

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Education to which was referred Senate Bill No. 233
3 entitled “An act relating to amending Act 46” respectfully reports that it has
4 considered the same and recommends that the House propose to the Senate that
5 the bill be amended by striking out all after the enacting clause and inserting in
6 lieu thereof the following:

7 Sec. 1. 2015 Acts and Resolves No. 46, Sec. 37 is amended to read:

8 Sec. 37. ALLOWABLE GROWTH IN EDUCATION SPENDING FOR
9 FISCAL YEARS 2017 AND 2018 YEAR 2017

10 (a) Notwithstanding any other provision of law, for ~~fiscal years 2017 and~~
11 ~~2018~~ fiscal year 2017 only, “excess spending” under 32 V.S.A. § 5401(12)
12 means the ~~per equalized pupil amount of the district’s education spending, as~~
13 ~~defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a~~
14 ~~Capital Construction Reserve Fund under 24 V.S.A. § 2804(b), that is in~~
15 ~~excess of the district’s per equalized pupil amount of education spending in~~
16 ~~the prior fiscal year, plus the district’s allowable growth.~~ shall be calculated as
17 follows:

18 (1) For districts where the total amount of exclusions in 16 V.S.A.
19 § 4001(6)(B) either stays the same or increases from the prior fiscal year to the
20 current fiscal year, “excess spending” means the per-equalized-pupil amount of
21 the district’s education spending, plus any amount required to be added from a

1 Capital Construction Reserve Fund under 24 V.S.A. § 2804(b) that is in excess
2 of the district’s per-equalized-pupil amount of education spending in the prior
3 fiscal year, plus the district’s allowable growth. As used in this subdivision,
4 “education spending” means education spending as defined in 16 V.S.A.
5 § 4001(6) after the exclusions in 16 V.S.A. § 4001(6)(B) are subtracted.

6 (2) For districts where the total amount of exclusions in 16 V.S.A.
7 § 4001(6)(B) decreases from the prior fiscal year to the current fiscal year,
8 “excess spending” means the per-equalized-pupil amount of the district’s
9 education spending, plus any amount required to be added from a Capital
10 Construction Reserve Fund under 24 V.S.A. § 2804(b) that is in excess of the
11 district’s per-equalized-pupil amount of total education spending in the prior
12 fiscal year, plus the district’s allowable growth. As used in this subdivision,
13 “education spending” means education spending as defined in 16 V.S.A.
14 § 4001(6) before the exclusions in 16 V.S.A. § 4001(6)(B) are subtracted.

15 (b) For ~~fiscal years 2017 and 2018~~ fiscal year 2017 only, the “allowable
16 growth” for any individual school district is an amount equal to the actual
17 amount of per-equalized-pupil education spending in the district in the prior
18 fiscal year, multiplied by the district’s “allowable growth percentage.” A
19 district’s “allowable growth percentage” means a percentage that results from
20 the following equation: the highest per-equalized-pupil amount of the
21 education spending in any district in the State in the prior fiscal year, divided

1 by the actual amount of per-equalized-pupil education spending in the district
2 in the prior fiscal year, minus one, multiplied by five and one-half percent. For
3 the purpose of the calculations made under this subsection, the term “education
4 spending” refers to education spending as used to calculate excess spending
5 under 16 V.S.A. § 4001(6), including all the adjustments under 16 V.S.A.
6 § 4001(6)(B).

7 (c) Notwithstanding any other provision of law, for fiscal year 2017 only:

8 (1) The allowable growth percentage calculated in subsection (b) of this
9 section shall be increased by adding 0.9 percentage points to the allowable
10 growth percentage for each district.

11 (2) This section shall not apply to any district where the actual
12 per-equalized-pupil amount of education spending in fiscal year 2016 is below
13 the statewide average per-equalized-pupil amount of education spending in
14 fiscal year 2016. As used in this subsection, “the statewide average
15 per-equalized-pupil amount of education spending in fiscal year 2016” means
16 the total statewide per-equalized-pupil amount of education spending in 2016
17 divided by the total number of equalized pupils. As used in this subdivision,
18 “education spending” means education spending as defined in 16 V.S.A.
19 § 4001(6) after the exclusions in 16 V.S.A. § 4001(6)(B) are subtracted.

20 (3) For the districts not excluded from this section under subdivision (2),
21 the education property tax spending adjustment under 32 V.S.A. § 5401(13)(A)

1 and the education income tax spending adjustment under 32 V.S.A.
2 § 5401(13)(B) shall be calculated using a percentage of the district’s excess
3 spending. The percentage for each district shall be calculated on a straight line
4 basis. The district with the highest per-equalized-pupil education spending in
5 fiscal year 2017 shall have a percentage of 100, and a district with
6 per-equalized-pupil education spending equal to the statewide average
7 per-equalized-pupil amount of education spending in fiscal year 2016, as
8 calculated under subdivision (2), shall have a percentage of zero. As used in
9 this subdivision, “education spending” means education spending as defined in
10 16 V.S.A. § 4001(6) after the exclusions in 16 V.S.A. § 4001(6)(B) are
11 subtracted.

12 Sec. 2. REPEALS

13 2015 Acts and Resolves No. 46, Secs. 37, 38, and 52(k) are repealed on
14 July 1, 2017, and shall not apply to fiscal year 2018 or after.

15 Sec. 3. EFFECTIVE DATE

16 This act shall take effect on passage.

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18 (Committee vote: _____)

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Representative _____

FOR THE COMMITTEE