

Senate Calendar

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ACTION CALENDAR

CONSIDERATION POSTPONED UNTIL MARCH 12, 2020

Second Reading

Favorable

S. 287.

An act relating to the contractual rights of members of the Vermont State Employees' Retirement System.

PENDING QUESTION: Shall the bill be read the third time?

CONSIDERATION POSTPONED UNTIL MARCH 17, 2020

Favorable with Recommendation of Amendment

S. 265.

An act relating to the use of food residuals for farming.

Reported favorably with recommendation of amendment by Senator Pollina for the Committee on Agriculture.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. § 6001 is amended to read:

§ 6001. DEFINITIONS

In this chapter:

* * *

(3)(A) "Development" means each of the following:

* * *

(D) The word "development" does not include:

(i) The construction of improvements for farming, logging, or forestry purposes below the elevation of 2,500 feet.

* * *

(vii) The construction of improvements below the elevation of 2,500 feet for the onsite storage, preparation, and sale of compost, provided that one of the following applies:

* * *

(III) The compost is principally used on the farm where it was produced.

* * *

(22) "Farming" means:

(A) the cultivation or other use of land for growing food, fiber, Christmas trees, maple sap, or horticultural and orchard crops; or

(B) the raising, feeding, or management of livestock, poultry, fish, or bees; or

(C) the operation of greenhouses; or

(D) the production of maple syrup; or

(E) the on-site storage, preparation, and sale of agricultural products principally produced on the farm; or

(F) the on-site storage, preparation, production, and sale of fuel or power from agricultural products or wastes principally produced on the farm; or

(G) the raising, feeding, or management of four or more equines owned or boarded by the farmer, including training, showing, and providing instruction and lessons in riding, training, and the management of equines; or

(H) the importation of up to 2,000 cubic yards per year or less of food residuals or food processing residuals onto a farm for the production of compost, provided that:

(i) the compost is principally used on the farm where it is produced; or

(ii) the compost is produced on a small farm that raises or manages poultry.

* * *

(38) "Farm" means, for the purposes of subdivision (22)(H) of this section, a parcel or parcels of land owned, leased, or managed by a person and devoted primarily to farming that meets the threshold criteria as established under the Required Agricultural Practices.

(39) "Food processing residuals" means the remaining organic material from a food processing plant and may include whey and other dairy, cheese making, and ice cream residuals or residuals from any food manufacturing process excluding livestock or poultry slaughtering and rendering operations.

“Food processing residuals” does not include food residuals from markets, groceries, or restaurants.

(40) “Food residuals” has the same meaning as in section 6602 of this title.

(41) “Principally used” means, for the purposes of subdivision (3)(D)(vii)(III) or (22)(H) of this section, that more than 50 percent, either by volume or weight, of the compost produced on the farm is physically and permanently incorporated into the native soils on the farm as a soil enhancement and is not removed or sold at any time thereafter.

(42) “Small farm” has the same meaning as in 6 V.S.A. § 4871.

Sec. 2. Section 2 of the Agency of Agriculture, Food and Markets, Vermont Required Agricultural Practices Rule for the Agricultural Nonpoint Source Pollution Control Program is amended to read:

Section 2. Definitions

* * *

2.16 Farming means:

(a) the cultivation or other use of land for growing food, fiber, Christmas trees, maple sap, or horticultural, viticultural, and orchard crops; or

(b) the raising, feeding, or management of livestock, poultry, fish, or bees; or

(c) the operation of greenhouses; or

(d) the production of maple syrup; or

(e) the on-site storage, preparation, and sale of agricultural products principally produced on the farm; or

(f) the on-site storage, preparation, production, and sale of fuel or power from agricultural products or wastes principally produced on the farm; or

(g) the raising, feeding, or management of four or more equines owned or boarded by the farmer, including training, showing, and providing instruction and lessons in riding, training, and the management of equines; or

(h) the importation of up to 2,000 cubic yards per year or less of food residuals or food processing residuals onto a farm for the production of compost, provided that:

(i) the compost is principally used on the farm where it is produced; or

(ii) the compost is produced on a small farm that raises or manages poultry.

* * *

2.44 “Food residual” means source separated and uncontaminated material that is derived from processing or discarding of food and that is recyclable, in a manner consistent with 10 V.S.A. § 6605k. Food residual may include preconsumer and postconsumer food scraps. “Food residual” does not mean meat and meat-related products when the food residuals are composted by a resident on site.

2.45 “Principally used” means that more than 50 percent, either by volume or weight, of the compost produced on the farm is physically and permanently incorporated into the native soils on the farm as a soil enhancement and is not removed or sold at any time thereafter.

Sec. 3. 6 V.S.A. chapter 218 is added to read:

CHAPTER 218. AGRICULTURAL RESIDUALS MANAGEMENT

§ 5131. PURPOSE

The purpose of this chapter is to establish a program for the management of residual wastes generated, imported to, or managed on a farm for farming in Vermont.

§ 5132. DEFINITIONS

As used in this chapter:

(1) “Agency” means the Agency of Agriculture, Food and Markets.

(2) “Compost” means a stable humus-like material produced by the controlled biological decomposition of organic matter through active management, but shall not mean sewage, septage, or materials derived from sewage or septage.

(3) “Farm” means a parcel or parcels of land owned, leased, or managed by a person and devoted primarily to farming that meets the threshold criteria for regulation under the Required Agricultural Practices.

(4) “Farming” has the same meaning as in 10 V.S.A. § 6001(22).

(5) “Food processing residuals” means the remaining organic material from a food processing plant and may include whey and other dairy, cheese making, and ice cream residuals or residuals from any food manufacturing process excluding livestock or poultry slaughtering and rendering operations.

“Food processing residuals” do not include food residuals from markets, groceries, or restaurants.

(6) “Food residuals” means source separated and uncontaminated material that is derived from processing or discarding of food and that is recyclable or compostable. “Food residuals” may include preconsumer and postconsumer food scraps. “Food residuals” include meat and meat-related products when the disposition of the products is managed on a farm.

(7) “Secretary” means the Secretary of Agriculture, Food and Markets.

(8) “Source separation” has the same meaning as in 10 V.S.A. § 6602.

§ 5133. FOOD RESIDUALS; RULEMAKING

(a) The Secretary shall regulate the importation of food residuals or food processing residuals onto a farm.

(b)(1) The Secretary shall adopt by rule requirements for the management of food residuals and food processing residuals on a farm. The rules may include requirements regarding:

(A) the proper composting of food residuals or food processing residuals;

(B) destruction of pathogens in food residuals, food processing residuals, or compost;

(C) prevention of public health threat from food residuals, food processing residuals, or compost;

(D) protection of natural resources or the environment; and

(E) prevention of objectionable odors, noise, vectors, or other nuisance conditions.

(2) The Secretary may adopt the rules required by this section as part of the Required Agricultural Practices or as independent rules under this chapter.

(c) A farm producing compost under 10 V.S.A. § 6001(22)(H) shall be regulated under this chapter and shall not require a certification or other approval from the Agency of Natural Resources under 10 V.S.A. chapter 159.

