



Vermont LEAF

Simple. Fair. Affordable.

A Blueprint for Funding Vermont's Public Education System



Guiding Principles

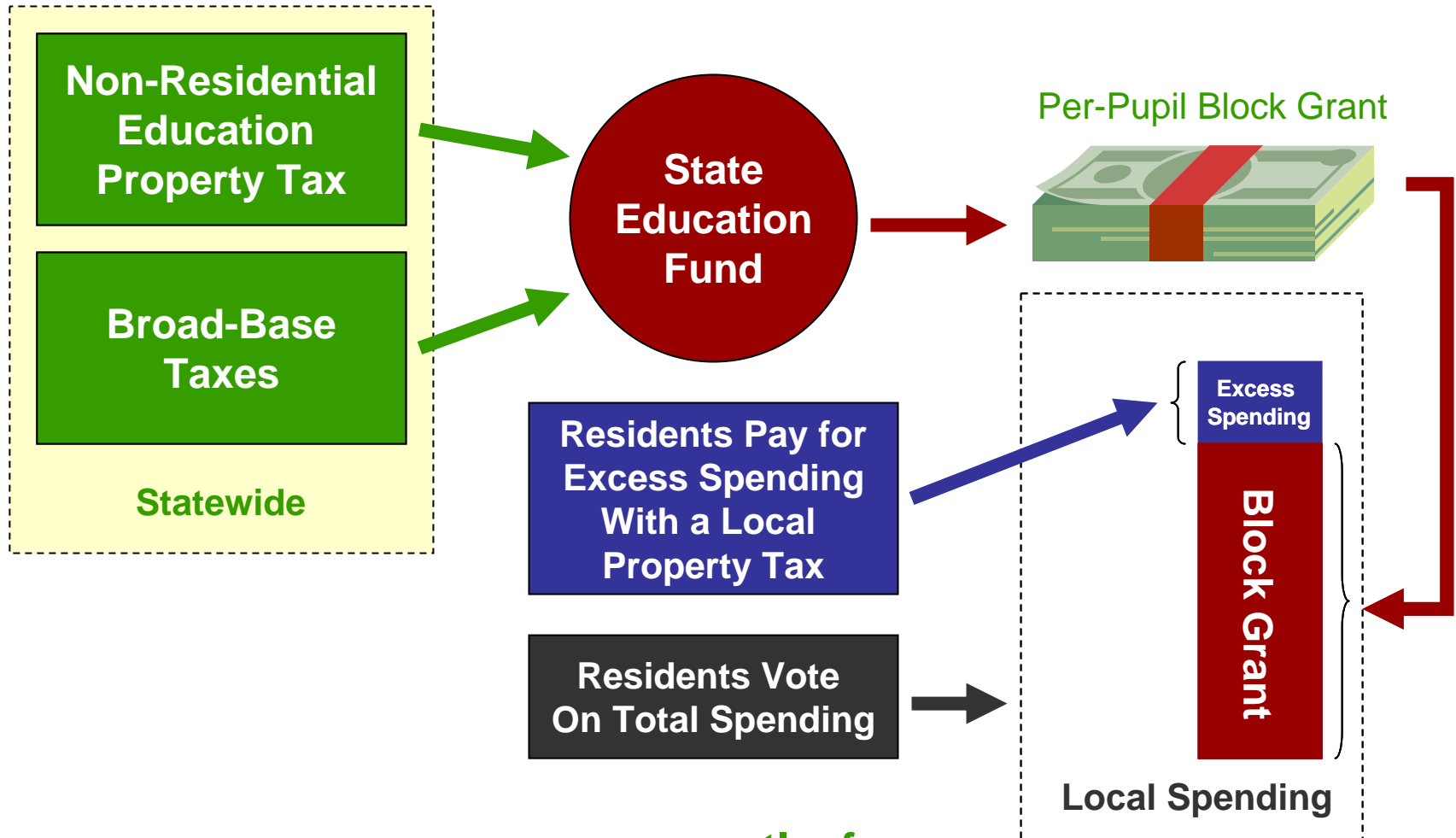
- **Fairness, Equity & Education Excellence**
 - Equality should be about educational opportunity; not dollars
 - Remove unfair bias from funding mechanism (e.g. 2 acre rule)
- **Simplicity & Local Control**
 - Government that governs closest to the people governs best
 - What can effectively be managed, controlled, and financed locally should be left to local communities; what cannot should be managed, controlled and primarily financed by the state.
- **Affordability & Cost Containment**
 - Carrots; not sticks



How it Works

Vermont
Local Education
Affordability Formula

Simple. Fair. Affordable.

