

1 H.45

2 Introduced by Representative Olsen of Jamaica

3 Referred to Committee on

4 Date:

5 Subject: Education; Winhall; loan; education fund; excess spending; tuition

6 Statement of purpose: This bill proposes to lend the sum of \$600,000.00 from
7 the education fund to the Winhall school district, to exclude certain portions of
8 its education spending from the calculation of excess spending, and to require
9 the school district to ensure that its budgets accurately reflect the number of
10 students for which it will pay tuition in each budgeted year.

~~An act relating to the Winhall school district's budget. An act relating to
excluding tuition deficits from the definition of excess spending~~

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

12 ~~Sec. 1. STATEMENT OF PURPOSE~~

13 ~~The purpose of this act is to:~~

14 ~~(1) provide a loan to the Winhall school district in an amount sufficient~~
15 ~~to cover a deficit in the district's budget, which will provide the district with~~
16 ~~the necessary funding to meet its statutory obligations and to allow the district~~
17 ~~to retire its debt to the state over a three-year period;~~

18 ~~(2) permit the Winhall school district to exclude the costs of loan~~
19 ~~repayment from its calculation of excess spending;~~

1 ~~(3) assist the Winhall school district to achieve a more accurate and~~
2 ~~stable budgeting process; and~~

3 ~~(4) permit the Winhall school district to exclude from its calculation of~~
4 ~~excess spending:~~

5 ~~(A) budgeted amounts for projected additional students; and~~

6 ~~(B) any new deficits that result from unanticipated student~~
7 ~~enrollments, conditioned upon a determination that the district has worked~~
8 ~~closely with receiving schools to coordinate budgeting of anticipated future~~
9 ~~enrollment.~~

10 Sec. 2. WINHALL SCHOOL DISTRICT; LOAN

11 ~~(a) Notwithstanding 16 V.S.A. § 4025 or any other provision of law, the~~
12 ~~sum of \$600,000.00 is appropriated from the education fund in fiscal year 2011~~
13 ~~to the Winhall school district. The Winhall school district shall repay the full~~
14 ~~amount of the appropriation to the education fund, without interest, on or~~
15 ~~before July 1, 2014, pursuant to terms established by the state treasurer.~~

16 ~~Expenditures to be made in any year to repay the loan shall be included in the~~
17 ~~district's annual budget for that year as "education spending" as defined in~~
18 ~~16 V.S.A. § 4001(6). Repayment of the loan shall be solely from funds raised~~
19 ~~by the education tax on homestead property located in Winhall, Vermont.~~

20 ~~(b) Notwithstanding 32 V.S.A. § 5401(12) or any other provision of law,~~
21 ~~the principal paid by the Winhall school district pursuant to subsection (a) of~~

~~this section in fiscal years 2012, 2013, and 2014 shall not be considered~~

~~“education spending” in those years for purposes of calculating excess spending under subdivision 5401(12).~~

~~(c) Notwithstanding any provision of law to the contrary, the Winhall school district may:~~

~~(1) include within its budget a line-item equal to the projected cost of tuition that the district potentially will pay for unanticipated students who move into the district after the budget is approved by the voters (“projected cost”), where the projected cost shall be equal to the average number of unanticipated students for whom the district has paid tuition in the previous three budget years multiplied by the highest rate of tuition the district anticipates paying in the budget year; and~~

~~(2) exclude the “projected cost” from the calculation of excess spending under 3 V.S.A. § 5401(12).~~

~~(d) Notwithstanding 32 V.S.A. § 5401(12) or any other provision of law, the Winhall school district may exclude from the calculation of excess spending a budget deficit that is solely attributable to tuition paid for one or more new students who moved into the district after the budget for the year creating the deficit was approved by the voters; provided, however, this subsection (d) shall only apply in any year in which the commissioner of education determines that the Winhall school board has worked closely with~~

1 ~~the public and independent schools in which its resident students typically~~
2 ~~enroll and is taking other measures to ensure that its budget accurately reflects~~
3 ~~the number of students for which it will pay tuition in the budgeted year.~~

4 Sec. 3. EFFECTIVE DATE

5 ~~This act shall take effect on passage.~~

Sec. 1. 32 V.S.A. § 5401(12) is amended to read:

(12) "Excess spending" means:

(A) the per equalized pupil amount of:

(i) the district's education spending as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a capital construction reserve fund under 24 V.S.A. § 2804(b); minus

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(iv) a budget deficit in a district that pays tuition to a public school or an approved independent school, or both for all of its students in one or more grades in any year in which the deficit is solely attributable to tuition paid for one or more new students who moved into the district after the budget for the year creating the deficit was passed;

(B) in excess of 125 percent of the statewide average district education spending per equalized pupil in the prior fiscal year, as determined by the commissioner of education on or before November 15 of each year based on the passed budgets to date.

Sec. 2. EFFECTIVE DATE; SUNSET

This act shall take effect on passage and shall apply to tax rates calculated for fiscal year 2012 school budgets and after.