

Overview of Laws Relating to State Funding of Capital Improvements at the University of Vermont and the Vermont State Colleges

Statutory Law:

Vermont State Colleges

16 V.S.A. § 2171(e) (Corporation established; purposes; powers)

(e) The Corporation may make expenditures for capital improvements. The Corporation is authorized to borrow money for building purposes, to give security that may be required, and to execute necessary related instruments, and is also authorized to accept, use, and administer any funds made available to it for any of its corporate purposes by the United States or any of its agencies, and to agree to any terms and conditions that may be required that are not inconsistent with its corporate purposes.

16 V.S.A. § 2186 (Reserve funds) (Section added in 2008 Capital bill)

(a) The Vermont State Colleges may create and establish one or more special funds, herein referred to as “debt service reserve funds,” and shall pay into each debt service reserve fund:

(1) any monies appropriated and made available by the State for the purpose of the fund;

(2) any proceeds of the sale of notes or bonds, to the extent provided in the resolution or resolutions of the Vermont State Colleges authorizing the issuance thereof; and

(3) any other monies that may be made available to the Vermont State Colleges for the purpose of the fund from any other source or sources.

* * *

(f) The proceeds of any bonds or notes secured by a debt service reserve fund to which State funds may be appropriated pursuant to this section shall be applied solely to costs of reconstruction, rehabilitation, or improvement of existing facilities or property of the Vermont State Colleges.

University of Vermont

*16 V.S.A. § 2363 (Reserve Funds) – Subchapter 3 College of Medicine
(Section added in 2008 Capital bill)*

(a) The University of Vermont and State Agricultural College may create and establish one or more special funds, herein referred to as “debt service reserve funds,” and shall pay into each such debt service reserve fund:

(1) any monies appropriated and made available by the State for the purpose of such fund;

(2) any proceeds of the sale of notes or bonds, to the extent provided in the resolution or resolutions of the University of Vermont and State Agricultural College authorizing the issuance thereof; and

(3) any other monies that may be made available to the University of Vermont and State Agricultural College for the purpose of such fund from any other source or sources.

* * *

(f) The proceeds of any bonds or notes secured by a debt service reserve fund to which State funds may be appropriated pursuant to this section shall be applied solely to costs of reconstruction, rehabilitation, or improvement of existing facilities or property of the University of Vermont and State Agricultural College.

Capital Bill (Session Law):

2019 Acts and Resolves No. 42, Sec. 9

Sec. 9. VERMONT STATE COLLEGES

(a) The sum of \$2,100,000.00 is appropriated in FY 2020 to the Vermont State Colleges for construction, renovation, and major maintenance.

(b) The sum of \$2,000,000.00 is appropriated in FY 2021 to the Vermont State Colleges for the projects described in subsection (a) of this section.

(c) The Vermont Division for Historic Preservation and Vermont Advisory Council on Historic Preservation shall be consulted on projects utilizing the funds appropriated in this section before the alteration or demolition of any property that is potentially of historical, architectural, archaeological, or cultural significance, including any property listed in or eligible for the State Register of Historic Places.

<u>Appropriation – FY 2020</u>	<u>\$2,100,000.00</u>
<u>Appropriation – FY 2021</u>	<u>\$2,000,000.00</u>
<u>Total Appropriation – Section 9</u>	<u>\$4,100,000.00</u>

2007 Acts and Resolves No. 52, Secs. 40-41

Sec. 40. SPENDING AND BONDING AUTHORIZATION; VERMONT STATE COLLEGES

Pursuant to subsection 2171(e) of Title 16, the Vermont State Colleges is authorized to expend up to \$1,000,000 of its self-generated revenues established for the purpose of capital improvements on housing, dining, and general purpose facilities.

Rebecca Wasserman
Office of Legislative Council
January 8, 2019

Sec. 41. 16 V.S.A. § 2171(e) is amended to read:

(e) The corporation may make expenditures for capital improvements ~~provided those capital improvements receive the specific prior approval of the general assembly. Upon receiving approval, the~~ The corporation is authorized to borrow money for building purposes, to give security therefor as may be required, to execute necessary or proper instruments in connection therewith, and is also authorized to accept, use, and administer such funds as may be made available to it for any of its corporate purposes by the United States or any of its agencies, and to agree to any terms and conditions with reference thereto which may be required thereby not inconsistent with its corporate purposes.

2005 Acts and Resolves No. 43, Sec. 41 - (Spending authorization in policy section)

Sec. 41. SPENDING AND BONDING AUTHORIZATION; VERMONT STATE COLLEGES

In conformity with subsection 2171(e) of Title 16, the general assembly approves the expenditure by the Vermont state colleges from its revenues, other than state appropriations, and from its self-generated revenues established for the purpose of capital improvements on housing, dining, and general purpose facilities, to an aggregate of \$1 million for necessary capital improvements.

1993 Acts and Resolves No. 59, Sec. 10 - (Spending authorization in money section)

Sec. 10. APPROPRIATION; VERMONT STATE COLLEGES

(a) The sum of \$6,472,000.00 is appropriated to the department of state buildings for use by the Vermont State Colleges for:

* * *

(b) In conformity with section 2171(e) of Title 16, the general assembly approves the expenditure by the Vermont State Colleges from its revenues, other than state appropriations, and from its revenues established for the purpose of capital improvements on housing, dining, and general purpose facilities to an aggregate of \$1,222,000.00 for necessary capital improvements. Capital improvements in excess of \$25,000.00 shall be under the supervision of the commissioner of state buildings.

(c) The Vermont State Colleges is authorized to issue revenue bonds constituting general obligations of the Vermont State Colleges, sufficient to re-finance outstanding indebtedness from bonds sold pursuant to Sec. 8(c) of Act No. 90 of 1987 and to Sec. 8(b) of Act No. 280 of 1987 (Adjourned Session), which were authorized to fund capital projects designated by the same authorities.

(Total Appropriation -- Section 10 \$ 6,472,000.00)