Sec. 4. 10 V.S.A. § 6605 is amended to read:

§ 6605. SOLID WASTE MANAGEMENT FACILITY CERTIFICATION

(a)(1) No person shall construct, substantially alter, or operate any solid waste management facility without first obtaining certification from the Secretary for such facility, site, or activity, except for sludge or septage treatment or storage facilities located within the fenced area of a domestic

wastewater treatment plant permitted under chapter 47 of this title. This exemption for sludge or septage treatment or storage facilities shall exist only if:

* * *

(2) Certification shall be valid for a period not to exceed 10 years.

* * *

(n) A farm producing compost under subdivision 6001(22)(H) is exempt from the requirements of this section.

Sec. 5. 10 V.S.A. § 6605h is amended to read:

§ 6605h. COMPOSTING REGISTRATION

Notwithstanding sections 6605, 6605f, and 6611 of this title, the Secretary may, by rule, authorize a person engaged in the production or management of compost at a small scale composting facility to register with the Secretary instead of obtaining a facility certification under section 6605 or 6605c of this title. This section shall not apply to a farm producing compost under subdivision 6001(22)(H).

Sec. 6. 10 V.S.A. § 6605j is amended to read:

§ 6605j. ACCEPTED COMPOSTING PRACTICES

(a) The Secretary, in consultation with the Secretary of Agriculture, Food and Markets, shall adopt by rule, pursuant to 3 V.S.A. chapter 25, and shall implement and enforce accepted composting practices for the management of composting in the State. These accepted composting practices shall address:

(1) standards for the construction, alteration, or operation of a composting facility;

(2) standards for facility operation, including acceptable quantities of product or inputs, vector management, odors, noise, traffic, litter control, contaminant management, operator training and qualifications, recordkeeping, and reporting;

(3) standards for siting of composting facilities, including siting and operation of compost storage areas, compost bagging areas, and roads and parking areas;

(4) standards for the composting process, including rotation, management of compost piles, compost pile size, and monitoring of compost operations;

(5) standards for management of runoff from compost facilities, including liquids management from the feedstock area, active composting areas, curing area, and compost storage area; the use of swales or stormwater management around or within a compost facility; vegetative buffer requirements; and run-off management from tipping areas;

(6) specified areas of the State unsuitable for the siting of commercial composting that utilizes post-consumer food residuals or animal mortalities, such as designated downtowns, village centers, village growth areas, or areas of existing residential density; and

(7) definitions of “small-scale composting facility,” “medium-scale composting facility,” and “de minimis composting exempt from regulation.”

(b) A person operating a small scale composting facility ~~or operating a composting facility on a farm~~ who follows the accepted composting practices shall not be required to obtain a discharge permit under section 1263 or 1264 of this title, a solid waste facility certification under chapter 159 of this title, or an air emissions permit under chapter 23 of this title unless a permit is required by federal law or the Secretary of Natural Resources determines that a permit is necessary to protect public health or the environment.

~~(c) The Secretary of Natural Resources shall coordinate with the Secretary of Agriculture, Food and Markets in implementing and enforcing the accepted composting practices. The Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources may, after opportunity for public review and comment, develop a memorandum of understanding for implementation and enforcement of the accepted composting practices. [Repealed.]~~

(d) The Secretary shall not regulate under this section a farm producing compost under subdivision 6001(22)(H).

Sec. 7. APPLICATION OF SOLID WASTE MANAGEMENT RULE

Prior to adoption of rules under 6 V.S.A. § 5133, the Secretary of Agriculture, Food and Markets shall require a person producing compost on a farm under subdivision 6001(22)(H) to comply with Sections 6–1101 through 6–1110 of the Agency of Natural Resources’ Vermont Solid Waste Management Rules. After adoption of rules under 6 V.S.A. § 5133, Sections 6-1101 through 6-1110 of the Agency of Natural Resources’ Vermont Solid Waste Management Rules shall not apply to a person producing compost on a farm under subdivision 6001(22)(H).

Sec. 8. UPDATE ON IMPLEMENTATION OF IMPORT OF FOOD
RESIDUALS ONTO FARM FOR COMPOSTING

On or before January 15, 2022, the Secretary of Agriculture, Food and Markets and the Secretary of Natural Resources shall consult and present or submit testimony to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry regarding the import of food residuals onto farms for the purpose of compost production.

Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

UNFINISHED BUSINESS OF JANUARY 7, 2020

GOVERNOR'S VETOES

S. 37.

An act relating to medical monitoring.

Pending question (to be voted by call of the roll): Shall the bill pass, notwithstanding the Governor's refusal to approve the bill? (Two-thirds of the members present required to override the Governor's veto.)

(For text of veto message, see Senate Calendar for January 7, 2020, page 1.)

S. 169.

An act relating to firearms procedures.

Pending question (to be voted by call of the roll): Shall the bill pass, notwithstanding the Governor's refusal to approve the bill? (Two-thirds of the members present required to override the Governor's veto.)

(For text of veto message, see Senate Calendar for January 7, 2020, page 9.)

NEW BUSINESS

Third Reading

S. 261.

An act relating to eliminating life without parole.

Amendment to S. 261 to be offered by Senator Sears before Third Reading

Senator Sears moves to amend the bill by striking Sec. 3, eligibility for parole consideration, in its entirety and inserting in lieu thereof the following:

Sec. 3. 28 V.S.A. § 501 is amended to read:

§ 501. ELIGIBILITY FOR PAROLE CONSIDERATION

(a) An inmate serving any sentence other than life without the possibility of parole shall be eligible for parole consideration no later than upon serving 35 years.

(b) An inmate who is serving a sentence of imprisonment shall be eligible for parole consideration as follows:

(1) If the inmate's sentence has no minimum term or a zero minimum term, the inmate shall be eligible for parole consideration within 12 months after commitment to a correctional facility.

(2) If the inmate's sentence has a minimum term, the inmate shall be eligible for parole consideration after the inmate has served the minimum term of the sentence or upon the inmate serving 35 years, whichever occurs first.

Committee Bill for Second Reading

Favorable

S. 339.

An act relating to miscellaneous changes to laws related to vehicles.

By the Committee on Transportation. (Senator Perchlik for the Committee)

Reported favorably by Senator Campion for the Committee on Finance.

(Committee vote: 7-0-0)

Second Reading

Favorable with Recommendation of Amendment

S. 180.

An act relating to prohibiting the use and application of the pesticide chlorpyrifos.

Reported favorably with recommendation of amendment by Senator Collamore for the Committee on Agriculture.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 6 V.S.A. § 1114 is added to read:

§ 1114. USE OF CHLORPYRIFOS

(a) Definition. As used in this section, “chlorpyrifos” means a pesticide with the chemical name O,O-diethyl O-(3,5,6-trichloro-2-pyridinyl)-phosphorothioate.

(b) Prohibition. No person shall use or apply chlorpyrifos in the State.

