

Sec. 12. 16 V.S.A. Sec. 4026(e) is amended to read:

(e) The enactment of this chapter and other provisions of the Equal Educational Opportunity Act of which it is a part have been premised upon estimates of balances of revenues to be raised and expenditures to be made under the act for such purposes as adjusted education payments, categorical State support grants, provisions for property tax income sensitivity, payments in lieu of taxes, current use value appraisals, tax stabilization agreements, the stabilization reserve established by this section and for other purposes. If the stabilization reserve established under this section should in any fiscal year be less than ~~3.5~~ 5.0 percent of the prior fiscal year's appropriations from the Education Fund, as defined in subsection (b) of this section, the Joint Fiscal Committee shall review the information provided pursuant to 32 V.S.A. § 5402b and provide the General Assembly its recommendations for change necessary to restore the stabilization reserve to the statutory level provided in subsection (b) of this section.

EXPLANATION: Both the Administration and the Joint Fiscal Office agree that under the Education Fund revenue structure in place effective with Act 11, the appropriate stabilization reserve level should be 5.0%.

Chapter 005 : Budget

(Cite as: 32 V.S.A. § 308)

- **§ 308. General Fund Budget Stabilization Reserve; creation and purpose.....(b) There is hereby created a General Fund Budget Stabilization Reserve determined on a budgetary basis and administered by the Commissioner of Finance and Management. Any budgetary basis undesignated General Fund surplus occurring at the close of a fiscal year shall be reserved within the General Fund Budget Stabilization Reserve, **provided that the balance reserved shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year, and any additional amounts as may be authorized by the General Assembly. Any undesignated General Fund surplus remaining after the General Fund Budget Stabilization Reserve has been brought to the maximum authorized level shall remain in the General Fund.****

When the General Assembly next meets, it may specifically appropriate the use of the undesignated General Fund surplus for the reduction of General Fund bonds authorized but yet to be issued by the Treasurer, a reduction of revenues or for other needs as the General Assembly may determine.