

1 S.220

2 An act relating to the excess spending threshold

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

4 Sec. 1. 16 V.S.A. § 4001 is amended to read:

5 § 4001. DEFINITIONS

6 As used in this chapter:

7 * * *

8 (6) “Education spending” means the amount of the school district
9 budget, any assessment for a joint contract school, career technical center
10 payments made on behalf of the district under subsection 1561(b) of this title,
11 and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is
12 paid for by the school district, but excluding any portion of the school budget
13 paid for from any other sources such as endowments, parental fundraising,
14 federal funds, nongovernmental grants, or other State funds such as special
15 education funds paid under chapter 101 of this title.

16 (A) [Repealed.]

17 (B) ~~For all bonds approved by voters prior to July 1, 2024, voter-~~
18 ~~approved~~ Voter-approved bond payments toward principal and interest shall
19 not be included in “education spending” for purposes of calculating excess
20 spending pursuant to 32 V.S.A. § 5401(12).

21 * * *

1 Sec. 2. 32 V.S.A. § 5401 is amended to read:

2 § 5401. DEFINITIONS

3 As used in this chapter:

4 * * *

5 (12) “Excess spending” means:

6 (A) The per pupil spending amount of the district’s education
7 spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be
8 added from a capital construction reserve fund under 24 V.S.A. § 2804(b).

9 (B) In excess of ~~118~~ 112 percent of the statewide average district per
10 pupil education spending increased by inflation, as determined by the Secretary
11 of Education on or before November 15 of each year based on the passed
12 budgets to date. As used in this subdivision (B), “increased by inflation”
13 means increasing the statewide average district per pupil education spending
14 for fiscal year 2025 by the most recent New England Economic Project
15 cumulative price index, as of November 15, for state and local government
16 purchases of goods and services, from fiscal year 2025 through the fiscal year
17 for which the amount is being determined.

18 (C) A school district’s excess spending shall be zero if any of the
19 following conditions is met:

20 (i) the district’s education spending is not greater than the
21 district’s educating spending for the preceding school year;