Sec. 2. 6 V.S.A. § 1101 is amended to read:

§ 1101. DEFINITIONS

As used in this chapter unless the context clearly requires otherwise:

(1) “Secretary” ~~shall have~~ has the same meaning stated as in subdivision 911(4) of this title.

* * *

(4) “Economic poison” ~~shall have~~ has the same meaning stated as in subdivision 911(5) of this title.

(5) “Pest” means any insect, rodent, nematode, fungus, weed, or any other form of terrestrial or aquatic plant or animal life or virus, bacteria, or other microorganisms, which the Secretary declares as being injurious to health or environment. Pest shall not mean any viruses, bacteria, or other microorganisms on or in living humans or other living animals.

(6) “Pesticide” for the purposes of this chapter shall be used interchangeably with “economic poison.”

* * *

(8) “Integrated pest management” means an ecosystem-based strategy that focuses on long-term prevention of pests or their damage through a combination of techniques such as biological control, habitat manipulation, modification of cultural practices, and use of resistant varieties. Under integrated pest management, pesticides are used only after monitoring indicates they are needed according to established guidelines, and pesticide treatments are made with the goal of removing only the target organism. Pest control materials are selected and applied in a manner that minimizes risks to human health, beneficial and nontarget organisms, and the environment.

Sec. 3. 6 V.S.A. § 1102 is amended to read:

§ 1102. PESTICIDE ADVISORY COUNCIL ESTABLISHED

(a) The Pesticide Advisory Council is established and attached to the Agency of Agriculture, Food and Markets. Members of the Council, ~~except~~

~~those public members appointed by the Governor, shall be qualified individuals who, by experience and training, are knowledgeable in one or more areas associated with pest control or in the goals or functions of the Council. The Secretary, or Commissioner as the case may be, shall represent each Department or Agency on the Council~~ Council shall comprise the following members:

~~(1) The Department of Fish and Wildlife.~~

~~(2) The Department~~ Commissioner of Environmental Conservation. ~~or designee;~~

~~(3)(2) The Agency~~ Secretary of Agriculture, Food and Markets. ~~or designee;~~

~~(4) The Department of Forests, Parks and Recreation.~~

~~(5)(3) The Department~~ Commissioner of Health. ~~or a designee with expertise in public health;~~

~~(6) The Agency of Transportation.~~

~~(7) One physician from the College of Medicine of the University of Vermont nominated by its dean.~~

~~(8)(4) One representative in the area of~~ with expertise in agronomy, entomology, or plant pathology, or weed control from the University of Vermont Extension to be named by the Director, appointed by the Secretary.

~~(9)(5) One representative in the area of pesticide research from the Vermont Agricultural Experiment Station named by the Dean of the College of Agriculture and Life Sciences of the University of Vermont.~~

~~(10)(6) Two members appointed by the Governor. In choosing these members, the Governor shall consider people who have knowledge and qualities that could be useful in pursuing the goals and functions of the Council. One of these members shall have practical experience in commercial agricultural production and shall be appointed in consultation with the Secretary. One of these members shall have practical knowledge or experience in environmental or public health issues in Vermont.~~

~~(7) One representative with expertise in farming in Vermont to be appointed by the Secretary.~~

~~(8) One representative with expertise in the area of environmental consequences of pesticide and other contaminants in the environment named by the Dean of the Rubenstein School of Environment and Natural Resources.~~

(9) One representative with expertise in Integrated Pest Management (IPM) and managing land while minimizing or avoiding the use of pesticides in Vermont to be appointed by the Secretary.

~~(b) Each State or university member of the Council shall serve until his or her resignation or until his or her successor is appointed or otherwise designated in accordance with this chapter. Public members~~ member of the Pesticide Advisory Council, ~~except those members serving ex officio,~~ shall be appointed for terms of three years, except initially, appointments shall be made such that one member shall serve for a term of one year and one for a term of two years.

~~(c) The Chair of the Council shall be designated by the Governor and serve as his or her personal representative and~~ The Council shall select a chair from among its members, and the chair shall coordinate activities on the Council.

~~(d) The functions of the Council are~~ shall:

~~(1) To review~~ Review insect, plant disease, weed, nematode, rodent, noxious wildlife, and other pest control programs within the State and to assess the effect of such programs on human health and comfort, natural resources, water, wildlife, and food and fiber production and, where necessary, make recommendations for greater safety and efficiency.

~~(2) To serve~~ Serve as the advisory group to State agencies having responsibilities for the use of pesticides as well as to other State agencies and departments.

~~(3) To advise~~ Advise the Executive Branch of State government with respect to legislation concerning the use of various pest control measures.

~~(4) To suggest~~ Recommend programs, policies, and legislation for wise and effective pesticide use that lead to an overall reduction in the use of pesticides in Vermont consistent with sound pest or vegetative management practices.

~~(5) To recommend~~ Recommend studies necessary for the performance of its functions as established under this section.

~~(6) To recommend~~ Recommend targets to the General Assembly with respect to the State statutory goal of achieving an overall reduction in the use of pesticides ~~consistent with sound pest or vegetative management practices and to measure the State's progress in reaching those targets and attaining that goal.~~ The targets should be designed to enable evaluation of multiple measures of pesticide usage, use patterns, and associated risks. Targets should take into consideration at a minimum the following:

- (A) reducing the amount of acreage where pesticides are used;
- (B) reducing the risks associated with the use of pesticides;
- (C) increasing the acreage managed by means of integrated pest management techniques;
- (D) decreasing, within each level of comparable risk, the quantity of pesticides applied per acre; and
- (E) making recommendations regarding the implementation of other management practices that result in decreased pesticide use.

(7) ~~To recommend~~ Recommend to the Secretary and the General Assembly policies, proposed rules, or legislation for the regulation of the use of a treated article when the Council determines that use of the treated article will have a hazardous or long-term deleterious effect on the environment in Vermont, presents a likely risk to human health, or is dangerous. In developing recommendations under this subdivision, the Council shall review:

- (A) alternatives available to a user of a treated article; and
- (B) the potential effects on the environment or risks to human health from use of the available alternatives to a treated article.

(e) The Council shall meet ~~semiannually, once in the fall and once in the spring~~ at least quarterly. Meetings at other times may be called by the Governor, by the Chair, or by a member of the Council. Attendance at Council meetings shall not be required of the commissioners of departments within the Agency of Natural Resources or their designees; however, at least one of these commissioners or the commissioner's designee shall attend each meeting of the Council. The Council's proceedings shall be open to the public and its deliberations shall be recorded and made available to the public, along with its work product.

(f) On or before February 1, 2021 and annually thereafter, the Council shall submit to the Senate Committee on Agriculture and the House Committee on Agriculture and Forestry a report regarding the specific actions and activities accomplished by the Council in the previous calendar year to reduce risk to humans and the environment from pesticide use and to reduce the amount of pesticides used within each category of pesticide use in Vermont. The report also shall include all recommendations by the Council to the General Assembly under subdivisions (d)(6) and (7) of this section regarding targets for achieving an overall reduction in the use of pesticides. All recommendations to the General Assembly under subdivisions (d)(6) and (7) of this section shall be publicly posted, noticed for public comment, and

posted to and regularly updated on the website of the Agency of Agriculture, Food and Markets.

