

1 TO THE HONORABLE SENATE:

2 The Committee on Finance to which was referred Senate Bill No. 220  
3 entitled “An act relating to addressing education spending in fiscal years 2028  
4 and 2029” respectfully reports that it has considered the same and recommends  
5 that the bill be amended by striking out all after the enacting clause and  
6 inserting in lieu thereof the following:

7 Sec. 1. ALLOWABLE GROWTH IN EDUCATION SPENDING FOR

8 FISCAL YEARS 2028 AND 2029

9 (a) Spending cap. Notwithstanding 16 V.S.A. § 563 or any other provision  
10 of law to the contrary, for fiscal years 2028 and 2029, the school board of a  
11 school district shall not propose or present to the voters a budget that would  
12 result in education spending that exceeds the district’s allowable spending.

13 (b) Allowable spending. The Secretary of Education shall publish the  
14 allowable spending for each school district in the State. A school district’s  
15 allowable spending shall equal the greater of the following amounts:

16 (1) the sum of the district’s education spending in the prior fiscal year  
17 and the district’s allowable growth; and  
18 (2) the district’s education spending in the prior fiscal year, increased by  
19 the annual change in the National Income and Product Accounts (NIPA)  
20 implicit price deflator for state and local government consumption

1        expenditures and gross investment as reported by the U.S. Department of  
2        Commerce, Bureau of Economic Analysis.

3        (c) Spending review.

4        (1) Appeal. If the school board for a school district determines that the  
5        budget that would be necessary for the ensuing fiscal year would violate the  
6        spending cap imposed under subsection (a) of this section, the school board  
7        shall submit its budget to the Secretary of Education for a spending review to  
8        determine whether the district's allowable spending should be increased.

9        (2) Review. The Secretary of Education, with the advice of three  
10       business managers and three superintendents selected by the Secretary, shall  
11       determine whether the increase in education spending in each budget submitted  
12       for spending review was beyond the submitting school district's control or for  
13       other good cause. An increase in education spending attributable to voter-  
14       approved bond payments toward principal and interest for capital construction  
15       to address life safety or district consolidation is deemed to be for good cause.

16       (3) Amendment. If the Secretary of Education determines that there is  
17       good cause for the increase in education spending, the Secretary shall amend  
18       the allowable spending for the submitting school district to account for the  
19       good cause increase.

20       (d) Definitions. As used in this section:

21       (1) “Allowable growth” for a school district means the sum of:

6                   (2)(A) “Allowable growth percentage” for a school district means nine  
7                   percent of the relative difference in per pupil education spending in the prior  
8                   fiscal year between the district and the highest spending district, excluding  
9                   gores, provided that the minimum allowable growth percentage shall be three  
10                  percent.

1 (3) “Education spending” has the same meaning as in 16 V.S.A. § 4001.

6                   (5) “Per pupil education spending” has the same meaning as in 16  
7                   V.S.A. § 4001.

8                   (6) “Weighted long-term membership” has the same meaning as in 16  
9                   V.S.A. § 4001.

## 10 Sec. 2. EFFECTIVE DATE

11 This act shall take effect on July 1, 2026.

12

13

14

15

16

17

18

19

---

20 Senator \_\_\_\_\_

21 FOR THE COMMITTEE