

1 H.849

2 Introduced by Representatives Komline of Dorset, Branagan of Georgia,  
3 Clarkson of Woodstock, Condon of Colchester, Greshin of  
4 Warren, Johnson of Canaan, Ram of Burlington, Sharpe of  
5 Bristol, and Wilson of Manchester

6 Referred to Committee on

7 Date:

8 Subject: Education; supervisory unions; school districts; budgets

9 Statement of purpose of bill as introduced: This bill proposes to replace the  
10 calculation of excess spending in 32 V.S.A. § 5401 with an annual statewide  
11 “allowable increase,” which would be the amount equal to the statewide  
12 average education spending per equalized pupil for the current fiscal year  
13 increased by the most recent New England Economic Project cumulative price  
14 index. Any amount by which a district’s budget exceeds the allowable  
15 increase would be used to calculate its district spending adjustment in the same  
16 manner as excess spending is currently used. Budget analysts from the Agency  
17 of Education would be available to review proposed budgets that exceed the  
18 allowable increase and identify specific budget items to decrease or remove.  
19 Any amount in excess of the allowable increase for which the analyst could not  
20 propose a corresponding decrease would not be included in the district  
21 spending adjustment. The bill would appropriate \$60,000.00 from the fiscal

1 year 2015 General Fund for the Agency to enter into contracts with up to four  
2 part-time budget analysts.

3 An act relating to allowable increases in education spending

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

5 Sec. 1. 32 V.S.A. § 5401 is amended to read:

6 § 5401. DEFINITIONS

7 As used in this chapter:

8 \* \* \*

9 (12) ~~“Excess spending” means:~~

10 ~~(A) the per equalized pupil amount of the district’s education~~  
11 ~~spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be~~  
12 ~~added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b);~~

13 ~~(B) in excess of 125 percent of the statewide average district~~  
14 ~~education spending per equalized pupil in the prior fiscal year, as determined~~  
15 ~~by the Secretary of Education on or before November 15 of each year based on~~  
16 ~~the passed budgets to date. [Repealed.]~~

17 \* \* \*

18 (13) “District spending adjustment” means the greater of: one or a  
19 fraction in which the numerator is the district’s education spending plus ~~excess~~  
20 ~~spending~~ the amount by which it exceeds the allowable increase as defined in

1 subdivision (15) of this section, per equalized pupil, for the school year; and  
2 the denominator is the base education amount for the school year, as defined in  
3 16 V.S.A. § 4001. For a district that pays tuition to a public school or an  
4 approved independent school, or both, for all of its resident students in any  
5 year and which has decided by a majority vote of its school board to opt into  
6 this provision, the district spending adjustment shall be the average of the  
7 district spending adjustment calculated under this subdivision for the previous  
8 year and for the current year. Any district opting for a two-year average under  
9 this subdivision may not opt out of such treatment, and the averaging shall  
10 continue until the district no longer qualifies for such treatment.

11 \* \* \*

12 (15) “Allowable increase” means the statewide average education  
13 spending per equalized pupil for the current fiscal year increased by the most  
14 recent New England Economic Project cumulative price index, as of  
15 November 15, for state and local government purchases of goods and services  
16 from fiscal year 2015 through the fiscal year for which the amount is being  
17 determined.

18 Sec. 2. 32 V.S.A. § 5401a is added to read:

19 § 5401a. ALLOWABLE INCREASE; BUDGET ANALYSIS

20 (a) Before distributing a proposed budget to the electorate pursuant to  
21 16 V.S.A. § 563, a district’s board may request in writing that the Agency

1 review a proposed budget, per equalized pupil, that exceeds the allowable  
2 increase as defined in subdivision 5401(15) of this title. Within 30 days after  
3 receiving the written request, the Agency shall analyze the proposed budget  
4 and identify specific budget items that can be decreased or removed so that it  
5 does not exceed the allowable increase. If the Agency identifies an amount by  
6 which the district can decrease the proposed budget and the district adopts a  
7 budget that has not been decreased by the identified amount, then the identified  
8 amount shall be included in the calculation of the district spending adjustment  
9 pursuant to subdivision 5401(13) of this title. Any amount of proposed  
10 education spending per equalized pupil that exceeds the allowable increase for  
11 which the Agency cannot identify budget items to decrease or remove shall not  
12 be included in the calculation of the district spending adjustment.

13 (b) At least annually, the Agency shall publish on its website best practices  
14 identified during its review of district budgets under this section.

15 (c) Notwithstanding 2 V.S.A. § 20(d), on or before January 15 annually the  
16 Agency shall report on its activities under this section to the House and Senate  
17 Committees on Appropriations and on Education, the House Committee on  
18 Ways and Means, and the Senate Committee on Finance.

1       Sec. 3. AGENCY OF EDUCATION; BUDGET ANALYSTS;

2                    APPROPRIATION

3           There is appropriated to the Agency of Education from the General Fund  
4           for fiscal year 2015 the sum of \$60,000.00 for the purpose of entering into  
5           contracts with up to four part-time budget analysts to perform the work  
6           required in Sec. 2 of this act.

7       Sec. 4. REPEAL

8           (a) 2013 Acts and Resolves No. 60, Secs. 1, 2, 6(a), and 6(b) (excess  
9           spending percentage decreases) are repealed on passage.

10          (b) 16 V.S.A. § 4001(6)(B) (excess spending exemptions) is repealed on  
11          July 1, 2014.

12       Sec. 5. EFFECTIVE DATES

13          (a) Sec. 3 shall take effect on July 1, 2014.

14          (b) This section and all other sections shall take effect on passage;  
15          provided, however, that Secs. 1 and 2 (allowable increase) and subsection 4(b)  
16          (repeal of exemptions) shall apply to budgets for fiscal year 2016 and after.