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H.796

Introduced by Representatives Sibia of Dover, Forguites of Springfield,
Gannon of Wilmington, Keefe of Manchester, Noyes of
Wolcott, Ode of Burlington, Pajala of Londonderry, Parent of
St. Albans Town, Scheuermann of Stowe, Sullivan of Dorset,
and Yantachka of Charlotte

Referred to Committee on

Date:

Subject: Education; Education Fund; unfunded mandates

Statement of purpose of bill as introduced: This bill proposes to establish a
process for calculating the amount of unfunded mandates imposed on
supervisory unions and school districts and adding that amount to the
Governor's recommended budget for the following fiscal year.

An act relating to establishing a process for accounting for unfunded
education mandates

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

Sec. 1. 32 V.S.A. § 305c is added to read:

§ 305c. UNFUNDED EDUCATION MANDATE AMOUNT TRANSFER

Within 30 days after the end of each annual legislative session of the
General Assembly, the Joint Fiscal Office and the Secretary of Administration,

1 in consultation with the Secretary of Education, and with the Secretary of
2 Human Services as appropriate, shall estimate the unfunded education mandate
3 amount. This estimate shall equal the total dollar amount required for
4 supervisory unions and school districts to perform any action that is required
5 pursuant to legislation enacted during that annual legislative session and that
6 has a related direct cost but does not have a specifically identified
7 appropriation for fulfilling that obligation. The estimate shall be for the fiscal
8 year commencing on July 1 of the following year. The Joint Fiscal Office and
9 the Secretary of Administration shall present the unfunded education mandate
10 amount estimate to the Emergency Board at its July meeting and the
11 Emergency Board shall determine the unfunded education mandate amount.
12 The Governor's budget report required under section 306 of this title shall
13 include a transfer of this amount from the General Fund pursuant to 16 V.S.A.
14 § 4025(a)(2) for the fiscal year commencing on July 1 of the following year.

15 Sec. 2. 16 V.S.A. § 4025 is amended to read:

16 § 4025. EDUCATION FUND

17 (a) The Education Fund is established to comprise the following:

18 * * *

19 (2) For each fiscal year, the amount of the general funds appropriated or
20 transferred to the Education Fund shall be \$305,900,000.00, ~~to be:~~

1 (A) the total of \$305,900,000.00 plus the unfunded education
2 mandate amount, as defined in subsection (e) of this section;

3 (B) increased annually beginning for fiscal year 2018 by the
4 consensus Joint Fiscal Office and Administration determination of the National
5 Income and Product Accounts (NIPA) Implicit Price Deflator for State and
6 Local Government Consumption Expenditures and Gross Investment as
7 reported by the U.S. Department of Commerce, Bureau of Economic Analysis
8 through the fiscal year for which the payment is being determined;

9 (C) plus an additional one-tenth of one percent.

10 * * *

11 (e) As used in this section, “unfunded education mandate amount” means
12 the amount appropriated by the General Assembly in any fiscal year for the
13 purpose of providing funding for supervisory unions and school districts to
14 perform any action that is required pursuant to legislation and that has a related
15 direct cost but does not otherwise have a specifically identified appropriation
16 for fulfilling that obligation. The “unfunded education mandate amount”
17 includes the cumulative amount of these appropriations for all fiscal years in
18 which they are made.

19 Sec. 3. 16 V.S.A. § 4028(d) is amended to read:

20 (d) Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall
21 prepare a fiscal note for any legislation that requires a supervisory union or

1 school district to perform any action ~~with an associated~~ that has a related direct
2 cost; but that does not ~~provide money or a funding mechanism~~ have a
3 specifically identified appropriation for fulfilling that obligation. Any fiscal
4 note prepared under this subsection shall identify whether the estimated costs
5 would be considered part of the “unfunded education mandate amount” under
6 32 V.S.A. § 305c for the next fiscal year. Any fiscal note prepared under this
7 subsection shall be completed no later than the date that the legislation is
8 considered for a vote in the first committee to which it is referred.

9 Sec. 4. EFFECTIVE DATE

10 This act shall take effect on passage.