Sec. 4. TRANSITIONAL PROVISION; REVISION OF MEMBERSHIP OF PESTICIDE ADVISORY COUNCIL

(a) The terms of the members of the Pesticide Advisory Council established under 6 V.S.A. § 1102 in effect immediately prior to the effective date of Sec. 3 of this act shall expire on July 1, 2020.

(b) On or before July 1, 2020, the appointing authorities of the Pesticide Advisory Council set forth in 6 V.S.A. § 1102 as amended in Sec. 3 of this act shall appoint the members of the Pesticide Advisory Council as amended in Sec. 3 of this act, and the terms of those new members shall begin on July 1, 2020.

Sec. 5. HERBICIDE USE ON FIELD CORN; BEST PRACTICES

On or before May 1, 2021, the Secretary of Agriculture, Food and Markets shall develop by procedure best practices in addition to the Vermont Regulations for the Control of Pesticides that farmers using herbicides on field corn should implement to reduce the amount of herbicides used on corn fields and to avoid or mitigate potential harms to public health or the environment.

Sec. 6. EFFECTIVE DATES

(a) This section and Secs. 1 (chlorpyrifos prohibition) and 4 (transitional provision; Pesticide Advisory Council) shall take effect on passage.

(b) All other sections shall take effect July 1, 2020.

And that after passage the bill be amended to read:

An act relating to the use and application of pesticides.

(Committee vote: 5-0-0)

S. 187.

An act relating to transient occupancy for health care treatment and recovery.

Reported favorably with recommendation of amendment by Senator Hooker for the Committee on Economic Development, Housing and General Affairs.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 9 V.S.A. § 4452 is amended to read:

§ 4452. EXCLUSIONS

Unless created to avoid the application of this chapter, this chapter does not apply to any of the following:

* * *

(8) transient occupancy in a hotel, motel, or lodgings during the time the occupant is a recipient of General Assistance or Emergency Assistance temporary housing assistance, regardless of whether the occupancy is subject to a tax levied under 32 V.S.A. chapter 225; or

(9) occupancy of a dwelling unit without right or permission by a person who is not a tenant; or

(10) transient occupancy by an occupant placed in a hotel, motel, or lodgings in connection with health care treatment or recovery, where the occupancy is paid for by a hospital as licensed in 18 V.S.A. chapter 43, an agency designated pursuant to 18 V.S.A. § 8907, or a specialized service agency operating under an agreement entered into pursuant to 18 V.S.A. § 8912, regardless of whether the occupant is subject to a tax levied under 32 V.S.A. chapter 225.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2020.

(Committee vote: 5-0-0)

NOTICE CALENDAR

Committee Bill for Second Reading

Favorable with Recommendation of Amendment

S. 337.

An act relating to energy efficiency entities and programs to reduce greenhouse gas emissions in the thermal energy and transportation sectors.

By the Committee on Natural Resources and Energy. (Senator Bray for the Committee.)

Reported favorably with recommendation of amendment by Senator Campion for the Committee on Finance.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. ALLOWANCE OF THE USE OF ENERGY EFFICIENCY

CHARGE FUNDS FOR GREENHOUSE GAS EMISSIONS
REDUCTION PROGRAMS

(a) The electric resource acquisition budget for an entity appointed to provide electric energy efficiency and conservation programs and measures pursuant to 30 V.S.A. § 209(d)(2)(A) for the calendar years 2021–2023 shall be determined pursuant to 30 V.S.A. § 209(d)(3)(B). This section shall apply only if the entity’s total electric resource acquisition budget for 2021–2023 does not exceed the entity’s total electric resource acquisition budget for 2018–2020.

(b) Notwithstanding any provision of law or order of the Public Utility Commission (PUC) to the contrary, the PUC shall authorize an entity pursuant to subsection (a) of this section to spend a portion of its electric resource acquisition budget, in an amount to be determined by the PUC but not to exceed \$2,000,000.00 per year, on programs, measures, and services that reduce greenhouse gas emissions in the thermal energy or transportation sectors. Programs, measures, and services authorized pursuant to subsection (a) of this section shall:

(1) Reduce greenhouse gas emissions in the thermal energy or transportation sectors, or both.

(2) Have a nexus with electricity usage.

(3) Be additive and complementary to and shall not replace or be in competition with electric utility energy transformation projects pursuant to 30 V.S.A. § 8005(a)(3) such that they result in the largest possible greenhouse gas emissions reductions in a cost-effective manner.

(4) Be proposed after the entity consults with any relevant State agency or department and shall not be duplicative or in competition with programs delivered by that agency or department.

(5) Be delivered on a statewide basis. However, if any of these funds are used for services specific to a retail electricity provider, the funds used for services to each retail electricity provider for the calendar years 2021–2023 shall be reasonably proportionate to the energy efficiency charge collected in that territory.

(c) An entity that is approved to provide a program, measure, or service pursuant to this section shall provide the program, measure, or service in cooperation with a retail electricity provider.

(1) The entity shall not claim any savings and reductions in fossil fuel consumption and in greenhouse gas emissions by the customers of the retail electricity provider resulting from the program, measure, or service if the

provider elects to offer the program, measure, or service pursuant to 30 V.S.A. § 8005(a)(3) unless the entity and provider agree upon how savings and reductions should be accounted for, apportioned, and claimed.

(2) The PUC shall develop standards and methods to appropriately measure the effectiveness of the programs, measures, and services in relation to the entity's Demand Resources Plan proceeding.

(d) Any funds spent on programs, measures, and services pursuant to this section shall not be counted towards the calculation of funds used by a retail electricity provider for energy transformation projects pursuant to 30 V.S.A. § 8005(a)(3) and the calculation of project costs pursuant to 30 V.S.A. § 8005(a)(3)(C)(iv).

(e) On or before April 30, 2021 and every April 30 for three years thereafter, the PUC shall submit a written report to the House Committee on Energy and Technology and the Senate Committees on Natural Resources and Energy and on Finance concerning any programs, measures, and services approved pursuant to this section.

Sec. 2. EFFECTIVE DATE

This act shall take effect on passage and shall be repealed as of April 30, 2024.

(Committee vote: 6-0-1)

Second Reading

Favorable with Recommendation of Amendment

S. 166.

An act relating to the dissolution of the State Board of Education.

