

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:

1 (A) the district’s education spending adjustment; and

2 (B) the product of:

3 (i) the district’s allowable growth percentage; and

4 (ii) the sum of the district’s education spending in the prior fiscal
5 year and the district’s education spending adjustment.

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.

11 (B) A school district’s allowable growth percentage is calculated as
12 follows:

13 (i) subtract the district’s per pupil education spending in the prior
14 fiscal year from the highest per pupil education spending in any district,
15 excluding gores, in the prior fiscal year;

16 (ii) divide the difference determined under subdivision (i) of this
17 subdivision (2)(B) by the district’s per pupil education spending in the prior
18 fiscal year; and

19 (iii) multiply the percentage determined under subdivision (ii) of
20 this subdivision (2)(B) by nine percent.

