

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Ways and Means to which was referred House Bill No.
3 152 entitled “An act relating to education property tax” respectfully reports
4 that it has considered the same and recommends that the bill be amended by
5 striking out all after the enacting clause and inserting in lieu thereof the
6 following:

7 * * * Yields; Nonhomestead Rate * * *

8 Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR
9 EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR
10 FISCAL YEAR 2022

11 (a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the
12 property dollar equivalent yield shall be \$11,317.00.

13 (b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the income
14 dollar equivalent yield shall be \$13,770.00.

15 (c) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law
16 to the contrary, the tax rate for nonhomestead property for fiscal year 2022
17 shall be \$1.612 per \$100.00 of equalized education property value.

18 * * * Exclusion from Excess Spending Penalty; Capital Project Costs * * *

19 Sec. 2. 16 V.S.A. § 4001 is amended to read:

20 § 4001. DEFINITIONS

21 As used in this chapter:

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(6) “Education spending” means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12), “education spending” shall not include:

(i) Spending during the budget year for:

(I) approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt, provided the district shall not be reimbursed or otherwise receive State construction aid for the approved school capital construction; or

(II) spending on eligible school capital project costs pursuant to the State Board of Education’s Rule 6134 for a project that received preliminary approval under section 3448 of this title.

1 of merger. If more than one forming district was an eligible school district,
2 then the merger support grant shall be in an amount equal to the total combined
3 small school support grants they received in the fiscal year two years prior to
4 the first fiscal year of merger.

5 (b) Payment of the grant under this subsection shall continue annually
6 unless explicitly repealed by the General Assembly; provided, however, that
7 the Secretary shall discontinue payment of the grant in the fiscal year
8 following closure by the involuntarily merged district of a school located in
9 what had been an “eligible school district” prior to merger, and further
10 provided that if a school building located in a formerly “eligible school
11 district” is closed in order to consolidate with another school into a renovated
12 or new school building, then the Secretary shall continue to pay the grant
13 during the repayment term of any bonded indebtedness incurred in connection
14 with the consolidation-related renovation or construction.

15 (c) If an involuntarily merged district that receives incentives under this
16 section also meets the eligibility criteria to receive incentives as a regional
17 education district, then the involuntarily merged district shall not also receive
18 the comparable incentives available pursuant to 2010 Acts and Resolves
19 No. 153, Sec. 4, as amended by 2012 Acts and Resolves No. 156, Sec. 13.

1 * * * School Finance and Financial Data Management System * * *

2 Sec. 5. FINDINGS AND PURPOSE

3 (a) Sec. E.500.1 of 2018 (Sp. Sess.) Acts and Resolves No. 11, as amended,
4 requires that not later than July 1, 2022 all Vermont supervisory unions,
5 supervisory districts, school districts, and independent tech center districts
6 utilize the same school finance and financial data management system
7 (eFinance), which shall be selected by the Agency of Education per State
8 procurement guidelines.

9 (b) RHR Smith & Co. performs more than half of all school district audits
10 in the State. In a letter dated October 6, 2020 from RHR Smith & Co. to a
11 school district that was in the first round of eFinance implementation, RHR
12 Smith & Co. found that “many basic accounting needs that any fiscal software
13 should be able to handle, are just not available in eFinance. This increases the
14 burden on staff to manually complete accounting work increasing risk for
15 errors and staff burnout. Additionally, it requires more staff time and overall
16 makes the daily fiscal routine more cumbersome when compared to other fiscal
17 software we see or that are currently utilized by your peers.”

18 (c) Because eFinance is designed to be a finance and financial data
19 management system used by all school districts, these comments raise concern
20 that its functionality should be examined and improved prior to being
21 implemented across the State.

1 Sec. 7. SUSPENSION OF IMPLEMENTATION OF STATEWIDE
2 FINANCE AND FINANCIAL DATA MANAGEMENT SYSTEM

3 Notwithstanding Sec. E.500.1 of 2018 (Sp. Sess.) Acts and Resolves
4 No. 11, as amended, the implementation of the statewide school finance and
5 financial data management system shall be suspended until the date six months
6 after the enactment of this act, provided that the Agency of Education and its
7 contractor for implementation of the system shall continue to support users, as
8 of the date of enactment of this act, of the system.

9 Sec. 8. AGENCY OF EDUCATION; REPORT

10 On or before each of June 1, September 1, and December 1, 2021, the
11 Agency of Education shall provide a written report to the General Assembly on
12 the status of improving and implementing the school finance and financial data
13 management system, including the status of:

- 14 (1) system outages;
15 (2) bank reconciliations;
16 (3) reporting enhancements;
17 (4) systems enhancements; and
18 (5) user training.

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* * * Effective Dates * * *

Sec. 9. EFFECTIVE DATES

(a) This section and Secs. 3–8 (3.5 percent hold harmless; Act 46 involuntarily merged districts; and school finance and financial data management system) shall take effect on passage.

(b) Secs. 1 (yield and nonhomestead property tax rate) and 2 (excess spending threshold) shall take effect on July 1, 2021.

(Committee vote: _____)

Representative _____
FOR THE COMMITTEE