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Agency of Education Recommended changes to Sec. E. 500.1 and E.500.2 in H.924 as passed by the Senate

May 8, 2018

The Legislature added language to require that all Supervisory Unions and Districts implement the centralized school district financial data management system recently procured by the Agency of Education, in order to improve the collection of statewide school financial data.

The Agency recommends that the legislature amend the language to provide more flexibility to SU/SDs that have recently changed governance structures or have recently procured a new system. The following changes to the Senate language provide for both of these requirements. The Agency recommends that section E.500.1 be effective upon passage and E.500.2 be effective July 1, 2019.

Sec. E.500.1 UNIFORM CHART OF ACCOUNTS

(a) No later than July 1, 2020, all Vermont supervisory unions, supervisory districts, school districts, and independent tech center districts shall utilize the same financial-school finance and financial data management system. The system shall be selected by Agency of Education per state procurement guidelines. (b) The Agency shall work with participating supervisory unions to:

(1) conform to a uniform chart of accounts as outlined in 2014 Acts and Resolves No. 179, Secs. E.500.2 and E.500.3 as amended by 2015 Acts and Resolves No. 58, Sec. E.500.1;

(2) improve the comparability, consistency, and timeliness of school financial data;

(3) enhance the abilities of the General Assembly, Agency of Education, supervisory unions, and supervisory districts to better understand and manage cost centers and related school expenditures; and

(4) categorize expenditures in a way that draws a distinction between direct educational expenses and expenses that are primarily human or social services expenses.

(b) Notwithstanding subdivision (a) of this section, supervisory unions with districts that are merging into a new governance structure as of July 1, 2018 and that have executed a contract no later than May 1, 2018 to acquire a new school finance and financial data system other than the management system selected by the Agency of Education to serve the merged system, may delay adoption of the system selected by the Agency until July 1, 2021.

(c) Notwithstanding subdivision (a) of this subsection, a supervisory union or a supervisory district that entered into a contract for a school finance and financial data management system on or after July 1, 2017, may delay adoption of the system selected by the Agency until July 1, 2021 or upon expiration of the current contract, whichever is earlier.

Sec. E.500.2 16 V.S.A. §242(4) is amended to read:

(4)(A) Provide data and information required by the Secretary- and by using a format approved by the Secretary to:

(i) Report budgetary data for the coming-subsequent school year and fiscal year.

~~(B)~~ (ii) Report all financial operations within the supervisory union to the Secretary and State Board for the preceding school year on or before August 15 of each year, ~~using a format approved by the Secretary.~~

~~(C)~~ (iii) Report all financial operations for each member school district to the Secretary and State Board for the preceding school year on or before August 15 of each year, ~~using a format approved by the Secretary.~~

~~(D)~~ (B) Prepare for each district an itemized report detailing the portion of the proposed supervisory union budget for which the district would be assessed for the subsequent school year identifying the component costs by category and explaining the method by which the district's share for each cost was calculated; and provide the report to each district at least 14 days before a budget, including the supervisory union assessment, is voted on by the electorate of the district.