Reported favorably with recommendation of amendment by Senator Baruth for the Committee on Education.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Transfer of Certain Responsibilities of the State Board of Education to the Secretary of Education * * *

Sec. 1. 16 V.S.A. § 164 is amended to read:

§ 164. STATE BOARD; GENERAL POWERS AND DUTIES

The State Board shall ~~evaluate education policy proposals, including timely evaluation of policies presented by the Governor and Secretary;~~ engage local school board members and the broader education community; ~~and establish~~

~~and advance education policy for the State of Vermont and, consistent with the provisions of this title, its own rules, and rules adopted by the Secretary, establish and regularly update a long-term strategic vision for the delivery of educational services in Vermont; advise the General Assembly, the Governor, and the Secretary of Education on high priority educational policies and issues as they arise; and act in accordance with Legislative mandates, including the adoption of rules and executing special assignments.~~ In addition to other specified duties, the Board shall:

(1) Establish such advisory commissions as in the judgment of the Board will be of assistance to it in carrying out its duties. Advisory commission members shall serve with or without compensation at the discretion of the Board but shall receive actual expenses incurred in pursuance of their duties.

(2) Have the authority to enter into agreements with school districts, municipalities, states, the United States, foundations, agencies, or individuals for service, educational programs, or research projects.

(3) Examine and determine all appeals that by law are made to it and prescribe rules of practice in respect thereto, not inconsistent with law.

~~(4) Review and comment on an Agency budget prepared by the Secretary for the Governor. [Repealed.]~~

(5) [Repealed.]

~~(6) Make regulations governing the attendance and records of attendance of all students and the department of students attending public schools. [Repealed.]~~

(7) ~~Adopt rules pursuant to 3 V.S.A. chapter 25 as necessary or appropriate for the execution of its powers and duties and of the powers and duties of all persons under its supervision and control to carry out the powers and duties of the Board as directed by the General Assembly, within the limitations of legislative intent, including rules concerning:~~

(A) the operation and administration of the State Board of Education;

(B) educational quality standards;

(C) independent school program approval, including:

(i) approval of distance learning schools;

(ii) post-secondary schools; and

(iii) private kindergarten approval;

(D) special education, including special education finance and census-based funding;

(E) school accountability system based on student achievement;

(F) supervisory union and school district organization; and

(G) proposals for alternative structures under 2015 Acts and Resolves No. 46.

(8) Review and comment on rules proposed by the Agency of Education prior to prefiling the proposed rules with the Interagency Committee on Administrative Rules under 3 V.S.A. § 837.

(9) Implement Develop and continually update standards for student performance in appropriate content areas and at appropriate intervals in the continuum from kindergarten prekindergarten to grade 12 and methods of assessment to determine attainment of the standards for student performance. The standards shall be rigorous, challenging, and designed to prepare students to participate in and contribute to the democratic process and to compete in the global marketplace. The standards shall include a standard for reading level proficiency for students completing grade three.

(10) [Repealed.]

(11) ~~If deemed advisable, determine educational standards for admission to and graduation from the public schools. [Repealed.]~~

(12) [Repealed.]

(13) ~~Be the State Board for the program of adult education and literacy and perform all the duties and powers prescribed by law pertaining to adult education and literacy and to act as the State approval agency for educational institutions conducting programs of adult education and literacy. [Repealed.]~~

(14) ~~Adopt rules for approval of independent schools. [Repealed.]~~

(15) ~~Establish criteria governing the establishment of a system for the receipt, deposit, accounting, and disbursement of all funds by supervisory unions and school districts. [Repealed.]~~

(16) ~~In cooperation with the Secretary, ensure that the Agency develops information, plans, and assistance to aid in making technology and telecommunications available and coordinated in all school districts. The State Board shall develop guidelines for distribution of federal, State, or private funds designated for the development or expansion of distance learning technologies. The guidelines shall encourage, consistent with any terms or conditions established by the funding source, collaboration between schools~~

~~and school districts to realize economic and educational efficiencies. [Repealed.]~~

~~(17) Report annually on the condition of education statewide and on a supervisory union and school district basis. The report shall include information on attainment of standards for student performance adopted under subdivision (9) of this section, number and types of complaints of hazing, harassment, or bullying made pursuant to chapter 9, subchapter 5 of this title and responses to the complaints, financial resources and expenditures, and community social indicators. The report shall be organized and presented in a way that is easily understandable by the general public and that enables each school, school district, and supervisory union to determine its strengths and weaknesses. To the extent consistent with State and federal privacy laws and regulations, data on hazing, harassment, or bullying incidents shall be disaggregated by incident type, including disaggregation by ethnic groups, racial groups, religious groups, gender, sexual orientation, gender identity, disability status, and English language learner status. The Secretary shall use the information in the report to determine whether students in each school, school district, and supervisory union are provided educational opportunities substantially equal to those provided in other schools, school districts, and supervisory unions pursuant to subsection 165(b) of this title. [Repealed.]~~

~~(18) Ensure that Vermont's students, including students enrolled in secondary career technical education, have access to a substantially equal educational opportunity by developing a system to evaluate the equalizing effects of Vermont's education finance system and education quality standards under section 165 of this title. [Repealed.]~~

~~(19) [Repealed.]~~

~~(20) Pursuant to section 806g of this title, constitute the State Council for the Interstate Compact on Educational Opportunity for Military Children and appoint to the Council a Compact Commissioner and Military Family Education Liaison, who may be the same person. The Board may appoint additional members. [Repealed.]~~

~~(21) Report annually to the Governor and the General Assembly on the progress the Board has made on the development of education policy for the State current condition and future prospects of education in Vermont.~~

Sec. 2. 16 V.S.A. § 212 is amended to read:

§ 212. SECRETARY'S DUTIES GENERALLY

The Secretary shall ~~execute those policies~~ adopt rules pursuant to 3 V.S.A. chapter 25 necessary to execute the powers and responsibilities given

to the Secretary under this title or otherwise required or authorized by State or federal law and as directed by the General Assembly, except that the Secretary shall not adopt rules in areas reserved to the State Board of Education under section 164 of this title, implement rules adopted by the Secretary and the State Board in the legal exercise of its their powers, and shall:

* * *

(23) Make rules governing the attendance and records of attendance of all students and the department of students attending public schools.

(24) Establish criteria governing the establishment of a system for the receipt, deposit, accounting, and disbursement of all funds by supervisory unions and school districts.

(25) Provide guidance to school districts to make technology and telecommunications available and coordinated in all school districts, including guidelines for the distribution of federal, State, and private funds designated for the development or expansion of distance learning technologies. The guidelines shall encourage, consistent with any terms or conditions established by the funding source, collaboration between schools and among school districts to realize economic and educational efficiencies.

(26) Report annually on the condition of education statewide and on a supervisory union and school district basis. The report shall include information on attainment of standards for student performance adopted under subdivision 164(9) of this title, number and types of complaints of hazing, harassment, or bullying made pursuant to chapter 9, subchapter 5 of this title. The report shall also include information on the and responses to the complaints, financial resources and expenditures, and community social indicators. The report shall be organized and presented in a way that is easily understandable by the general public and that enables each school, school district, and supervisory union to determine its strengths and weaknesses. To the extent consistent with State and federal privacy laws and regulations, data on hazing, harassment, or bullying incidents shall be disaggregated by incident type, including disaggregation by ethnic groups, racial groups, religious groups, gender, sexual orientation, gender identity, disability status, and English language learner status. The Secretary shall use the information in the report to determine whether students in each school, school district, and supervisory union are provided educational opportunities substantially equal to those provided in other schools, school districts, and supervisory unions pursuant to subsection 165(b) of this title.

