

1 * * * Scenario 1: Existing Excess Spending Base * * *

2 Sec. 1. 32 V.S.A. § 5401(12) is amended to read: [July 1, 2027; FY28]

3 (12) “Excess spending” means:

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

7 (B) In excess of ~~448~~ 116.1 percent of the statewide average district
8 per pupil education spending ~~increased by~~ adjusted for inflation, as determined
9 by the Secretary of Education on or before November 15 of each year based on
10 the passed budgets to date. As used in this subdivision (B), “~~increased by~~
11 adjusted for inflation” means ~~increasing~~ adjusting the statewide average district
12 per pupil education spending for fiscal year 2025 by the ~~most recent New~~
13 ~~England Economic Project cumulative price index~~ change in the National
14 Income and Product Accounts (NIPA) implicit price deflator, as of November
15 15, for state and local government ~~purchases of goods and services~~
16 consumption expenditures and gross investment published by the U.S.
17 Department of Commerce, Bureau of Economic Analysis, from fiscal year
18 2025 through the fiscal year for which the amount is being determined.

19 Sec. 2. 32 V.S.A. § 5401(12) is amended to read: [July 1, 2028; FY29]

20 (12) “Excess spending” means:

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

4 (B) In excess of ~~116.1~~ 114.2 percent of the statewide average district
5 per pupil education spending adjusted for inflation, as determined by the
6 Secretary of Education on or before November 15 of each year based on the
7 passed budgets to date. As used in this subdivision (B), “adjusted for
8 inflation” means adjusting the statewide average district per pupil education
9 spending for fiscal year 2025 by the change in the National Income and
10 Product Accounts (NIPA) implicit price deflator, as of November 15, for state
11 and local government consumption expenditures and gross investment
12 published by the U.S. Department of Commerce, Bureau of Economic
13 Analysis, from fiscal year 2025 through the fiscal year for which the amount is
14 being determined.

15 * * * Scenario 2: Foundation Formula Base Amount * * *

16 Sec. 1. 32 V.S.A. § 5401 is amended to read: [July 1, 2027; FY28]

17 § 5401. DEFINITIONS

18 As used in this chapter:

19 * * *

20 (12) “Excess spending” means:

1 Department of Commerce, Bureau of Economic Analysis, as of November 15,
2 from fiscal year 2025 through the fiscal year for which the amount is being
3 determined, and rounding upward to the nearest whole dollar amount.

4 (19) “Excess spending threshold” means 101.7 percent of the excess
5 spending base.

6 Sec. 2. 32 V.S.A. § 5401(19) is amended to read: [July 1, 2028; FY29]

7 (19) “Excess spending threshold” means ~~103.4~~ 100 percent of the excess
8 spending base.

9 Sec. 2.5. 32 V.S.A. § 5401 is amended to read: [July 1, 2030; FY31]

10 § 5401. DEFINITIONS

11 As used in this chapter:

12 * * *

13 (18) ~~“Excess spending base” means the foundation formula base amount~~
14 ~~of \$15,033.00, as adjusted for inflation. The excess spending base shall be~~
15 ~~adjusted for inflation by adjusting the excess spending base by the change in~~
16 ~~the National Income and Product Accounts (NIPA) implicit price deflator for~~
17 ~~state and local government consumption expenditures published by the U.S.~~
18 ~~Department of Commerce, Bureau of Economic Analysis, as of November 15,~~
19 ~~from fiscal year 2025 through the fiscal year for which the amount is being~~
20 ~~determined, and rounding upward to the nearest whole dollar amount.~~

21 [Repealed.]

1 (19) ~~“Excess spending threshold” means 100 percent of the excess~~
2 ~~spending base. [Repealed.]~~

3 * * * Excess Spending Exemption * * *

4 Sec. 3. 16 V.S.A. § 4001(6) is amended to read: [July 1, 2026; FY27]

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

13 (A) [Repealed.]

14 (B) For all bonds approved by voters prior to ~~July 1, 2024~~ January 1,
15 2025, voter-approved bond payments toward principal and interest shall not be
16 included in “education spending” for purposes of calculating excess spending
17 pursuant to 32 V.S.A. § 5401(12).