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H.408

Introduced by Representatives Wright of Burlington, Bancroft of Westford,
Baser of Bristol, Batchelor of Derby, Browning of Arlington,
Canfield of Fair Haven, Condon of Colchester, Devereux of
Mount Holly, Frenier of Chelsea, Gamache of Swanton, Higley
of Lowell, Jickling of Brookfield, Keefe of Manchester,
Lawrence of Lyndon, McCoy of Poultney, Morrissey of
Bennington, Ode of Burlington, Pearce of Richford, Rosenquist
of Georgia, Smith of Derby, and Strong of Albany

Referred to Committee on

Date:

Subject: Education; Education Fund; unfunded mandates

Statement of purpose of bill as introduced: This bill proposes to establish a
process for calculating the amount of unfunded mandates imposed on
supervisory unions and schools districts, and adding that amount to the
Governor's recommended budget for the following fiscal year.

An act relating to establishing a process for accounting for unfunded
education mandates

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

2 Sec. 1. 32 V.S.A. § 305b is added to read:

3 § 305b. UNFUNDED EDUCATION MANDATE AMOUNT TRANSFER

4 Within 30 days after the end of each annual legislative session of the
5 General Assembly, the Joint Fiscal Office and the Secretary of Administration
6 in consultation with the Secretary of Education shall estimate the “unfunded
7 education mandate amount.” This estimate shall equal the total dollar amount
8 required for supervisory unions and school districts to perform any action that
9 is required pursuant to legislation enacted during that annual legislative
10 session, and which has an related direct cost, but does not have a specifically
11 identified appropriation for fulfilling that obligation. The estimate shall be for
12 the fiscal year commencing on July 1 of the following year. The Joint Fiscal
13 Office and the Secretary of Administration shall present the unfunded
14 education mandate amount estimate to the Emergency Board at its July
15 meeting and the Emergency Board shall determine the unfunded education
16 mandate amount. The Governor’s budget report required under section 306 of
17 this title shall include a transfer of this amount from the General Fund pursuant
18 to 16 V.S.A. § 4025(a)(2) for the fiscal year commencing on July 1 of the
19 following year.

1 Sec. 2. 16 V.S.A. § 4025 is amended to read:

2 § 4025. EDUCATION FUND

3 (a) ~~An~~ The Education Fund is established to comprise the following:

4 * * *

5 (2) For each fiscal year, the amount of the general funds appropriated or
6 transferred to the Education Fund shall be ~~\$305,900,000.00, to be:~~

7 (A) the total of \$305,900,000.00 plus the unfunded education
8 mandate amount, as defined in subsection (e) of this section;

9 (B) increased annually beginning for fiscal year 2018 by the
10 consensus Joint Fiscal Office and Administration determination of the National
11 Income and Product Accounts (NIPA) Implicit Price Deflator for State and
12 Local Government Consumption Expenditures and Gross Investment as
13 reported by the U.S. Department of Commerce, Bureau of Economic Analysis
14 through the fiscal year for which the payment is being determined;

15 (C) plus an additional one-tenth of one percent.

16 * * *

17 (e) As used in this section, “unfunded education mandate amount” shall
18 mean the amount appropriated by the General Assembly in any fiscal year for
19 the purpose of providing funding for supervisory unions and school districts to
20 perform any action that is required pursuant to legislation, and which has an
21 related direct cost, but does not otherwise have a specifically identified

1 appropriation for fulfilling that obligation. The “unfunded education mandate
2 amount” shall include the cumulative amount of these appropriations for all
3 fiscal years in which they are made.

4 Sec. 3. 16 V.S.A. § 4028(d) is amended to read:

5 (d) Notwithstanding 2 V.S.A. § 502(b)(2), the Joint Fiscal Office shall
6 prepare a fiscal note for any legislation that requires a supervisory union or
7 school district to perform any action with ~~an associated~~ a related direct cost,
8 but does not ~~provide money or a funding mechanism~~ have a specifically
9 identified appropriation for fulfilling that obligation. Any fiscal note prepared
10 under this subsection shall identify whether or not the estimated costs would be
11 considered part of the “unfunded education mandate amount” under 32 V.S.A.
12 § 305b for the next fiscal year. Any fiscal note prepared under this subsection
13 shall be completed no later than the date that the legislation is considered for a
14 vote in the first committee to which it is referred.

15 Sec. 4. EFFECTIVE DATE

16 This act shall take effect on July 1, 2017.