

1 H.283

2 Introduced by Representatives Manwaring of Wilmington, Long of Newfane,  
3 Sibilia of Dover, and Toleno of Brattleboro

4 Referred to Committee on

5 Date:

6 Subject: Education; education spending; excess spending; capital construction

7 Statement of purpose of bill as introduced: This bill proposes to remove  
8 capital construction costs, including interest, from the definition of education  
9 spending for purposes of calculating excess spending, regardless of whether  
10 the construction project received or is eligible to receive State aid, if the  
11 construction project is related to the consolidation of two or more school  
12 buildings, to a contract between two or more school districts to operate a  
13 school or schools jointly, or to the merger of two or more school districts.

14 An act relating to removing capital construction costs related to joint action  
15 from education spending when calculating excess spending

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

17 Sec. 1. 16 V.S.A. § 4001(6) is amended to read:

18 (6) "Education spending" means the amount of the school district  
19 budget, any assessment for a joint contract school, career technical center  
20 payments made on behalf of the district under subsection 1561(b) of this title,

1 and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is  
2 paid for by the school district, but excluding any portion of the school budget  
3 paid for from any other sources such as endowments, parental fund raising,  
4 federal funds, nongovernmental grants, or other State funds such as special  
5 education funds paid under chapter 101 of this title.

6 \* \* \*

7 (B) For purposes of calculating excess spending pursuant to  
8 32 V.S.A. § 5401(12), “education spending” shall not include:

9 (i)(I) Spending during the budget year for approved school capital  
10 construction for a project that received preliminary approval under section  
11 3448 of this title, including interest paid on the debt; provided the district shall  
12 not be reimbursed or otherwise receive State construction aid for the approved  
13 school capital construction except as provided in subdivision (II) of this  
14 subdivision (i);

15 (II) Spending, including interest payments, during the budget  
16 year for approved school capital construction for a project that received  
17 preliminary or final approval under section 3448 of this title and that is related  
18 to the consolidation of two or more school buildings, to a contract between two  
19 or more school districts to operate a school or schools jointly, or to the merger  
20 of two or more school districts, regardless of whether the construction project  
21 received or is eligible to receive State aid.

1 (ii) For a project that received final approval for State construction  
2 aid under chapter 123 of this title:

3 (I) spending for approved school capital construction during the  
4 budget year that represents the district's share of the project, including interest  
5 paid on the debt;

6 (II) payment during the budget year of interest on funds  
7 borrowed under subdivision 563(21) of this title in anticipation of receiving  
8 State aid for the project.

9 (iii) Spending that is approved school capital construction  
10 spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future  
11 approved school capital construction costs, including that portion of tuition  
12 paid to an independent school designated as the public high school of the  
13 school district pursuant to section 827 of this title for capital construction costs  
14 by the independent school that has received approval from the State Board of  
15 Education, using the processes for preliminary approval of public school  
16 construction costs pursuant to subdivision 3448(a)(2) of this title.

17 (iv) Spending attributable to the cost of planning the merger of a  
18 small school, which for purposes of this subdivision means a school with an  
19 average grade size of 20 or fewer students, with one or more other schools.

20 \* \* \*

1       Sec. 2. EFFECTIVE DATE

2           This act shall take effect on passage and, notwithstanding 1 V.S.A. § 214,

3           shall apply retroactively to July 1, 2014.