

1 H.756

2 Introduced by Representatives LaLonde of South Burlington, Miller of

3 Shaftsbury, Sharpe of Bristol, and Troiano of Stannard

4 Referred to Committee on

5 Date:

6 Subject: Education; school construction

7 Statement of purpose of bill as introduced: This bill proposes to:

8 (1) temporarily end the period of suspension of State aid for school

9 construction for consolidation projects only; and (2) require the Agency of

10 Education to oversee periodic capital needs assessments of State school

11 buildings.

12 An act relating to ending the suspension of State aid for school construction
13 projects

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

15 * * * Lifting Suspension of School Construction Aid * * *

16 Sec. 1. 2007 Acts and Resolves No. 52, Sec. 36 is amended to read:

17 Sec. 36. STATE AID FOR SCHOOL CONSTRUCTION; SUSPENSION

18 (a) The commissioner of education shall not accept, review, or act on any

19 applications for state aid under chapter 123 of Title 16 submitted after

20 March 7, 2007 unless, prior to March 7, 2007, the electorate voted funds or

1 authorized bonds, and thereafter all periods for reconsideration of the vote
2 have expired, except for those projects which are:

3 (1) eligible to be assigned first priority under 16 V.S.A. § 3448(a)(3);

4 (2) necessary to ensure the health and safety, as determined by the
5 commissioner, of students and employees using the building; or

6 (3) school consolidation projects eligible for 50 percent aid under
7 16 V.S.A. § 3448(a)(7)(C).

8 (b) It is the intent of the general assembly to use the time that state aid for
9 school construction is suspended to review the recommendations of the
10 commissioner of education and the commissioner of finance and management
11 reported under Sec. 38 of this act and, based on those recommendations,
12 develop a sustainable plan for state aid to school construction. If no plan is in
13 place by July 1, 2008, the general assembly will extend the period of
14 suspension until a plan is in place; provided, however, that any extension of the
15 period of suspension shall end on June 30, 2018.

16 Sec. 2. 2008 Acts and Resolves No. 200, Sec. 45, as amended by 2009 Acts
17 and Resolves No. 54, Sec. 22 is further amended to read:

18 Sec. 45. CONTINUATION OF SUSPENSION OF STATE AID FOR
19 SCHOOL CONSTRUCTION

20 (a) In Sec. 36 of No. 52 of the Acts of 2007, the general assembly
21 suspended state aid for school construction in order to provide time to enable

1 the commissioner of education and the commissioner of finance and
2 management to make recommendations for a sustainable plan for state aid to
3 school construction. In the absence of a viable plan for funding school
4 construction, the general assembly hereby extends the period of suspension
5 until a plan is developed and adopted; provided, however, that the period of
6 suspension shall end on June 30, 2018.

7 * * *

8 Sec. 3. 2013 Acts and Resolves No. 51, Sec. 45 is amended to read:

9 Sec. 45. STATE AID FOR SCHOOL CONSTRUCTION; EXTENSION
10 OF SUSPENSION

11 (a) In 2007 Acts and Resolves No. 52, Sec. 36, the General Assembly
12 suspended state aid for school construction in order to permit the Secretary of
13 Education and the Commissioner of Finance and Management to recommend a
14 sustainable plan for state aid for school construction.

15 (b) In 2008 Acts and Resolves No. 200, Sec. 45, as amended by 2009 Acts
16 and Resolves No. 54, Sec. 22, the General Assembly, in the absence of a
17 recommendation, extended the suspension until a sustainable plan for state aid
18 for school construction is developed and adopted.

19 (c) State aid remains suspended ~~pursuant to the terms of 2008 Acts and~~
20 ~~Resolves No. 200, Sec. 45 as amended by 2009 Acts and Resolves No. 54,~~
21 ~~Sec. 22~~ until June 30, 2018.

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Sec. 4. STATE AID FOR SCHOOL CONSTRUCTION; END OF
SUSPENSION

(a) Beginning in fiscal year 2019, the Secretary of Education shall accept and review any applications for State aid pursuant to 16 V.S.A. chapter 123 submitted after March 7, 2018.

(b) Beginning on January 15, 2019, the State Board of Education shall present its annual capital construction funding request to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

* * * Aid for School Consolidation * * *

Sec. 5. 16 V.S.A. § 3448 is amended to read:

§ 3448. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION
PROJECTS; RENEWABLE ENERGY

(a) Construction aid.

