Fiscal Policy Work Group – Commission to Study School Funding

DRAFT Principles for Discussion

10/29/20

Principles:

* The State Property Tax is a state tax and should be remitted to the state treasury/ETF
  + Tax dollars should be collected locally to avoid complications and duplicative collection processes
  + The state should not provide exemptions/rebates to those in certain municipalities
  + Improve the low and moderate income property tax relief program
* Taxpayer equity targeted to homeowners and renters through a low- and moderate-income property tax relief program with updated limits to income and home value and satisfactorily funded by the state. Introduction of a property tax deferral program managed by the state for residents with limited ability to pay. Be more explicit that state should be considering local and state tax relief
* ~~The proportion of state spending on education driven by consideration for student and taxpayer equity~~
* ~~With an appropriate distribution system, student equity can be achieved with a first-last dollar funding of the cost of an adequate education~~
* ~~Student equity can best be achieved with targeted funding of the cost of an adequate education, based on the municipal equalized valuation per pupil, and community characteristics, provided the local school district will raise and appropriate the additional funds necessary through a local mandatory minimum.~~
* The opportunity for an adequate education is based on student needs and community characteristic and can best be made equitable through differentiated state funding
  + Accountability and performance measures to assure that districts are performing up to standards (wording)
* ~~Local taxes raised above the estimated cost results in a contribution to the state’s education trust fund (Vermont)~~
* Changes should be phased-in, with an emphasis on student equity and targeted tax relief