

**No. 65. An act relating to amending Act 46.**

(S.233)

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

Sec. 1. 2015 Acts and Resolves No. 46, Sec. 37 is amended to read:

Sec. 37. ALLOWABLE GROWTH IN EDUCATION SPENDING FOR  
FISCAL YEARS ~~2017 AND 2018~~ YEAR 2017

(a) Notwithstanding any other provision of law, for ~~fiscal years 2017 and 2018~~ fiscal year 2017 only, “excess spending” under 32 V.S.A. § 5401(12) means the per-equalized-pupil amount of the district’s education spending, as defined in ~~16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b), that is in excess of the district’s per-equalized-pupil amount of education spending in the prior fiscal year, plus the district’s allowable growth.~~ shall be calculated as follows:

(1) For districts where the total amount of exclusions in 16 V.S.A. § 4001(6)(B) either stays the same or increases from the prior fiscal year to the current fiscal year, “excess spending” means the per-equalized-pupil amount of the district’s education spending, plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b) that is in excess of the district’s per-equalized-pupil amount of education spending in the prior fiscal year, plus the district’s allowable growth. As used in this subdivision,

“education spending” means education spending as defined in 16 V.S.A.

§ 4001(6) after the exclusions in 16 V.S.A. § 4001(6)(B) are subtracted.

(2) For districts where the total amount of exclusions in 16 V.S.A.

§ 4001(6)(B) decreases from the prior fiscal year to the current fiscal year,

“excess spending” means the per-equalized-pupil amount of the district’s

education spending, plus any amount required to be added from a Capital

Construction Reserve Fund under 24 V.S.A. § 2804(b) that is in excess of the

district’s per-equalized-pupil amount of total education spending in the prior

fiscal year, plus the district’s allowable growth. As used in this subdivision,

“education spending” means education spending as defined in 16 V.S.A.

§ 4001(6) before the exclusions in 16 V.S.A. § 4001(6)(B) are subtracted.

(b) For ~~fiscal years 2017 and 2018~~ fiscal year 2017 only, the “allowable growth” for any individual school district is an amount equal to the actual amount of per-equalized-pupil education spending in the district in the prior fiscal year, multiplied by the district’s “allowable growth percentage.” A district’s “allowable growth percentage” means a percentage that results from the following equation: the highest per-equalized-pupil amount of the education spending in any district in the State in the prior fiscal year, divided by the actual amount of per-equalized-pupil education spending in the district in the prior fiscal year, minus one, multiplied by five and one-half percent. For the purpose of the calculations made under this subsection, the term “education spending” refers to education spending as used to calculate excess spending

under 16 V.S.A. § 4001(6), including all the adjustments under 16 V.S.A.

§ 4001(6)(B).

(c) Notwithstanding any other provision of law, for fiscal year 2017 only:

(1) The allowable growth percentage calculated in subsection (b) of this section shall be increased by adding 0.9 percentage points to the allowable growth percentage for each district.

(2) The education property tax spending adjustment under 32 V.S.A. § 5401(13)(A) and the education income tax spending adjustment under 32 V.S.A. § 5401(13)(B) shall be calculated by using only 40 percent of the district's excess spending.

(3) Notwithstanding subdivision (c)(2) of this section, for any district where the actual per-equalized-pupil amount of education spending in fiscal year 2016 is below the statewide average per-equalized-pupil amount of education spending in fiscal year 2016, the education property tax spending adjustment under 32 V.S.A. § 5401(13)(A) and the education income tax spending adjustment under 32 V.S.A. § 5401(13)(B) shall be calculated without any addition for excess spending. As used in this subdivision, "the statewide average per-equalized-pupil amount of education spending in fiscal year 2016" means the total statewide per-equalized-pupil amount of education spending in 2016 divided by the total number of equalized pupils. As used in this subdivision, "education spending" shall have the same meaning as in

16 V.S.A. § 4001(6) after the exclusions in 16 V.S.A. § 4001(6)(B) are subtracted.

Sec. 2. REPEALS

2015 Acts and Resolves No. 46, Secs. 37, 38, and 52(k) are repealed on July 1, 2017, and shall not apply to fiscal year 2018 or after.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

Date Governor signed bill: January 30, 2016