(1) Preliminary application for construction aid. A district or independent school eligible for assistance under section 3447 of this title, that intends to construct or purchase a new school, or make extensive additions or alterations to its existing school, and desires to avail itself of State school construction aid, shall submit a written preliminary application to the Secretary. A preliminary application shall include information required by the State Board by rule and shall specify the need for and purpose of the project.

1 A preliminary application shall also include information concisely providing
2 details addressing the ways in which the proposed project:

3 (A) will cause the district to provide education in a manner that is
4 more educationally appropriate;

5 (B) will cause the district to provide education in a manner that
6 provides greater educational opportunities in a more equitable manner;

7 (C) will result in or lead to sustained financial savings for the
8 district; and

9 (D) will result in or lead to more efficient use of statewide education
10 funds.

11 (2) Approval of preliminary application.

12 (A) When reviewing a preliminary application for approval, the
13 Secretary, in consultation with the Department of Public Service, as well as
14 other energy efficiency experts and public and private entities at the
15 Secretary's discretion, shall consider:

16 (i) the goals outlined in subdivision (1) of this subsection (a);

17 (ii) the project's ability to support increased connectivity, energy
18 efficiency, and use of renewable resources;

19 (iii) regional educational opportunities and needs, including
20 school building capacities across school district boundaries, and available
21 infrastructure in neighboring communities;

1 ~~(ii)~~(iv) economic efficiencies;

2 ~~(iii)~~(v) the suitability of an existing school building to continue to
3 meet educational needs; and

4 ~~(iv)~~(vi) statewide educational initiatives and the strategic plan of
5 the State Board of Education.

6 (B) The Secretary may approve a preliminary application if:

7 (i) the project or part of the project fulfills a need occasioned by:

8 (I) conditions that threaten the health or safety of students or
9 employees;

10 (II) inefficient use of State or local resources;

11 (III) facilities that are inadequate to provide programs required
12 by State or federal law or regulation;

13 ~~(III)~~(IV) excessive energy use resulting from the design of a
14 building or reliance on fossil fuels or electric space heat; or

15 ~~(IV)~~(V) deterioration of an existing building;

16 (ii) the need addressed by the project cannot reasonably be met by
17 another means; and

18 (iii) the proposed type, kind, quality, size, and estimated cost of
19 the project are suitable for the proposed curriculum and meet all legal
20 standards.

1 (3) Priorities. Following approval of a preliminary application and
2 provided that the district has voted funds or authorized a bond for the total
3 estimated cost of a project, the State Board shall assign points to the project so
4 that the project can be placed on a priority list based on the number of points
5 received. Once a project receives points, if it does not receive funding in a
6 given year, it shall not lose points in subsequent years and, pursuant to rule of
7 the Board and provided the scope of the project remains the same, it shall gain
8 points due to length of time on the list and may gain points for any other
9 reason. The points shall be assigned in the following priority:

10 (A) First priority is given to projects that result in consolidation of
11 two or more school buildings in order to serve the educational needs of
12 students in a more cost-effective and educationally appropriate manner.

13 (B) ~~First~~ Second priority is given to emergency projects in excess of
14 \$100,000.00 that address threats to the safety and health of students or
15 employees created by unanticipated circumstances or events.

16 ~~(B)~~(C) ~~Second~~ Third priority is given to construction projects in
17 excess of \$10,000.00 that address a need occasioned by deterioration of an
18 existing building or equipment pursuant to subdivision (2)(A) of this
19 subsection (a), and that extend the useful life of the building but that do not
20 make additions or extensive alterations to existing school facilities in which
21 students are provided services. Examples of projects given priority under this

1 subdivision are replacement, addition, or repair to utilities; projects that
2 address environmental quality issues; repair of a roof; replacement of an
3 existing space-heating, water-heating, cooling, or refrigeration system; and
4 replacement or upgrading of mechanical equipment.

5 ~~(C)~~(D) Remaining projects are given priority based on consideration
6 of the relative degree of need pursuant to subdivision (2)(A) of this
7 subsection (a).

8 (E) Within each priority level, different numbers of points shall be
9 given so as to rank projects in accordance with their ability to promote the
10 goals in subdivision (2) of this subsection (a).

