executive Director of the Vermont Principals' Association or  
6           designee;

7           (5) the Executive Director of the Vermont-National Education  
8           Association or designee;

9           (6) one member selected by the Vermont Association of School  
10          Business Officials;

11          (7) two to four members from Vermont postsecondary institutions,  
12          selected by the Task Force, who have expertise in areas among the following:  
13          multi-age classrooms and teaching strategies, interdisciplinary instruction,  
14          school realignment and reconfiguration, and the impact of community poverty,  
15          trauma, or addiction on education staffing; and

16          (8) a national expert in rural education, selected by the Task Force.

17          (c) Assistance. The Task Force shall have technical assistance from the  
18          Agency of Education.

19          (d) Report. On or before December 15, 2018, the Task Force shall present  
20          to the House and Senate Committees on Education its findings concerning  
21          optimum staff-to-student ratios, including optimum ratios for a variety of

1 school and school district sizes and configurations. The Task Force shall  
2 include in its report a recommendation as to whether staff-to-student target  
3 ratios should be included in statute for fiscal year 2021.

4 (e) Meetings.

5 (1) The Secretary of Education or designee shall call the first meeting of  
6 the Task Force to occur on or before July 1, 2018.

7 (2) The Task Force shall select a chair from among its members at the  
8 first meeting.

9 (3) The Task Force shall cease to exist on December 31, 2018.

10 (f) Compensation and reimbursement. Members of the Task Force who are  
11 not employees of the State of Vermont and who are not otherwise compensated  
12 or reimbursed for their attendance shall be entitled to per diem compensation  
13 and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more  
14 than ten meetings. These payments shall be made from monies appropriated to  
15 the Agency of Education.

16 (g) Appropriation. The sum of \$7,320.00 is appropriated from the General  
17 Fund to the Agency of Education to provide funding for the purposes set forth  
18 in this section.

19 \* \* \* Effective Dates; Transition for Secs. H.1–H.26 \* \* \*

20 Sec. H.26 EFFECTIVE DATES AND TRANSITION

21 This act shall take effect on passage, except:

1           (1) Notwithstanding 1 V.S.A. § 214, Secs. H.1–H.6 (income tax  
2           changes) shall take effect retroactively on January 1, 2018 and apply to taxable  
3           year 2018 and after.

4           (2) Notwithstanding 1 V.S.A. § 214, Sec. H.7 (income tax link to the  
5           federal tax statutes) shall take effect retroactively on January 1, 2018 and apply  
6           to taxable years beginning on January 1, 2017 and after.

7           (3) Secs. H.8–H.9 (General Fund and Education Fund revenues) shall  
8           take effect on July 2, 2018 and apply to fiscal year 2019 and after. It is the  
9           intent of the General Assembly that the changes in Secs. H.8 and H.9 of this  
10           act shall take effect notwithstanding any provisions passed in the fiscal year  
11           2019 appropriations act to the contrary.

12           (4) Secs. H.10–H.12 (calculation of spending-adjusted property tax  
13           rates) shall take effect on July 1, 2018 and apply to fiscal year 2019 and after,  
14           except that:

15           (A) for fiscal year 2019 only, the base spending amount shall be  
16           \$10,150.00.

17           (B) for fiscal year 2020 only, the base spending amount shall be  
18           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 35 percent of  
19           what it would otherwise be calculated to be;

1           (C) for fiscal year 2021 only, the base spending amount shall be  
2           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 40 percent of  
3           what it would otherwise be calculated to be;

4           (D) for fiscal year 2022 only, the base spending amount shall be  
5           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 45 percent of  
6           what it would otherwise be calculated to be;

7           (E) for fiscal year 2023 only, the base spending amount shall be  
8           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 50 percent of  
9           what it would otherwise be calculated to be;

10           (F) for fiscal year 2024 only, the base spending amount shall be  
11           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 60 percent of  
12           what it would otherwise be calculated to be;

13           (G) for fiscal year 2025 only, the base spending amount shall be  
14           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 70 percent of  
15           what it would otherwise be calculated to be;

16           (H) for fiscal year 2026 only, the base spending amount shall be  
17           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 80 percent of  
18           what it would otherwise be calculated to be; and

19           (I) for fiscal year 2027 only, the base spending amount shall be  
20           calculated as if the amount under 32 V.S.A. § 5401(17)(C) was 90 percent of  
21           what it would otherwise be calculated to be;

1           (5) Sec. H.13 (yield, base applicable percentage, and nonresidential rate  
2           for fiscal year 2019) shall take effect on July 1, 2018 and apply to fiscal year  
3           2019 only.

4           (6) Secs. H.14–H.15 (property tax bills), and H.18–H.20 (repeal of  
5           excess spending) shall take effect on July 1, 2018 and apply to fiscal year 2019  
6           and after.

7           (7) Notwithstanding 1 V.S.A. § 214, Secs. H.16–H.17 (calculation of  
8           property tax adjustments) shall take effect retroactively to the taxable year  
9           starting January 1, 2017 and apply to property tax adjustment claims filed for  
10          fiscal year 2019 (claim year 2018) and after.