



**STATE OF VERMONT**  
GENERAL ASSEMBLY

We are increasingly and seriously concerned about the use of the 5% threshold set forth in Act 127. The threshold was designed to help the few districts who would experience the most extreme reduction in weighted pupils, so they could build a gradual glide path through a few years of difficult budget seasons. The threshold was not designed to stack deferred spending and delayed maintenance costs into a few short years. It was not designed to fix all of our state education challenges or the overall pressures of operating in an inflationary environment. It was not intended as free money— in fact nothing in the education fund is free.

The education fund is a promise among neighbors that we will take care of each other's needs and costs. If districts act solely in their own rational self-interest, those costs will be picked up by property taxes in neighboring towns. Most of us, regardless of the town we live in, can't afford what it seems is happening in the education fund this year, and something will have to give.

Act 127 was intended to create greater equity between districts – to narrow the range between the haves and have-nots. At this point, given what we hear about how the 5% threshold is being used, it seems to be widening that gulf rather than narrowing it. We have a great respect for the work of school boards, school staff, and school administrators and understand the significant cost pressures you're facing. But Act 127 was not intended to address those cost pressures in a single year. It's intended to achieve greater equity in the system overall.

While we understand that the timing is incredibly challenging, the Legislature will be looking for policy levers to address unintended consequences this year, and into the future. We have a responsibility to act in the interest of all taxpayers across Vermont. We intend to have all districts that utilize the 5% threshold present their budgets to a reimagined tax rate review committee, and hope that more extreme measures are not needed this year. You each have a part to play in this work.

In the interest of moving beyond rumor and towards well-informed policy, we anticipate a more current and robust data collection of your drafted budgets in the coming days with hopes for cooperation by your Associations (VBSA, VSA, and VASBO). In addition, we have scheduled a public joint hearing on Thursday, January 25th at 1:00 p.m.

We appreciate the partnership of your associations in finding our way through the acute challenges today and the challenges we will face tomorrow. Our kids and communities are worth it.

Yours in collaboration,  
Emilie Kornheiser and Ann Cummings  
Chairs of Ways and Means and Finance