



VLCT LEGISLATIVE ACTION ALERT

SERVING AND STRENGTHENING VERMONT LOCAL GOVERNMENTS

Date February 7, 2012
To Legislative Alert Distribution List
From Steve Jeffrey, Executive Director
Re Senate Action Needed to Reverse Reduction in State's Contribution to Education Fund

On Wednesday, February 8, the full Senate will be voting on its version of H.558, the FY12 state budget adjustment act. In January, the House approved unanimously an amendment on H.558 that could undo the change made by the legislature last year that has resulted in the state General Fund support for education dropping from the \$309.8 million that was mandated by statute to be provided in FY13 to the \$280.2 million that the Governor included in his FY13 budget. The Senate Appropriations Committee has recommended that the Senate delete the House language and insert in lieu thereof language signaling its intent to address the issue in the FY13 budget bill instead. We understand there will be a motion from the floor to include the House-passed language. **Contact your state senators today or tomorrow. Urge them to approve the House-passed language in H.558 that restores the "General Fund transfer base calculation" for education.**

Background material on this topic can be found at [VLCT Legislative Alert 01-23-12](#), and two VLCT legislative reports – [2012 Legislative Preview](#) and [2012 No. 05, 01-27-12](#).

The House language included in its version of H.558 would require that fifty percent of any state General Fund surpluses be used to increase the transfer to the Education Fund until the former level of funding was met. Such increased transfers would commence at the end of FY13, assuming the state had a surplus. The bigger the General Fund transfer, the lower education property taxes need to be, assuming the spending decisions by voters remain the same. This is definitely a compromise and may well provide some gradual property tax relief in the future. More needs to be done, but this is a step in the right direction.

The Senate-proposed language (which can be found at [Senate Calendar Addendum, 2/7/12](#), page 38, Section 113a) states the belief that “[t]he house proposal raises a range of complexities and concerns in understanding the impact on legislatively initiated efforts to reduce increases in education spending and expectations to direct use of savings in choices for care and justice reinvestment programs” and its intent “to formulate a policy response to address these competing interests during the fiscal year 2013 budget development process.”

This language points to the senators’ chief concerns with the House language. First, they are worried that school boards and voters will just spend the extra state money and property taxes won’t go down. Second, they are concerned about all the other state programs they feel need money – apparently more than education or property taxpayers need it.

The first concern needs to be answered by the taxpayers who vote on those school budgets. They have the ability every year to reduce the school budget proposals of the school boards, either on a floor vote or by rejecting proposed budgets by Australian ballot until the board provides them one that is low enough. The second concern should be answered by raising enough in state taxes other than its state education property tax) to meet any other state program needs, not by taking it away from local schools and making property taxpayers foot a bigger portion of the education budget, and indirectly for “choices for care and justice reinvestment programs.”

Please call, email, or speak with your Senate members today or Wednesday. Urge them to approve the House-passed language in H.558 that restores the “General Fund transfer base calculation” for education. Find your legislators’ email addresses at www.leg.state.vt.us/legdir/legdirmain.cfm or call the State House at 800-322-5616 and leave a message with the Sergeant at Arms.

Please copy VLCT on any correspondence you generate in this matter.