

1 H.413

2 Introduced by Representatives Leffler of Enosburgh, Beck of St. Johnsbury,
3 and Sullivan of Dorset

4 Referred to Committee on

5 Date:

6 Subject: Education; bonding; school construction

7 Statement of purpose of bill as introduced: This bill proposes to: (1) require
8 the Secretary of Education to update the school facilities standards, (2) require
9 the State Board of Education to update and adopt the Capital Outlay Formula
10 in State Board Rule 6124.1, (3) direct the Secretary of Education to conduct a
11 school facilities conditions analysis, (4) repeal the current State aid for school
12 construction program in 16 V.S.A. chapter 123, (5) create a new school
13 construction spending program, and (6) amend the excess spending calculation
14 in relation to school construction spending,

15 An act relating to State funding for school construction projects

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

17 Sec. 1. SCHOOL CONSTRUCTION; FACILITIES STANDARDS;

18 CAPITAL OUTLAY FINANCING FORMULA; AGENCY OF

19 EDUCATION; STATE BOARD OF EDUCATION; UPDATE

1 (a) On or before January 15, 2022, the Secretary of Education, in
2 consultation with the Executive Director of the Vermont Superintendents
3 Association, the Chair of the State Board of Education, and the Commissioner
4 of Buildings and General Services, shall update the school construction
5 facilities standards. The update shall reflect modern educational requirements
6 and opportunities.

7 (b) On or before January 15, 2022, the State Board of Education shall
8 update and adopt a Capital Outlay Financing Formula. Pursuant to State Board
9 Rule 6124.1, the Formula shall establish the maximum and minimum square
10 footage parameters by school size and grade range through a square footage
11 allowance per student or program. The Formula shall also establish an
12 allowable cost per square foot of construction.

13 Sec. 2. SCHOOL FACILITIES CONDITIONS ANALYSIS; AGENCY OF
14 EDUCATION; DEPARTMENT OF BUILDINGS AND GENERAL
15 SERVICES

16 (a) On or before February 15, 2022, the Secretary of Education, in
17 coordination with the Commissioner of Buildings and General Services, shall
18 issue a request for proposal for a school facilities conditions analysis to inform
19 the Agency of Education of the statewide school facilities needs and costs.
20 The analysis shall include a review of both school facilities conditions and
21 space needs.

1 (b) The Secretary of Education shall contract with an independent third
2 party to conduct the analysis described in subsection (a) of this section. The
3 analysis shall be completed on or before June 15, 2024.

4 (c) The amount of \$1,500,000.00 is appropriated from the Education Fund
5 to the Secretary of Education to conduct the analysis described in this section.

6 (d) As used in this section, “school” has the same meaning as in 16 V.S.A.
7 § 3447.

8 Sec. 3. REPEAL

9 16 V.S.A. chapter 123 is repealed.

10 Sec. 4. 16 V.S.A. chapter 124 is added to read:

11 CHAPTER 124. SCHOOL CONSTRUCTION SPENDING

12 § 3501. DEFINITIONS

13 As used in this section, “school” has the same meaning as in section 3447 of
14 this title.

15 § 3502. USE OF STATE FUNDS; SCHOOL CONSTRUCTION

16 (a) Except as provided in subsection (b) of this section, the State shall not
17 fund a school construction project from a capital construction act or the
18 Education Fund unless the project receives approval pursuant to section 3504
19 of this title.

1 (b) In any fiscal year, the State may appropriate not more than \$100,000.00
2 from a capital construction act for an emergency construction project, as
3 defined in subdivision 4001(6)(B) of this title.

4 § 3503. STATEWIDE SCHOOL CONSTRUCTION; BONDING

5 CAPACITY

6 (a) On or before July 1 each year, the Office of the State Treasurer and the
7 Vermont Bond Bank shall submit to the General Assembly a recommendation
8 for the total statewide bonding capacity for school construction projects for
9 that fiscal year.

10 (b) The statewide bonding capacity for school construction projects shall
11 not exceed 105 percent of the amount recommended in subsection (a) of this
12 section.

13 § 3504. SCHOOL FACILITIES CONDITIONS ANALYSIS

14 Biennially, the Agency of Education shall contract with an independent
15 third party for a school facilities conditions analysis of all Vermont schools
16 that assesses conditions and space needs.