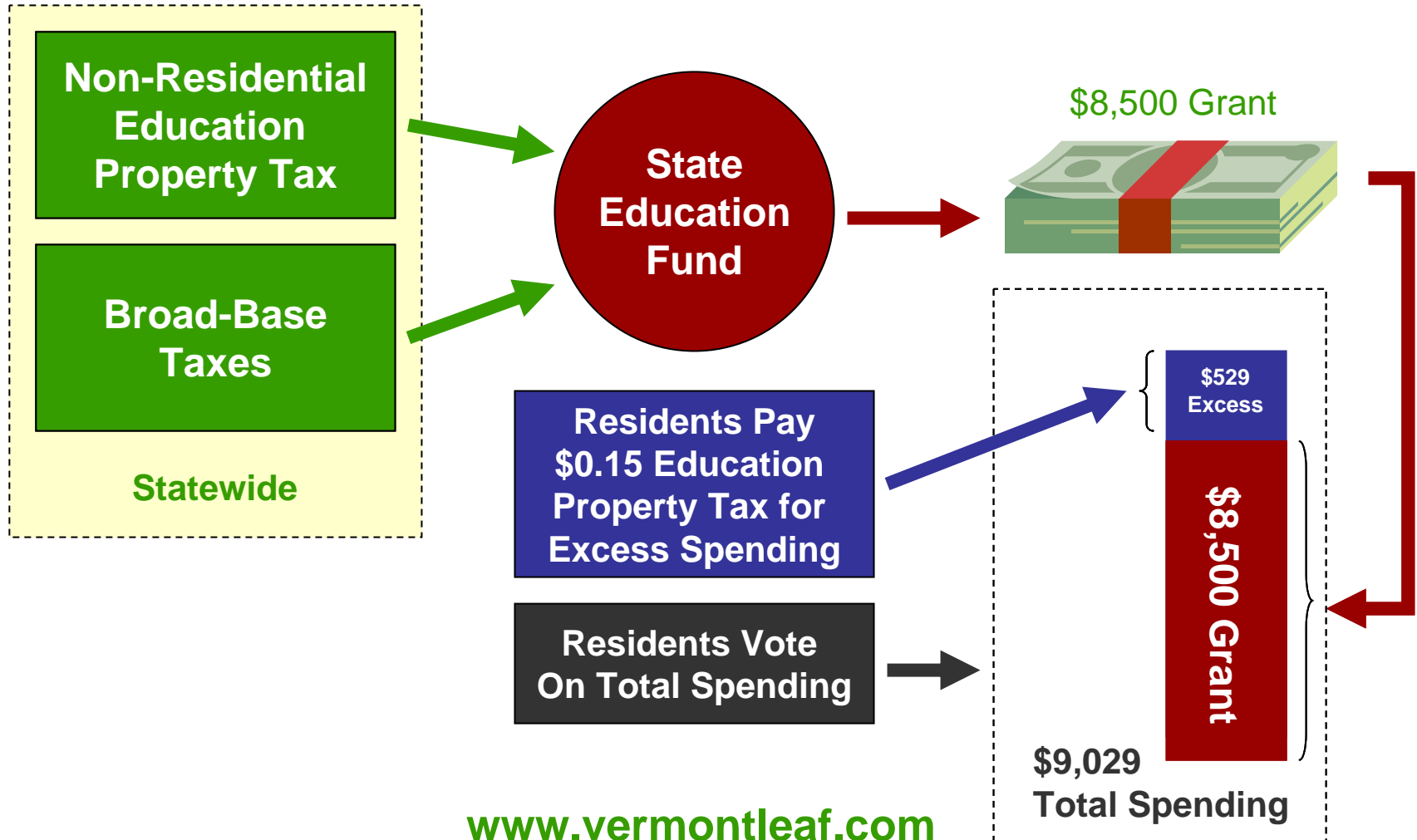




Examples



Example: Georgia





Example: Georgia

1

Local Education Spending:	\$9,029
State Education Grant:	\$8,500
Amount to be Raised Locally:	\$529

*Identify Per-Pupil Cost
That the Community Will
Be Responsible For*

2

950 Pupils X \$529 =	\$502,550
Residential Grand List:	\$3,362,358
Tax Rate = \$0.15 (Excess Spending / GL)	

*Calculate Tax Rate by
Dividing Total Excess
Spending Amount By
Residential Grand List*

