

TO: Task Force on the Implementation of the Pupil Weighting Factors Report  
FROM: Jeff Fannon, Executive Director  
DATE: November 19, 2021  
RE: Education Fund and Income Tax v. Property Tax

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Thank you for giving me the opportunity to submit written comments about how we fund our education system. I am the executive director of Vermont-NEA, which is affiliated with the National Education Association (NEA). Vermont-NEA represents approximately 13,000 teachers and educational support staff professionals or “ESP” who work primarily in Vermont’s public pre-k to 12 schools.

As I have done every time I’ve testified since March of 2020, I want to remind us all that we are still living and working during a global health pandemic. That has meant great sacrifices and in some cases loss for many of us. Every day I have the great pleasure of working with our dedicated public-school employees – teachers, paraeducators, bus drivers, guidance counselors, school nurses, bus drivers, food service workers, among others – over 75% of whom are women. Since before the pandemic, but even more so now, school employees have stepped up every day to support our students, families, and communities. Schools, however, are struggling more than ever in this third school year of the pandemic; indeed, I have heard repeatedly that this school year is the hardest of the three Covid years and it is only November. Staff shortages, added duties for existing staff, e.g., Covid testing and contact tracing, and more students who have suffered significantly during the pandemic have created the most stressful school environment for educators—administrators, teachers, and ESP alike.

Like this Task Force, the Tax Structure Commission sought ways to ensure equity. As we understand it, your task is to explore education expenditures to ensure students have equitable access to education funds, and the Tax Structure Commission, among other things, sought a more equitable education financing system. The Commission’s report discussed abolishing the residential property tax in favor of the income tax, and Vermont-NEA supports that proposal and has for several years. Income taxes, like property taxes, are variable at the margins but income taxes are stable enough to fund state government, and the Commission said it was “the best way to measure tax burden on a given taxpayer and it is the most progressive way to tax residents for education at this time.” For this reason, the Commission “recommend[ed] replacing the hybrid property/income homestead tax base with a single tax base, and, to maintain equity, that single tax base should be income.” Vermont-NEA supports the Commission’s recommendation.

Having a fair, equitable, and understandable education finance system is important to guarantee public support for the public school system. Vermont’s schools enjoy broad support, educators also enjoy broad public support, but the current education tax method is confusing to taxpayers, which is not in the best interest of the state or schools. A straightforward income tax to fund schools is the approach Vermont-NEA (and the Tax Structure Commission) believes will allow schools and students to have the proper fiscal support and community support so necessary to maintain the high-quality education system we all know is important to our children and to our democracy. Thank you.