(27) Ensure that Vermont's students, including students enrolled in secondary career technical education, have access to a substantially equal

educational opportunity by developing a system to evaluate the equalizing effects of Vermont's education finance system and education quality standards under section 165 of this title.

(28) Be responsible for the program of adult education and literacy and perform all the duties and powers prescribed by law pertaining to adult education and literacy and to act as the State approval agency for educational institutions conducting programs of adult education and literacy.

(29) Submit proposed rules to the State Board for review and comment prior to prefiling them with the Interagency Committee on Administrative Rules under 3 V.S.A. § 837 within a time frame that accommodates the State Board's review of the proposed rules and the Secretary's ability to respond to the State Board's comments.

* * * Conforming Changes to Law in 16 V.S.A. chapter 3
(State Board of Education) * * *

Sec. 3. 16 V.S.A. § 167 is amended to read:

§ 167. HIGH SCHOOL EQUIVALENCE CERTIFICATE

The ~~State Board~~ Secretary is authorized to grant high school equivalency certificates to any person who has not been graduated from a high school on the basis of credits earned in the U.S. Armed Forces, credits earned in approved schools for adults, or satisfactory scores obtained on approved examinations.

Sec. 4. 16 V.S.A. § 175 is amended to read:

§ 175. POSTSECONDARY EDUCATIONAL INSTITUTIONS;
CLOSING

(a) When an institution of higher education, whether or not chartered in this State, proposes to discontinue the regular course of instruction, either permanently or for a temporary period other than a customary vacation period, the institution shall:

(1) promptly inform the ~~State Board~~ Secretary;

(2) prepare the academic record of each current and former student in a form satisfactory to the ~~State Board~~ Secretary and including interpretive information required by the ~~Board~~ Secretary; and

(3) deliver the records to a person designated by the ~~State Board~~ Secretary to act as permanent repository for the institution's records, together with the reasonable cost of entering and maintaining the records.

* * *

(d) When an institution of higher education is unable or unwilling to comply substantially with the record preparation and delivery requirements of subsection (a) of this section, the ~~State Board~~ Secretary shall bring an action in Superior Court to compel compliance with this section, and may in a proper case obtain temporary custody of the records.

(e) When an institution of higher education is unable or unwilling to comply with the requirements of subsection (a) of this section, the ~~State Board~~ Secretary may expend State funds necessary to ensure the proper storage and availability of the institution's records. The Attorney General shall then seek recovery under this subsection, in the name of the State, of all of the State's incurred costs and expenses, including attorney's fees, arising from the failure to comply. Claims under this subsection shall be a lien on all the property of a defaulting institution, until all claims under this subsection are satisfied. The lien shall take effect from the date of filing notice thereof in the records of the town or towns where property of the defaulting institution is located.

(f) The State Board shall adopt rules under this section for its proper administration. The rules may include provisions for preparing and maintaining transferred records. Persons acting as a repository of records are bound only by maintenance provisions to which they agreed before receiving transferred records.

* * *

Sec. 5. 16 V.S.A. § 176 is amended to read:

§ 176. POSTSECONDARY SCHOOLS CHARTERED IN VERMONT

* * *

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

* * *

(4) Postsecondary schools that are accredited. The following postsecondary institutions are accredited, meet the criteria for exempt status, and are authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate: Bennington College, Champlain College, ~~College of St. Joseph~~, Goddard College, ~~Green Mountain College~~, Landmark College, Marlboro College, Middlebury College, New England Culinary Institute, Norwich University, Saint Michael's College, SIT Graduate Institute, ~~Southern Vermont College~~, Sterling College, Vermont College of Fine Arts, and Vermont Law School. This authorization is provided solely to the extent necessary to ensure institutional compliance with federal financial aid-related regulations, and it does not affect, rescind, or supersede

any preexisting authorizations, charters, or other forms of recognition or authorization.

* * *

(e) Issuance. On proper application, the State Board shall issue a certificate of approval or a certificate of degree-granting authority, or both, to an applicant whose goals, objectives, programs, and resources, including personnel, curriculum, finances, and facilities, are found by the State Board to be in accordance with its rules for approval of postsecondary schools and adequate and appropriate for the stated purpose and for the protection of students and the public interest. The certificate shall be for a term not exceeding five years. The certificate may be subject to conditions, terms, or limitations.

* * *

Sec. 6. 16 V.S.A. § 214 is added to read:

§ 214. STATE COUNCIL FOR THE INTERSTATE COMPACT ON
EDUCATIONAL OPPORTUNITY FOR MILITARY CHILDREN

Pursuant to section 806g of this title, the Agency shall constitute the State Council for the Interstate Compact on Educational Opportunity for Military Children and appoint to the Council a Compact Commissioner and Military Family Education Liaison, who may be the same person. The Secretary may appoint additional members.

Sec. 7. STATE BOARD OF EDUCATION RULES; AGENCY OF
EDUCATION

(a) Except for the State Board of Education rules referenced in subsection (b) of this section, the rules of the State Board of Education in effect on the effective date of this act shall constitute the rules of the Agency of Education until amended or repealed, and all references in those rules to the State Board of Education and the Commissioner of Education shall be deemed to refer to the Secretary of Education and all references to the Department of Education shall be deemed to refer to the Agency of Education.

(b) The following rules shall continue to be the rules of the State Board of Education:

- (1) Series 1200—State Board of Education;
- (2) Series 1320—Special Education Finance and Census-based Funding;
- (3) Series 2000—Educational Quality Standards;
- (4) Series 2200—Independent School Program Approval, including:

- (A) 2231—Approval of Distance Learning Schools;
- (B) 2240—Post-secondary Schools; and
- (C) 2270—Private Kindergarten Approval;
- (5) Series 2360—Special Education;
- (6) Series 2500—School Accountability System Based on Student Achievement;
- (7) Series 3000—School District Organization; and
- (8) Series 3400—Proposals for Alternative Structures under Act 46.

* * * Conforming Changes to Law in 16 V.S.A. Excluding Chapter 3 (State Board of Education) * * *

* * *

Sec. 8. 16 V.S.A. § 133 is amended to read:

§ 133. SUPERVISOR; COMPREHENSIVE HEALTH EDUCATION

(a) The Secretary ~~with the approval of the State Board~~ may appoint one qualified person to supervise the preparation of appropriate curricula for use in the public schools, to promote programs for the preparation of teachers to teach these curricula, and to assist in the development of comprehensive health education programs.

* * *

Sec. 9. 16 V.S.A. § 136 is amended to read:

§ 136. WELLNESS PROGRAM; ADVISORY COUNCIL ON WELLNESS AND COMPREHENSIVE HEALTH

* * *

(b) The Secretary ~~with the approval of the State Board~~ shall establish an Advisory Council on Wellness and Comprehensive Health that shall include at least three members associated with the health services field. The members shall serve without compensation but shall receive their actual expenses incurred in connection with their duties relating to wellness and comprehensive health programs. The Council shall assist the Agency to plan, coordinate, and encourage wellness and comprehensive health programs in the public schools.