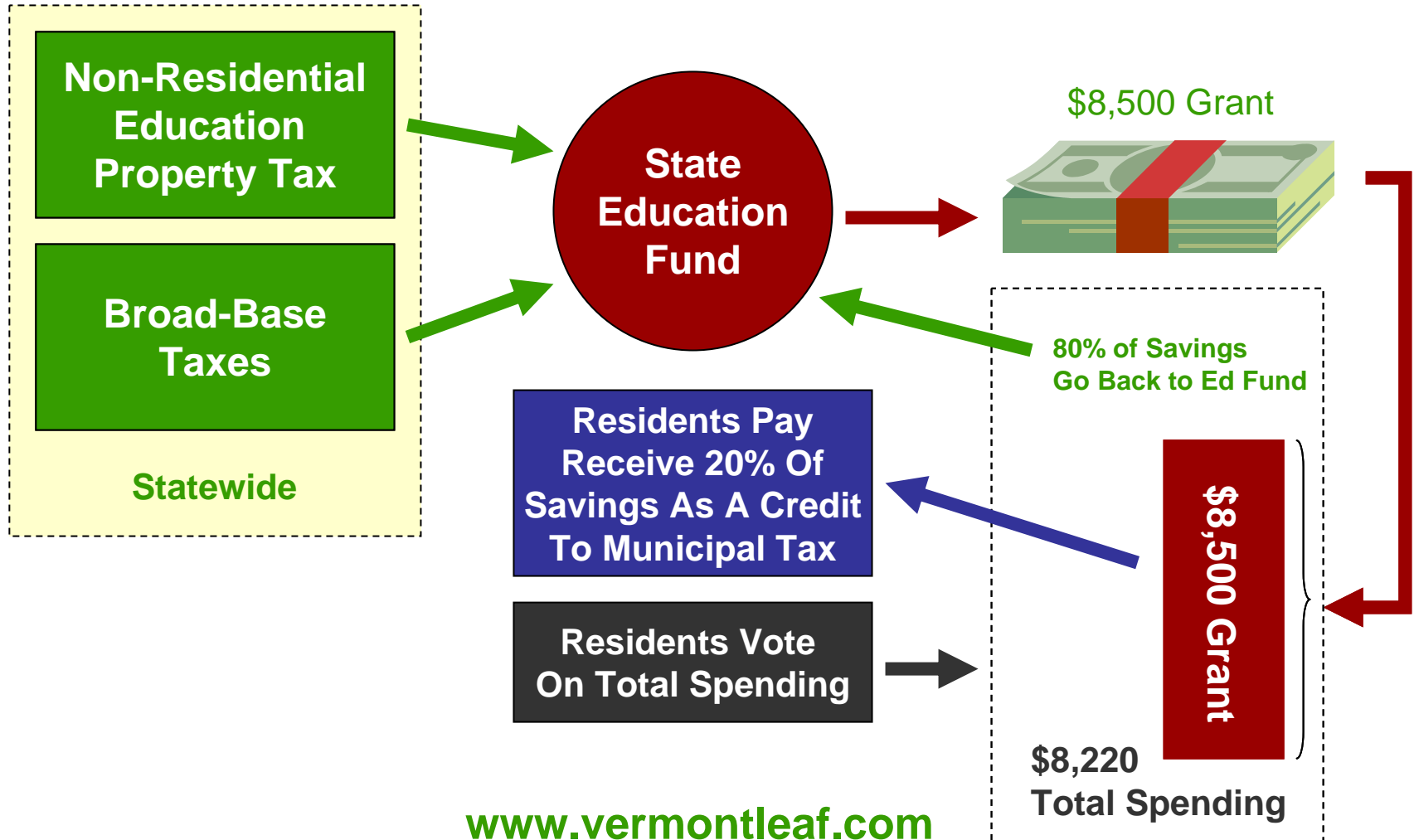
3

Typical Home Value:	\$237,400
Residential Tax:	\$355

*Calculate Local Education
Tax By Multiplying Tax Rate
By Home Value @ 1%*



Example: Burlington





Example: Burlington

1

Local Education Spending: \$8,220
State Education Grant: \$8,500
20% of Savings From Grant: \$56

Identify Per-Pupil Cost Savings That the Community Will Be Credited For

2

3660 Pupils X \$56 = \$204,960
Residential Grand List: \$15,384,798

Tax Credit = \$0.013 (Credit / GL)

Calculate Credit Rate By Dividing Total Savings By Residential Grand List

3

Typical Home Value: \$216,700
Credit to Municipal Tax: \$28

Calculate Homestead Credit By Multiplying Credit Rate By Home Value @ 1%



Proposal Features

- **Restores local control, but maintains equity**
- **Eliminates statewide tax on residential property**
- **Makes special ed a state obligation**
- **Eliminates urban bias**
- **Increases transparency of school funding mechanism**
- **Ties local education spending decisions to local tax liability**



**Vermont
Local Education
Affordability Formula**

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Q & A

www.vermontleaf.com



Problems with Act 60

- **It's too complicated**
 - It takes \$400M from taxpayers to give \$110M back in prebates/rebates
 - Prebate & rebate forms / process is confusing
 - Difficult and expensive for towns to administer
 - All but impossible for voters to understand the relationship between spending decisions and tax bills
- **It's unfair**
 - Discriminates against taxpayers in rural communities
 - No local control
 - Montpelier sets the tax rate
 - 96 towns have been ordered to reappraise
 - Pits town against town and neighbor against neighbor
- **It's not affordable**
 - Forces people out of their homes and off their land
 - Encourages sprawl and development
 - It is not sustainable
 - CLA artificially drives tax increases



What's Right with LEAF

- **It's simple**

- It is explainable: each town will get a per pupil grant and any additional spending will be generated from the residential grand list in that community
- The grant will be determined on an average of the prior three year average actual (not adjusted) student count. The money will come from the General Fund, broad-based taxes and the non residential grand list
- Prebate system and the associated confusion goes away

- **It's fair**

- It shares the property taxes generated from all non-residential property
- It requires the state to fulfill its commitment to fund education
- It treats all contiguous residential property the same; does not discriminate against residents with more than two acres

- **It's affordable**

- Directly connects spending with paying
- Uses carrots – not sticks – as incentives to contain costs
- Towns that spend below the grant will have no residential property. Additionally, 20% of the savings realized from spending below the grant will be credited to the residential municipal tax bill.