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H.365

Introduced by Representative Browning of Arlington

Referred to Committee on

Date:

Subject: Taxation; statewide education tax

Statement of purpose of bill as introduced: This bill proposes to shift costs out of the Education Fund that are not directly related to K–12 education and which are not controlled by school district spending decisions.

An act relating to limiting Education Fund expenditures to expenses controlled by school district spending decisions

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

* * * Fiscal Years 2018, 2019, and 2020 * * *

Sec. 1. PAYMENT OF EDUCATION EXPENSES FOR FISCAL YEARS
2018, 2019, AND 2020

Notwithstanding any other provision of law, for fiscal years 2018, 2019, and 2020, payments out of the Education Fund for any expense authorized under 16 V.S.A. chapter 133, other than payments in support of education spending under 16 V.S.A. § 4028(a) and (b), shall not exceed the level of payments made in fiscal year 2017. The amount of any payments authorized by 16 V.S.A. chapter 133 for fiscal years 2018, 2019, and 2020, other than

1 payments in support of education spending under 16 V.S.A. § 4028(a) and (b),
2 which are in excess of the payments made in fiscal year 2017, shall be paid out
3 of the General Fund.

4 * * * Education Fund Obligations * * *

5 Sec. 2. 16 V.S.A. § 4000(b) is added to read:

6 (b) It is the intent this chapter is to have the Education Fund only pay for
7 those expenses that are under the direct budgeting control of the school
8 districts.

9 Sec. 3. 16 V.S.A. § 4025 is amended to read:

10 § 4025. EDUCATION FUND

11 (a) An Education Fund is established to comprise the following:

12 * * *

13 (2) For each fiscal year, the amount of the general funds appropriated
14 and transferred to the Education Fund shall be the sum of:

15 (A) \$305,900,000.00, to be increased annually beginning for fiscal
16 year 2018 by the consensus Joint Fiscal Office and Administration
17 determination of the National Income and Product Accounts (NIPA) Implicit
18 Price Deflator for State and Local Government Consumption Expenditures and
19 Gross Investment as reported by the U.S. Department of Commerce, Bureau of
20 Economic Analysis through the fiscal year for which the payment is being
21 determined, plus an additional one-tenth of one percent; and

1 ~~Fund at the end of any fiscal year shall be carried forward and remain a part of~~
2 ~~the Fund. Interest accruing from the Fund shall remain in the Fund.~~

3 [Repealed.]

4 (4) Funds committed for costs under any other provision of this chapter,
5 or any other provision of 32 V.S.A. chapter 154, which are not specifically
6 enumerated in this subsection, shall be paid for out of the General Fund, unless
7 otherwise specified.

8 * * * Unfunded Mandates * * *

9 Sec. 4. 16 V.S.A. § 4028(d) is amended to read:

10 (d) ~~Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall~~
11 ~~prepare a fiscal note for any legislation that requires a supervisory union or~~
12 ~~school district to perform any action with an associated cost, but does not~~
13 ~~provide money or a funding mechanism for fulfilling that obligation. Any~~
14 ~~fiscal note prepared under this subsection shall be completed no later than the~~
15 ~~date that the legislation is considered for a vote in the first committee to which~~
16 ~~it is referred.~~ On or before July 1 of each year, the Joint Fiscal Office shall
17 determine the total amount of new unfunded mandates imposed on supervisory
18 unions and school districts for the coming fiscal year. The Joint Fiscal Office
19 shall present this total to the Joint Fiscal Committee at its July meeting. The
20 Joint Fiscal Committee shall review and approve the total, and that amount
21 shall then be added to the General Fund transfer in subdivision 4025(a)(2) of

1 this title for that fiscal year and after. As used in this subsection, an “unfunded
2 mandate” means a State statute or State regulation that requires a supervisory
3 union or school district to perform certain actions, but with no money or
4 funding mechanism in place for fulfilling the requirement.

5 Sec. 5. PAST UNFUNDED MANDATES

6 On or before July 1, 2017, the Joint Fiscal Office shall catalogue and total
7 the amount of unfunded mandates imposed on supervisory unions and school
8 districts from July 1, 2007 to July 1, 2017. The Joint Fiscal Office shall
9 present this total to the Joint Fiscal Committee at its July meeting. The Joint
10 Fiscal Committee shall review and approve the total, and that amount shall
11 then be added to the General Fund transfer in 16 V.S.A. § 4025(a)(2) for that
12 fiscal year and after. As used in this section, an “unfunded mandate” means a
13 State statute or State regulation that requires a supervisory union or school
14 district to perform certain actions, but with no money or funding mechanism in
15 place for fulfilling the requirement.

16 * * * Effective Dates * * *

17 Sec. 6. EFFECTIVE DATES

18 This section shall take effect on passage, and:

19 (1) Secs. 1 (payments for fiscal years 2018–2020) and 2 (policy) shall
20 take effect on July 1, 2017.

- 1 (2) Sec. 3 (Education Fund payments) shall take effect on July 1, 2020
2 and apply to fiscal year 2021 and after.
- 3 (3) Secs. 4 and 5 (unfunded mandates) shall take effect on passage and
4 apply to fiscal year 2018 and after.