* * *

Sec. 10. 16 V.S.A. § 242 is amended to read:

§ 242. DUTIES OF SUPERINTENDENTS

The superintendent shall be the chief executive officer for the supervisory union board and for each school board within the supervisory union, and shall:

* * *

(4)(A) Provide data and information required by the Secretary and by using a format approved by the Secretary to:

(i) Report budgetary data for the subsequent school year and fiscal year.

(ii) Report all financial operations within the supervisory union to the Secretary ~~and State Board~~ for the preceding school year on or before August 15 of each year.

(iii) Report all financial operations for each member school district to the Secretary ~~and State Board~~ for the preceding school year on or before August 15 of each year.

* * *

Sec. 11. 16 V.S.A. § 244 is amended to read:

§ 244. DUTIES OF PRINCIPALS

* * *

(b) Without the approval of the ~~State Board~~ Secretary, secondary school principals shall not be charged with supervisory responsibility outside the secondary school.

Sec. 12. 16 V.S.A. § 256 is amended to read:

§ 256. CONTINUED VALIDITY OF CRIMINAL RECORD CHECK;
MAINTENANCE OF RECORDS

* * *

(d) The ~~State Board~~ Secretary may adopt rules regarding maintenance of records.

Sec. 13. 16 V.S.A. § 261a is amended to read:

§ 261a. DUTIES OF SUPERVISORY UNION BOARD

(a) Duties. The board of each supervisory union shall:

* * *

(4) In accordance with criteria established by the ~~State Board~~ Secretary, establish and implement a plan for receiving and disbursing federal and State

funds distributed by the Agency of Education, including funds awarded under P.L. 89-10, the Elementary and Secondary Education Act of 1965 as amended.

* * *

(6) Provide special education services on behalf of its member districts and, except as provided in section 43 of this title, compensatory and remedial services, and provide or coordinate the provision of other educational services as directed by the ~~State Board~~ Secretary or local boards; provided, however, if a supervisory union determines that services would be provided more efficiently and effectively in whole or in part at the district level, then it may ask the Secretary to grant it a waiver from this provision.

* * *

Sec. 14. 16 V.S.A. § 471 is amended to read:

§ 471. APPLICATION OF OTHER LAWS

(a) The provisions of this title relating to the administration and maintenance of public schools, school meetings, and voting therein, to grand lists, to the raising and expending of school monies, to monies apportioned by the ~~State Board~~ Secretary, to sharing in other State aid, to the election, appointment, powers, duties, and liabilities of school officers, to elementary and higher instruction, to transportation, board, and attendance of students, to truancy and truant officers, to furnishing of textbooks and appliances, and to all other matters pertaining to schools in a town district, unless otherwise provided, and if not inconsistent with the rights granted by their charters, shall apply to schools maintained, similar school officers, and all matters pertaining to schools in incorporated school districts.

* * *

Sec. 15. 16 V.S.A. § 551 is amended to read:

§ 551. APPLICATION OF LAWS TO SCHOOL DISTRICTS

Unless otherwise specifically provided in statute with respect to a class of school district or in a municipal charter, the laws of this title, the laws pertaining to municipal corporations, and the rules of the State Board and the Agency shall apply to all school districts.

Sec. 16. 16 V.S.A. § 559 is amended to read:

§ 559. PUBLIC BIDS

* * *

(b) When a school construction contract exceeds \$500,000.00:

(1) The ~~State Board~~ Secretary shall establish, in consultation with the Commissioner of Buildings and General Services and with other knowledgeable sources, general rules for the prequalification of bidders on such a contract. The Department of Buildings and General Services, upon notice by the Secretary, shall provide to school boards undergoing construction projects suggestions and recommendations on bidders qualified to provide construction services.

* * *

(d) Construction management. The school board may contract for the service of construction management to assist in a school construction project. The ~~State Board~~ Secretary, in consultation with the Commissioner of Buildings and General Services and other knowledgeable sources, shall adopt rules defining the term “construction management” and specifying the nature of bidding requirements under construction management services in order to assist school boards to comply with the public bidding requirements of this section.

* * *

(f) Waivers. The ~~State Board~~ Secretary shall by rule adopt standards governing the authority of the Secretary to grant individual waivers to the provisions of this section. The rules, at minimum, shall require the school board seeking the waiver to demonstrate to the Secretary that it is unable to comply with the bidding procedure through no fault of its own, and that it has proposed an alternative method of minimizing costs through a fair and public process.

(g) Violations. The ~~State Board~~ Secretary may deny State aid for school construction and for debt service on a project that proceeds in violation of this section.

Sec. 17. 16 V.S.A. § 563 is amended to read:

§ 563. POWERS OF SCHOOL BOARDS; FORM OF VOTE

The school board of a school district, in addition to other duties and authority specifically assigned by law:

* * *

(8) Shall establish and maintain a system for receipt, deposit, disbursement, accounting, control, and reporting procedures that meets the criteria established by the ~~State Board~~ Secretary pursuant to subdivision ~~164(15)~~ 212(24) of this title and that ensures that all payments are lawful and in accordance with a budget adopted or amended by the school board. The

school board may authorize a subcommittee, the superintendent of schools, or a designated employee of the school board to examine claims against the district for school expenses and draw orders for such as shall be allowed by it payable to the party entitled thereto. Such orders shall state definitely the purpose for which they are drawn and shall serve as full authority to the treasurer to make such payments. It shall be lawful for a school board to submit to its treasurer a certified copy of those portions of the board minutes, properly signed by the clerk and chair, or a majority of the board, showing to whom, and for what purpose each payment is to be made by the treasurer, and such certified copy shall serve as full authority to the treasurer to make the payments as thus approved.

* * *

(21) Shall have the authority to engage in short-term borrowing to cover the costs of those portions of projects approved by the ~~State Board~~ Secretary and that will be reimbursed by the ~~State Board~~ Secretary under sections 3447-3456 of this title but which payments will be delayed. However, the board shall borrow under this subdivision only amounts that it would receive if the ~~State Board~~ Secretary could fund its obligation and may borrow no earlier than the time it would have received the funds. The State shall not pay for costs of borrowing funds under this subdivision.

* * *

(24) Shall adopt a policy that, in accordance with rules adopted by the ~~State Board of Education~~ Secretary, will integrate home study students into its schools through enrollment in courses, participation in cocurricular and extracurricular activities, and use of facilities.

(25) Shall, if it is a school board of a school district that maintains a secondary school, upon request, award a high school diploma to any Vermont resident who served in the military in World War II, the Korean War, or during the Vietnam era, was honorably separated from active federal military service, and does not hold a high school diploma. The ~~State Board~~ Secretary shall develop and make available an application form for veterans who wish to request a high school diploma.