17 § 3505. SCHOOL CONSTRUCTION PROJECT; APPROVAL PROCESS

18 (a) Biennially, beginning on September 1, 2024, the Secretary of Education
19 shall approve school construction projects. Subject to the bonding capacity
20 limits provided under subsection 3502(b) of this title, approval shall be granted
21 to projects:

1 (1) that are ranked in the top 10 percent of need based on the school
2 facilities conditions analysis described in section 3503 of this title; and

3 (2) that are emergency construction projects, as defined in subdivision
4 4001(6)(B) of this title.

5 (b)(1) A school district approved under this section shall meet the
6 eligibility criteria set forth in the Agency’s School Construction Planning
7 Guide.

8 (2) A school district shall use not more than 10 percent of its bond on
9 noneligible costs, as set forth in the Agency’s School Construction Planning
10 Guide.

11 Sec. 5. 16 V.S.A. § 4001 is amended to read:

12 § 4001. DEFINITIONS

13 As used in this chapter:

14 * * *

15 (6) “Education spending” means the amount of the school district
16 budget, any assessment for a joint contract school, career technical center
17 payments made on behalf of the district under subsection 1561(b) of this title,
18 and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is
19 paid for by the school district, but excluding any portion of the school budget
20 paid for from any other sources such as endowments, parental fundraising,

1 federal funds, nongovernmental grants, or other State funds such as special
2 education funds paid under chapter 101 of this title.

3 (A) [Repealed.]

4 (B) For purposes of calculating excess spending pursuant to
5 32 V.S.A. § 5401(12), “education spending” shall not include:

6 (i) Spending during the budget year for approved school ~~capital~~
7 construction for a project that received ~~preliminary~~ approval under ~~section~~
8 ~~3448~~ chapter 124 of this title, including interest paid on the debt; ~~provided the~~
9 ~~district shall not be reimbursed or otherwise receive State construction aid for~~
10 ~~the approved school capital construction.~~

11 (ii) ~~For a project that received final approval for State construction~~
12 ~~aid under chapter 123 of this title:~~

13 ~~(I) spending for approved school capital construction during the~~
14 ~~budget year that represents the district’s share of the project, including interest~~
15 ~~paid on the debt;~~

16 ~~(II) payment during the budget year of interest on funds~~
17 ~~borrowed under subdivision 563(21) of this title in anticipation of receiving~~
18 ~~State aid for the project~~ Spending during the budget year on emergency
19 construction projects. As used in this subdivision (6)(B), an “emergency
20 construction project” means a school construction project that is necessary to

1 address imminent threats to physical safety and health of students or
2 employees.

3 (iii) ~~Spending that is approved school capital construction~~
4 ~~spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future~~
5 ~~approved school capital construction costs, including that portion of tuition~~
6 ~~paid to an independent school designated as the public high school of the~~
7 ~~school district pursuant to section 827 of this title for capital construction costs~~
8 ~~by the independent school that has received approval from the State Board of~~
9 ~~Education, using the processes for preliminary approval of public school~~
10 ~~construction costs pursuant to subdivision 3448(a)(2) of this title. [Repealed.]~~

11 * * *

12 Sec. 6. 32 V.S.A. § 5401 is amended to read:

13 § 5401. DEFINITIONS

14 As used in this chapter:

15 * * *

16 (12) “Excess spending” means:

17 (A) The per-equalized-pupil amount of the district’s education
18 spending, as defined in 16 V.S.A. § 4001(6), spending for any school
19 construction projects approved pursuant to chapter 124 of this title, plus any
20 amount required to be added from a capital construction reserve fund under
21 24 V.S.A. § 2804(b).

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Sec. 7. SCHOOL CONSTRUCTION PROJECTS; BONDING; FY 2022 to
FY 2025

(a) Except as provided in subsection (b) of this section, beginning on July 1, 2021 and ending on January 1, 2025, if a school district approves a bond to pay for a school construction project, the State shall calculate that amount towards the district's excess spending threshold as defined in 32 V.S.A. § 5401.

(b) Beginning July 1, 2021 and ending on January 1, 2025, the State shall not calculate the amount of a bond approved to pay for an emergency school construction project toward a district's excess spending threshold as defined in 32 V.S.A. § 5401, if the Secretary of Education and the Commissioner of Health reviewed the project and recommended to the school district that the project is necessary to address imminent threats to physical safety and health of students or employees.

Sec. 8. REPEAL

Sec. 7 of this act (school construction projects; bonding; FY 2022 to FY 2025) shall be repealed on June 30, 2025.

Sec. 9. EFFECTIVE DATES

- (a) Secs. 1, 2, 7, 8 and this section shall take effect on July 1, 2021.
- (b) Secs. 3-6 shall take effect on July 1, 2024.