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H.183

Introduced by Representatives Olsen of Londonderry, Long of Newfane,  
Sibilia of Dover, Browning of Arlington, Gannon of  
Wilmington, and Partridge of Windham

Referred to Committee on

Date:

Subject: Education; extraordinary hold-harmless transition grant

Statement of purpose of bill as introduced: This bill proposes to create an  
extraordinary hold-harmless transition grant program for the purpose of  
providing supplemental education funding to school districts with declining  
student enrollment.

An act relating to funding for school districts with declining student  
enrollment

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

Sec. 1. ESTABLISHMENT OF EXTRAORDINARY HOLD-HARMLESS  
TRANSITION GRANT

(a) Definitions. As used in this act:

(1) “Adjusted education payment” means the school district’s education  
spending per equalized pupil, calculated by using the equalized pupil count as  
it would have been determined under 16 V.S.A. § 4010(f) as in effect on

1 June 30, 2016. 16 V.S.A. § 4010(f), as in effect on June 30, 2016, reads “For  
2 purposes of the calculation under this section, a district’s equalized pupils shall  
3 in no case be less than 96 and one-half percent of the district’s equalized pupils  
4 in the previous year.”

5 (2) “Adjusted equalized pupil count” means the school district’s  
6 equalized pupil count as calculated under 16 V.S.A. § 4010(f), as in effect on  
7 June 30, 2016.

8 (3) “Education payment” means the school district’s education spending  
9 per equalized pupil.

10 (4) “Eligible grant amount” means an amount calculated by multiplying  
11 the school district’s hold-harmless per equalized pupil amount by its  
12 hold-harmless equalized pupil count.

13 (5) “Equalized pupil count” shall mean the school district’s equalized  
14 pupil count as calculated under 16 V.S.A. § 4010(f).

15 (6) “Hold-harmless equalized pupil count” means an amount calculated  
16 by subtracting the school district’s equalized pupil count from its adjusted  
17 equalized pupil count. The hold-harmless equalized pupil count shall be  
18 deemed to be zero if this calculation yields a negative number.

19 (7) “Hold-harmless per equalized pupil amount” means an amount  
20 calculated by subtracting the school district’s adjusted education payment from

1 its education payment. The hold-harmless per equalized pupil amount shall be  
2 deemed to be zero if this calculation yields a negative number.

3 (8) "School district" means a town school district, city school district,  
4 incorporated school district, the member school districts of an interstate school  
5 district, a union school district, a unified union district, or an unorganized town  
6 or gore.

7 (b) Extraordinary Hold-Harmless Transition Grant Program created.  
8 Notwithstanding any provision to the contrary of 16 V.S.A. §§ 4010(f) and  
9 4025(d) and 2015 Acts and Resolves No. 46, Secs. 22–25, there is created the  
10 Extraordinary Hold-Harmless Transition Grant Program (Grant Program) for  
11 the purpose of providing supplemental education funding for qualifying school  
12 districts that shall be administrated and funded in accordance with this act.

13 (c) Administration. The Secretary of Education shall administer the Grant  
14 Program and shall award grants to qualifying school districts.

15 (1) The Secretary shall determine, for each school district in the State  
16 for each of fiscal years 2018, 2019, and 2020, the school district's:

17 (A) education payment;

18 (B) adjusted education payment;

19 (C) equalized pupil count;

20 (D) adjusted equalized pupil count;

21 (E) hold-harmless per equalized pupil amount;

1           (F) hold-harmless per equalized pupil amount; and

2           (G) eligible grant amount.

3           (2) The Secretary shall make the determinations in subdivision (1) of  
4 this subsection on or before March 31, 2017 for fiscal year 2018, March 31,  
5 2018 for fiscal year 2019, and March 31, 2019 for fiscal year 2020.

6           (3) The Secretary shall pay a grant under the Grant Program to a  
7 qualifying school district in fiscal years 2018, 2019, and 2020 in an amount to  
8 compensate the district for the dollar equivalent of lost phantom students,  
9 which shall equal the eligible grant amount for that fiscal year. This payment  
10 shall be made on or before July 31 of that fiscal year.

11           (d) Qualifying school districts. A school district shall qualify for a grant  
12 under the Grant Program in fiscal years 2018, 2019, and 2020 if it satisfies the  
13 following conditions:

14           (1) The district receives final approval of the electorate to form a  
15 governance structure pursuant to 2010 Acts and Resolves No. 153, 2012 Acts  
16 and Resolves No. 156, or 2015 Acts and Resolves No. 46 prior to the fiscal  
17 year in which the grant under the Grant Program is awarded.

18           (2) The district submits a plan on or before July 1, 2017 to the Secretary  
19 of Education that demonstrates to the Secretary's satisfaction that by fiscal  
20 year 2020 it will manage its school district budget to address its declining  
21 student enrollment and actual number of students in the district. This plan

1     shall demonstrate how the district will manage its costs to achieve education  
2     spending per equalized pupil at or below 121 percent of projected statewide  
3     average district education spending per equalized pupil for fiscal year 2020,  
4     which is \$15,386.75.

5             (3) The district's eligible grant amount exceeds zero for that fiscal year.

6             (e) Funding. The Grant Program shall be funded by appropriations from  
7     the Education Fund, which shall be paid to the Secretary of Education for  
8     administration under this act.

9     Sec. 2. EFFECTIVE DATE

10            This act shall take effect on passage.