

# MAKE VERMONT AFFORDABLE

- Background – Education in Vermont is funded upon the backs of property owners.
  - Property taxes are too high; according to the Lincoln Institute of Land Policy, Vt. had the 3<sup>rd</sup> highest property tax burden in the nation, as measured by percentage of personal income.

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- Purpose – Make Vermont Affordable is a grass roots organization made up of local property owners who have experienced cost of living and tax increases and know that there must be a better way to fund education.
- Mission – Make Vermont Affordable by identifying an alternative method of funding education.

# Brigham v. State

- “As noted, our constitution nowhere states that the revenue for education must be raised locally, that the source of the revenue must be property taxes, or that such revenues must be distributed unequally in conformity with local wealth.”

# Brigham v. State

- As noted earlier, however, the notion that property-tax-based funding allows local school districts the flexibility to devote more money to education is, for many districts, largely illusory. Moreover, there is no necessary or logical connection between local control over the raising of educational funds, and local decision making with respect to educational policy.

# Brigham v. State

- The State's specific arguments, as stated and rejected by the court were:
  - [T]he primary constitutional responsibility for education rests with the *towns* of Vermont, that is funding must be derived from whatever sources are available locally, that the only substantial tax available to towns is the property tax, and therefore that funding inequities are an inevitable-but nevertheless constitutional - consequence of local disparities in property wealth.”
  - The State's “only responsibility, if any, is to ameliorate inequities if they become too extreme.”

Rutland Herald  
15 February 2022

Op-Ed: Brigham decision revisited

- Jack Hoffman is Public Assets Institute senior analyst based in Montpelier and a resident of Marshfield currently living in France. He was a reporter for the Rutland Herald and recently wrote this op-ed. In this article, he concluded; “The most enduring legacy of the Brigham decision is education funding policy based on shared responsibility, the idea that we all have an obligation to ensure all children get an education that will allow them to make their way in the world. That principle is also relevant today as the Legislature assesses refinements to the funding system. He concluded with; “What changes will best meet the needs of all school children in the state?”

Rutland Herald  
February 8, 2017

Ethics measures, panel advance in Vermont Senate

- Sen. Jeanette White, D-Windham, chairwoman of the Senate Government Operations Committee told her colleagues that trust in government has been eroding for years. “The mistrust runs from the federal government down to local governments“, she said. White cited a poll by Vermont Public Radio that highlighted her point. 78% of Vermonters had “little trust” in municipal government, with 89% of Vermonters saying they had little trust in state government.

# Joint Fiscal Office

## Calendar Year 2017 Taxes

Town	FY 2018 Education Property Tax Liability	2017 Total Municipal Property Tax	
Castleton	\$6,680,974	\$2,324,077	74% currently
Poultney	\$4,318,242	\$1,969,319	84% currently



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- Vermont Population Estimate based upon the census bureau as of July 1<sup>st</sup> 2021 says:
  - Housing units as of July 1, 2019 - 339,439
  - Owner occupied housing unit rate – 70.8% - which means that 240,323 residential households are in Vermont
  - Secretary of State Elections division says Vermont Voter Registration for 2022 = 493,705 registered voters.
  - If all homeowners were registered voters they would represent 48.7% of all registered voters
  - In the last election, only 18% of registered voters in Vermont voted. They didn't vote because they were apathetic or there was no article on the ballot that interested them enough to bring them to the polling place.

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- Notable Quotes

- Feb 22, 2017 –Senator Doyle said: “ I think that there is a general feeling that property taxes are one of the reasons that people leave the state. I don’t think it is a secret that high property taxes are a deterrent and it’s an affordability issue.”
- February 15, 2022 – Joan Goldstein, the Commissioner of Economic Development said: “The Governor mentioned in his budget address that according to the tax department, only 136 homes were for sale that a middle income family can afford and only 5 in Chittenden County.” “More than half of our towns are struggling to grow.”

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- Notable Quotes (continued)

- February 15, 2022 – Governor Scott said -“Supply of affordable homes is practically non-existent.

My team is pushing a creative approach that will help make it profitable to build more housing for middle-income families.”

- August 25, 2020 – Vermont Futures Project, Vermont Chambers Foundation – John Burton, President of Stormseye Associates – “Vermonters do pay more in taxes even in comparison to neighboring states.

As a percentage of the average Vermonter’s Income, we are at about 10% per capita. New Hampshire is 3.6% and New York is 6.8%. Vermont is one of only 4 states with no state imposed limitation on property tax rates, levies or assessments. Property taxes accounted for more than 22% of all state and local revenue, placing Vermont 6<sup>th</sup> among all states in terms of total taxation as a percentage of state and local revenue.”

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- Notable Quotes (continued)
  - August 25, 2020 – Vermont Futures Project, Vermont Chambers Foundation – Roy Smith, Executive Director, Vermont Futures Project – “Growing Vermont’s future tax base, and not just the current tax rates, must be foremost in our dialogue and actions.”
  - March 10, 2021 – Jason Maulucci, Governor Scott’s press secretary said – “The governor is willing to have the conversation about changing how we pay for education. The conversation must also examine the state spending on education with the focus on equity.” The governor has been clear since he took office that he is only interested in proposals that reduce the tax burden on Vermonters and make Vermont more affordable.
  - Vermont Tax Structure Commission – “Recommend expanding the sales tax to almost all consumer goods and services. Notes that Vermont has among the narrowest sales tax basis in the U.S.”
  - Vermont Tax Structure Commission – Bram Kleppner – Member of tax structure commission told the house ways and means committee that “Broadening the sales tax will make the state’s system more stable if there are sudden changes in the economy and consumer spending.”

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- Notable Quotes (continued)
- Supporting data and suggestions for repeal movement, March 26<sup>th</sup> 2021 – UVM Professor Tammy study on inequity funding of schools. Former senate education chair statement: “Vermont’s less affluent & rural districts have been underfunded substantially for decades”.
- Brigham report -“In short, poorer school districts cannot realistically choose to spend more for educational excellence than their property wealth will allow, no matter how much sacrifice their voters will make. The current system clearly does not enhance fiscal choice for poorer districts”.

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- Notable Quotes (Continued) –
  - May 5, 2022 - Governor Scott – “The legislatures’ unwillingness to question the deal reached between a handful of union and legislative representatives will come back to haunt our state in the not too distant future. When it does, we won’t have the unprecedented level of federal funds and state surplus dollars at our disposal and the fix will be tougher on both tax payers and public employees.

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## “THE PLAN”

- Make Vermont Affordable believes that education funding should be changed from a property education tax basis to a 1% (or higher, as required) transaction tax.
- This would be on a state-wide basis and would have the advantage of everyone, including tourists, and on-line purchasers helping to foot the bill. That way, education funding would be equitably distributed to everybody who makes a purchase in Vermont not just property owners.

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## “THE PLAN”

- Here’s what we could use the savings for:
  - Use part of the savings to help fund municipal infrastructure shortfalls, initially.
  - The savings to the property owner could eventually be used to pay for needed winterization or home improvements
  - Help pay child and elder care in conjunction with employers for working Vermonters or parents with a special needs child or dependent family member



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## “THE PLAN”

- In summary, I would like to quote Robert F. Kennedy who said “ Some men see things as they are and say why. I dream of things that never were and say why not”.