

Update from House Ways and Means Committee Chair Emilie Kornheiser
As of February 8, 2024

Act 127 represents years of work and deep stakeholder engagement to ensure that all students in Vermont have the underlying funding necessary to support their education equitably. However, we've learned this year that the "5% cap" mechanism has not behaved as expected, preventing us from taking necessary actions to reduce tax rates for Vermonters, across towns.

To align school budgets more closely with the state's ability to financially support them, we are working to eliminate the 5% cap mechanism; understanding that some districts that have a reduced tax capacity under the pupil weighting in Act 127. We are proposing a new mechanism that is more precise. For districts with reduced capacity, this new bill provides one cent relief on the tax rate for each percentage point of negative change to the district's share of the statewide weighted pupil count. This mechanism protects communities while incentivizing all communities to build budgets that align with their community's ability to pay.

We acknowledge that this measure comes at a very challenging time for town clerks, their communities and school districts, and we don't take that difficulty lightly. But as we've received budget information from across the state, we've determined that this change is necessary to ensure property tax rates can support all the budgets approved by communities.

It's important to note that the Legislature knows that this is an immediate and necessary measure, and that there is more work to do. Once this bill is passed, but still this year, we will turn to the work of finding long-term ways to fund education for all of Vermont students.

About Voting and Ballots

Right now, town and school district clerks are fast at work preparing for town meeting. Some are printing and mailing ballots, and some are printing ballots that will be available at polling places. Those ballots may include not only school budgets but other items such as school board elections and other warned items.

We've been working closely with the Secretary of State's office on this bill, and they are prepared to support town clerks and their staff through this process and provide guidance.

If a school district does not opt to cancel and rewarn its budget article, the town should proceed with elections as planned.

On Town Meeting Day, in towns that have chosen to redraw their budget articles, all items beyond the school district budget should be voted on. If ballots have already been printed with the old budget amount on them, it is recommended that towns simply black out the budget information and use those already printed ballots.

For purposes of amending the Warning for the March 5 school meeting, it's recommended that the amended Warning, with the budget article omitted, be posted side-by-side with the original Warning in a manner that clearly shows the budget article has been omitted and a clear indication that the Warning has been amended. When the time comes, a new Warning with the amended budget article will need to be posted no less than 30 days prior to the rescheduled vote on the budget.

If printed ballots have already been mailed, again the town should collect ballots and tabulate all the non-school budget questions. The Secretary of State's office is happy to work with towns to help communicate this particular complexity about the fact that a new ballot will be forthcoming with a new school budget amount. Any voter who had requested an early ballot for the regularly scheduled March 5 annual meeting should be mailed a ballot for the rescheduled vote on the school budget, without having to make an additional request.

There is an appropriation in the bill to reimburse towns for additional costs to administer elections due to the changes in the bill, and that reimbursement will cover any measures that are part of a typical election in that town. So, if a town typically mails ballots, the appropriation would reimburse a town for the second mailing. The reimbursement will also cover costs for any additional printing of ballots and programming required for the vote tabulators.

We thank school boards and town and city clerks and their staff for working through this challenging moment in support of the voting process.
