

1 H.45

2 Introduced by Representative Olsen of Jamaica

3 Referred to Committee on

4 Date:

5 Subject: Education; Winhall; loan; education fund; excess spending; tuition

6 Statement of purpose: This bill proposes to lend the sum of \$600,000.00 from
7 the education fund to the Winhall school district, to exclude certain portions of
8 its education spending from the calculation of excess spending, and to require
9 the school district to ensure that its budgets accurately reflect the number of
10 students for which it will pay tuition in each budgeted year.

11 An act relating to the Winhall school district's budget

12 It is hereby enacted by the General Assembly of the State of Vermont:

13 Sec. 1. STATEMENT OF PURPOSE

14 The purpose of this act is to:

15 (1) provide a loan to the Winhall school district in an amount sufficient
16 to cover a deficit in the district's budget, which will provide the district with
17 the necessary funding to meet its statutory obligations and to allow the district
18 to retire its debt to the state over a three-year period;

19 (2) permit the Winhall school district to exclude the costs of loan
20 repayment from its calculation of excess spending;

1 (3) assist the Winhall school district to achieve a more accurate and
2 stable budgeting process; and

3 (4) permit the Winhall school district to exclude from its calculation of
4 excess spending:

5 (A) budgeted amounts for projected additional students; and

6 (B) any new deficits that result from unanticipated student
7 enrollments, conditioned upon a determination that the district has worked
8 closely with receiving schools to coordinate budgeting of anticipated future
9 enrollment.

10 Sec. 2. WINHALL SCHOOL DISTRICT; LOAN

11 (a) Notwithstanding 16 V.S.A. § 4025 or any other provision of law, the
12 sum of \$600,000.00 is appropriated from the education fund in fiscal year 2011
13 to the Winhall school district. The Winhall school district shall repay the full
14 amount of the appropriation to the education fund, without interest, on or
15 before July 1, 2014, pursuant to terms established by the state treasurer.

16 Expenditures to be made in any year to repay the loan shall be included in the
17 district's annual budget for that year as "education spending" as defined in
18 16 V.S.A. § 4001(6). Repayment of the loan shall be solely from funds raised
19 by the education tax on homestead property located in Winhall, Vermont.

20 (b) Notwithstanding 32 V.S.A. § 5401(12) or any other provision of law,
21 the principal paid by the Winhall school district pursuant to subsection (a) of

1 this section in fiscal years 2012, 2013, and 2014 shall not be considered
2 “education spending” in those years for purposes of calculating excess
3 spending under subdivision 5401(12).

4 (c) Notwithstanding any provision of law to the contrary, the Winhall
5 school district may:

6 (1) include within its budget a line-item equal to the projected cost of
7 tuition that the district potentially will pay for unanticipated students who
8 move into the district after the budget is approved by the voters (“projected
9 cost”), where the projected cost shall be equal to the average number of
10 unanticipated students for whom the district has paid tuition in the previous
11 three budget years multiplied by the highest rate of tuition the district
12 anticipates paying in the budget year; and

13 (2) exclude the “projected cost” from the calculation of excess spending
14 under 3 V.S.A. § 5401(12).

15 (d) Notwithstanding 32 V.S.A. § 5401(12) or any other provision of law,
16 the Winhall school district may exclude from the calculation of excess
17 spending a budget deficit that is solely attributable to tuition paid for one or
18 more new students who moved into the district after the budget for the year
19 creating the deficit was approved by the voters; provided, however, this
20 subsection (d) shall only apply in any year in which the commissioner of
21 education determines that the Winhall school board has worked closely with

1 the public and independent schools in which its resident students typically
2 enroll and is taking other measures to ensure that its budget accurately reflects
3 the number of students for which it will pay tuition in the budgeted year.

4 Sec. 3. EFFECTIVE DATE

5 This act shall take effect on passage.