

1 Sec. 1. 2024 Acts and Resolves No. 183, Sec. 7 is amended to read:

2 Sec. 7. RESERVE FUND ACCOUNT STANDARDS; DISTRICT  
3 QUALITY STANDARDS; RULEMAKING

4 On or before ~~January 1, 2025~~ December 31, 2026, the Agency of Education,  
5 in partnership with the Vermont Association of School Business Officials,  
6 shall ~~initiate~~ complete rulemaking pursuant to 3 V.S.A. chapter 25 to update  
7 the District Quality Standards rules contained in Agency of Education, District  
8 Quality Standards (CVR 23-020), to include recommended reserve fund  
9 account standards. ~~Prior to initiating rulemaking, the Agency shall consult~~  
10 ~~with local school officials.~~ The Agency shall specifically adopt rules to:

11 (1) prescribe minimum and maximum balance levels for a reserve fund,  
12 taking into consideration revenue predictability and expenditure volatility,  
13 exposure to significant one-time expenses, and impact on credit ratings;

14 (2) specify acceptable conditions that warrant use of the reserve fund  
15 and the period within which funds may be used;

16 (3) establish best practices for replenishing a depleted reserve fund,  
17 including the period over which the reserve fund should be replenished;

18 (4) define appropriate accounting terms to facilitate data consistency and  
19 improve data quality across the State; and

20 (5) identify conditions that may justify deviation from any broadly  
21 applicable standards adopted pursuant to this section.

1      Sec. 2. EFFECTIVE DATE

2      This act shall take effect on passage.

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