

Timing

There is no statutory deadline for school district budgets to be approved. Under 16 V.S.A. § 566, if a budget for the support of schools for the ensuing year has not been approved on or before June 30 of any year, the school board may borrow funds necessary to enable it to operate the schools on a budget of up to 87 percent of the most recently approved school budget. If the school board borrows money under this section, it shall determine how all funds shall be expended. Therefore, gap funding is available to the school district until it approves its budget (or even if it never does for that fiscal year). Because there is no deadline for the approval of school budgets, there is no need for legislation or a waiver to provide more time.

Advice to Clerks from Will Senning

Will Senning, Director of Elections and Campaign Finance, has given the following advice to municipal clerks:

1. “Budget Revotes and other votes not required to be held on or before a certain date

If you are facing a revote of your budget, there is no timeframe in the election law in which the budget revote must be held. You can cancel those warned budget revotes and wait to rewarn them (or simply wait to warn them if you have not yet). This is the case for any scheduled vote that is not required to be held on or before a certain date. You should post notice of the cancellation wherever the Warnings had been posted and otherwise take as many steps as possible to get the word out (website, Front Porch Forum, newspaper, etc.). You do not have to announce a date when the election [or revote on the budget] will be held at the time you cancel – but I would advise communicating to your voters that it is your intent to hold the election [revote on the budget] as soon as possible.”

2. Votes that By Charter, By Article of Agreement, or by law relating to petitions are required to be held on or before a certain date

“Many Villages and some school districts have Annual Meetings that are mandated to be held on a specific upcoming date under their charter or articles of agreement. Other municipalities have received or may still receive petitions for reconsideration, or petitions to hold special meetings, for which a meeting must be held within a certain time. Those of you facing these mandated votes have expressed your desire to cancel them, for all the reasons I explained above. Yesterday, we received agreement from the Governor, under the authority granted to the Secretary of State in Section 3 of the bill [H.681], to allow those of you with these mandated elections [or meetings] to cancel them as well, and proceed as advised above.”

Process for revotes

17 V.S.A. § 2680 provides that if a budget voted on by Australian ballot is rejected, the legislative body shall prepare a revised budget, establish a date for the vote on the revised budget, and take appropriate steps to warn a public informational meeting on the budget and the vote. The date of the public informational meeting is required to be at least five days following the public notice. The date of the vote is required to be at least seven days following the public notice. If the revised budget is rejected, the legislative body is required to repeat this procedure until a budget is adopted. Note that H.681 allows the board of a school district to move to the Australian voting system even if not previously authorized by voters. H.681 also permits the Governor, with consent of the Secretary of State, the ability to waive the public informational meeting requirement or, under the open meeting part of that law, to hold that meeting remotely. I would also note that, under 17 V.S.A. § 2661, it is possible for a school district that has approved its budget to reconsider the budget, but I have not heard that reconsideration is under consideration by school districts that have approved budgets.

Funds available to school districts that do not pass budgets by June 30

If a school district does not have an approved budget on or before June 30 for FY21, then the following applies:

1. The district would be entitled to the following funds:
 - a. 25% of the base education amount per equalized pupil (16 V.S.A. § 4028), with the balance of State education payments made after the school district has approved a budget;
 - b. any federal funds owed to the district;
 - c. State categorical funds (small schools grant, special education reimbursement, transportation aid, etc.); and
 - d. any fund balances and reserve accounts.
2. After subtracting out the amounts in #1 above, the school board has authority to borrow the remaining amount per 16 V.S.A. § 566 (see above) without first obtaining approval of the voters.

Status of school district budgets

Set forth below is information from Donna Russo-Savage of the AOE on the status of school district budgets—which is in part based on news reports and includes some dates that are now passed—but will give you a sense for the status:

“1. School District Budgets Voted Down on TMD: According to a March 5 Digger article, nine budgets were voted down. I checked the Warnings for each district to determine if they voted by Australian ballot or from the floor. Jeff or Sue may know of others.

6 Town/City Districts:

Alburgh – Australian ballot

Milton – Australian ballot

South Burlington – Australian ballot
Springfield – Australian ballot
Strafford – floor vote
Windham (elementary) – floor vote

3 Voter-Created UUSDs:

First Branch – floor vote
Harwood – Australian ballot
Slate Valley – Australian ballot

2. Post-TMD Annual Meetings: There are ten union school district (USDs) with post-TMD annual meetings. In each of these cases, the voters selected the annual meeting date at their organizational meeting, rather than in their Articles of Agreement. There may be town/city districts with post-TMD dates as well, but I don't know of any reasonable way to research this. [note that these dates may change based on the advice from Will above]

6 Voter-Created UUSDs:

Caledonia Cooperative (May 5 – Australian ballot)
Essex-Westford (April 14 – Australian ballot)
Granville Hancock (couldn't find date other than news article re: TMD votes referring to G-H vote being “at a later date” – floor vote)
River Valleys (March 25 – Australian ballot)
Rochester Stockbridge (May 5 – floor vote)
West River (March 25 – Australian ballot)

3 SBE-Created USDs:

Oxbow UUSD (April 14 – floor vote)
Windham Southeast UUSD (March 17 – floor vote)
Windham Northeast UUSD (April 9 – floor vote)

1 Other:

Rivendell Interstate (March 17 – floor vote)”