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H.362

Introduced by Representative Scheuermann of Stowe

Referred to Committee on

Date:

Subject: Education; school districts; school budget; surplus; reserve funds

Statement of purpose: This bill proposes to limit the amount of surplus funds a school district may deposit in one or more reserve funds to four percent of the district's education spending in the prior fiscal year.

An act relating to the amount of surplus funds a school district may deposit into one or more reserve funds

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

Sec. 1. 16 V.S.A. § 567 is amended to read:

§ 567. SURPLUS

If an audit conducted pursuant to subdivision 563(17) of this title or ~~section~~ 24 V.S.A. § 1681 of Title 24 reveals that a school district has surplus funds, the school board shall carry the funds into the next year as revenue unless authorized by the voters, at an annual or special meeting warned for the purpose, to:

- (1) deposit the funds into a reserve fund established pursuant to 24 V.S.A. § 2804; provided, however, in any fiscal year the cumulative total

1 funds in all reserve accounts established by a district shall not exceed four
2 percent of the district's education spending in the prior fiscal year; or

3 (2) use the funds for a specific purpose.

4 Sec. 2. 24 V.S.A. § 2804(a) is amended to read:

5 (a) At an annual or special meeting duly warned, a municipality may
6 establish a reserve fund to be under the control and direction of the legislative
7 branch of the municipality. The reserve fund shall be kept in a separate
8 account and invested as are other public funds and may be expended for such
9 purposes for which established, or when authorized by a majority of the voters
10 present and voting at an annual or special meeting duly warned, for other
11 purposes. A reserve fund established by a school district shall be subject to the
12 limitations imposed by 16 V.S.A. § 567(1).

13 Sec. 3. EFFECTIVE DATE

14 This act shall take effect on July 1, 2011 and shall apply to reserve funds
15 existing on July 1, 2012 and after.