11 * * *

12 (7) Awards. ~~Award of construction aid.~~

13 ~~(A) Except as provided in other subdivisions of this subdivision (7)~~
14 ~~and elsewhere in law, the amount of an award shall be 30 percent of the~~
15 ~~approved cost of the project.~~

16 ~~(B) The amount of an award for the incremental costs associated with~~
17 ~~the installation of a space heating, water heating, cooling, or refrigeration~~
18 ~~system that uses biomass, a geothermal ground source, wind, or solar energy~~
19 ~~as the primary heating or cooling source shall be 75 percent of the approved~~
20 ~~cost of those elements of the project specifically related to the renewable fuel~~
21 ~~source being used; provided that those elements may include the costs of~~

1 ~~necessary equipment, a chimney, air quality technology, and additional square~~
2 ~~footage necessary to house the heating unit and fuel; and further provided that~~
3 ~~those elements shall not include the costs of staff areas, site improvements~~
4 ~~relating to fuel delivery, and other ancillary costs as determined by the~~
5 ~~Secretary.~~

6 (C) The amount of an award shall be 50 percent of the approved cost
7 of a project or applicable portion of a project that results in consolidation of
8 two or more school buildings and that will serve the educational needs of
9 students in a more cost-effective and educationally appropriate manner as
10 compared to ~~individual projects constructed separately~~ continuing to utilize
11 multiple buildings. ~~A decision of the Secretary as to eligibility for aid under~~
12 ~~this subdivision (C) shall be final. This subdivision (C) shall apply only to a~~
13 ~~project that has received preliminary approval by June 30, 2013.~~

14 * * *

15 (g) Any district which receives an award of funds for school construction
16 under this section shall maintain a districtwide capital stewardship plan. The
17 district shall submit a report every two years to the Secretary detailing the
18 district's compliance with its stewardship plan. The district's first report shall
19 be due two years after the initial award to the district.

1 Sec. 6. STATE AID FOR SCHOOL CONSTRUCTION; SUSPENSION

2 The Secretary of Education shall not accept, review, or act on any
3 applications for State aid under 16 V.S.A. chapter 123 submitted after
4 March 7, 2021.

5 Sec. 7. AGENCY OF EDUCATION STAFF POSITION

6 The Secretary shall hire a staff person to administer the school construction
7 aid program and capital needs assessment required by this act. The Secretary
8 shall receive general funds to support this position.

9 * * * Capital Needs Assessment * * *

10 Sec. 8. 16 V.S.A. § 3441 is added to read:

11 § 3441. CAPITAL NEEDS ASSESSMENT

12 (a) On or before June 30, 2021, and once every five years thereafter, the
13 Secretary of Education shall oversee a capital needs assessment, including an
14 assessment of deferred maintenance, of all school buildings in the State. The
15 Secretary is authorized to hire a consultant to conduct the assessments
16 described in this subsection. The Secretary shall issue a report on the results of
17 the capital needs assessment on or before September 30 following the due date
18 of each assessment under this section and submit the report to the House
19 Committees on Education and on Corrections and Institutions and the Senate
20 Committees on Education and on Institutions. The report shall also contain the

1 Secretary's recommendation on how to encourage and assist schools with
2 capital planning practices and consolidation projects.

3 (b) Notwithstanding subsection (a) of this section, a school district may
4 notify the Secretary on or before June 30 of the first year of each five-year
5 period described in subsection (a) of this section that it will independently hire
6 a consultant to conduct the capital needs assessment for one or more of its
7 school buildings for that five-year period. Provided that the assessment is
8 completed and the report is provided to the Secretary on or before June 30 of
9 the year preceding the end of the five-year period and meets appropriate
10 standards, the Secretary may adopt the school district assessment for purposes
11 of the capital needs assessment required by subsection (a) of this section.

12 (c) The capital needs assessment required by subsection (a) of this section
13 shall include an assessment of:

14 (1) building condition, including an evaluation of major systems such as
15 roofing, HVAC, windows, and flooring;

16 (2) general environment, including building safety and accessibility,
17 academic and program sufficiency, and instructional technology; and

18 (3) capacity utilization.

1 Sec. 9. INITIAL CAPITAL NEEDS ASSESSMENT; SCHOOL DISTRICT
2 CONSULTANT

3 Notwithstanding 16 V.S.A. § 3441(a), a school district may notify the
4 Secretary by June 30, 2019 that it will independently hire a consultant, or has
5 independently hired a consultant after July 1, 2015 to conduct a capital needs
6 assessment of one or more of its school buildings. Provided that the
7 assessment is completed and the report is provided to the Secretary by June 30,
8 2020 and meets appropriate standards, the Secretary may adopt the school
9 district assessment for purposes of the capital needs assessment required by
10 16 V.S.A. § 3441(a).

11 * * * Effective Date * * *

12 Sec. 10. EFFECTIVE DATE

13 This act shall take effect on passage.