

Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

FISCAL NOTE

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Prepared by: Mark Perrault

S.137 – Unemployment Compensation

S.137 would allow school bus drivers, school custodians, and food service employees to receive unemployment benefits between academic terms to the extent that they are not employed.

Depending on the assumed number of eligible employees, the number of employees who apply for benefits, the duration of benefits and other variables, the total cost to school districts would be between \$2 and \$3 million dollars annually.

Raising statewide education spending by \$2 to \$3 million would increase per-pupil education spending and education property taxes by raising the: (1) spending-adjusted homestead tax rates for individual school districts and (2) base statewide education tax rates.

(1) On average, school districts raise roughly \$0.50 of every \$1.00 in education spending. So roughly half of the total cost, \$1 to \$1.5 million, would be raised by higher spending-adjusted homestead tax rates in individual school districts. The actual impact on a school district's spending-adjusted homestead tax rates would vary depending on grand list value per pupil.

(2) The remainder, or \$1 to \$1.5 million, would accrue to the Education Fund. This would initially reduce the stabilization reserve by this amount and put pressure on both the statewide base homestead and non-homestead tax rates in the future. For every additional \$10 million in education spending, the base statewide education tax rates increase by \$0.01.