

1 H.154

2 Introduced by Representatives Partridge of Windham, Olsen of Londonderry,
3 and Trieber of Rockingham

4 Referred to Committee on

5 Date:

6 Subject: Education; school districts; budgets; fund balance

7 Statement of purpose of bill as introduced: This bill proposes to permit a
8 school district to use surplus monies to create a reserve fund without prior
9 voter authorization, provided the fund shall not exceed five percent of the
10 district's budget and the fund may only be used to address cash flow issues and
11 respond to emergencies.

12 An act relating to permitting school districts to create a reserve fund without
13 prior voter authorization

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

15 Sec. 1. 16 V.S.A. § 567 is amended to read:

16 § 567. SURPLUS

17 If an audit reveals that a school district has surplus funds, the school
18 board shall:

19 (1) carry the funds into the next year as revenue ~~unless authorized by the~~
20 ~~voters, at an annual or special meeting warned for the purpose, to:~~

1 ~~(1)~~(2) deposit the funds into a reserve fund established pursuant to
2 24 V.S.A. § 2804; or

3 ~~(2)~~(3) use the funds for a specific purpose authorized by the voters at an
4 annual or special meeting.

5 Sec. 2. 24 V.S.A. § 2804(c) is added to read:

6 (c) Notwithstanding subsection (a) of this section, a school district may
7 establish a reserve fund without prior voter authorization for the purpose of
8 receiving surplus funds at the end of the fiscal year; provided, however, that:

9 (1) the fund balance shall not exceed five percent of the district budget
10 in any year; and

11 (2) the fund shall be used solely to address cash flow issues and respond
12 to emergencies.

13 Sec. 3. EFFECTIVE DATE

14 This act shall take effect on July 1, 2015.