* * *

Sec. 18. 16 V.S.A. § 570 is amended to read:

§ 570. HARASSMENT, HAZING, AND BULLYING PREVENTION
POLICIES

* * *

(d) Duties of the Secretary. The Secretary shall:

* * *

(2) establish an Advisory Council to review and coordinate school and statewide activities relating to the prevention of and response to harassment, hazing, and bullying. The Council shall report annually in January to the ~~State Board~~ Secretary and the House and Senate Committees on Education. The Council shall include:

* * *

Sec. 19. 16 V.S.A. § 701a is amended to read:

§ 701a. APPLICATION OF OTHER LAWS

* * *

(b) The provisions of general law relating to the administration and maintenance of schools, to school meetings and voting at the meetings, to grand lists, to the raising and expending of school money, to money apportioned by the ~~State Board~~ Secretary, to sharing in other State or federal aid, to the election, appointments, powers, duties, and liabilities of school officers, to secondary and elementary instruction, to transportation, board, and attendance of students, to textbooks and appliances, and to all other matters pertaining to schools in a town school district, unless inconsistent with this act or otherwise provided for in this subchapter, shall apply to schools maintained, similar school officers, and all matters pertaining to schools of the union school district.

Sec. 20. 16 V.S.A. § 829 is amended to read:

§ 829. PREKINDERGARTEN EDUCATION

* * *

(c) Prequalification. Pursuant to rules jointly developed and overseen by the Secretaries of Education and of Human Services and adopted by the ~~State Board~~ Secretary of Education pursuant to 3 V.S.A. chapter 25, the Agencies jointly may determine that a private or public provider of prekindergarten education is qualified for purposes of this section and include the provider in a publicly accessible database of prequalified providers. At a minimum, the rules shall define the process by which a provider applies for and maintains prequalification status, shall identify the minimum quality standards for prequalification, and shall include the following requirements:

* * *

(e) Rules. The Secretary of Education and the Commissioner for Children and Families shall jointly develop and agree to rules ~~and present them to the State Board~~ for adoption by the Secretary of Education under 3 V.S.A. chapter 25 as follows:

* * *

Sec. 21. 16 V.S.A. § 1045 is amended to read:

§ 1045. DRIVER TRAINING COURSE

(a) A driver education and training course, approved by the Agency of Education and the Department of Motor Vehicles shall be made available to students whose parent or guardian is a resident of Vermont and who have reached their 15th birthday and who are regularly enrolled in a public or independent high school approved by the ~~State Board~~ Secretary of Education.

(b) After June 30, 1984, all driver education courses shall include a course of instruction, approved by the ~~State Board~~ Secretary and the council on the effects of alcohol and drugs on driving.

* * *

Sec. 22. 16 V.S.A. § 1071 is amended to read:

§ 1071. SCHOOL YEAR AND SCHOOL DAY

* * *

(b) Hours of operation. Within the minimum set by the ~~State Board~~ Secretary, the school board shall fix the number of hours that shall constitute a school day, subject to change upon the order of the ~~State Board~~ Secretary.

(c) Unanticipated closings. When a public school is closed for cause beyond the control of the school board, it may petition the ~~State Board~~ Secretary for a waiver of the requirements of this section. The petition shall be filed with the ~~State Board~~ Secretary within 10 days of each occurrence and not later than June 15 of the school year involved; ~~and the State Board shall act on the petition at its next meeting. If the petition is approved and a waiver granted, the school district shall be deemed to have satisfied the requirements of this section. If the State Board fails to act at that meeting, the petition shall be deemed to have been approved and the waiver granted.~~

* * *

(g) Upon application of one or more school districts, after approval by the voters of each such district, the ~~State Board~~ Secretary may grant a waiver of the requirements of subsection (a) of this section if it is satisfied that

equivalent educational programming will be maintained or improved. The waiver may be granted for any purpose, including the conservation of energy.

Sec. 23. 16 V.S.A. § 1162 is amended to read:

§ 1162. SUSPENSION OR EXPULSION OF STUDENTS

(a) A superintendent or principal may, pursuant to policies adopted by the school board that are consistent with ~~State Board~~ Agency rules, suspend a student for up to 10 school days or, with the approval of the board of the school district, expel a student for up to the remainder of the school year or up to 90 school days, whichever is longer, for misconduct:

* * *

Sec. 24. 16 V.S.A. § 1165 is amended to read:

§ 1165. ALCOHOL AND DRUG ABUSE

(a) The ~~State Board~~ Secretary, in consultation with local school boards, the alcohol and drug division, the law enforcement authorities, and the juvenile court system shall formulate a general policy for the education, discipline, and referral for rehabilitation of students who are involved with alcohol or drug abuse on school property or at school functions.

(b) The ~~State Board~~ Secretary shall adopt rules for all school districts that include standards consistent with due process of law for discipline, suspension, or dismissal of students and recommended procedures for education and for referral for treatment and rehabilitation.

(c) Each school district shall adopt its own policy consistent with the ~~State Board's~~ Agency rules setting forth: recommended procedures for education; referral for treatment, counseling, and rehabilitation; and standards consistent with due process of law for discipline, suspension, or dismissal of students in accordance with section 1162 of this title. Nothing in this section is intended to mandate local school districts to employ counselors for treatment or rehabilitation.

* * *

Sec. 25. 16 V.S.A. § 1224 is amended to read:

§ 1224. REPORTS

The superintendent shall include in his or her annual report to the school board of each district data regarding the students in the district who have been transported or boarded under the provisions of this chapter and the associated expenses. Annually, at a time fixed by the ~~State Board~~ Secretary, the superintendent shall report to the ~~Board~~ Secretary regarding the students

transported or boarded under the provisions of this chapter and the associated expenses.

Sec. 26. 16 V.S.A. § 1262b is amended to read:

§ 1262b. RULES

The ~~State Board~~ Secretary shall adopt rules governing grants under section 1262a of this title. The rules shall provide for grants from State funds in accordance with federal guidelines for food programs. The ~~State Board~~ Secretary may adopt other rules that are necessary to carry out the provisions of this subchapter.

Sec. 27. 16 V.S.A. § 1321 is amended to read:

§ 1321. FORM AND CONTENTS OF REGISTER

~~With the approval of the State Board, the~~ The Secretary shall prescribe the content of school registers used to keep records of student enrollment and daily attendance and to obtain statistical and other information from teachers and school officers. Schools shall maintain an electronic system for recording enrollment and attendance

Sec. 28. 16 V.S.A. § 1388 is amended to read:

§ 1388. STOCK SUPPLY AND EMERGENCY ADMINISTRATION OF EPINEPHRINE AUTO-INJECTORS

(a) As used in this section:

(1) “Designated personnel” means a school employee, agent, or volunteer who has been authorized by the school administrator to provide and administer epinephrine auto-injectors under this section and who has completed the training required by ~~State Board~~ Agency policy.

* * *

(f) On or before January 1, 2014, the ~~State Board~~ Secretary, in consultation with the Department of Health, shall adopt policies for managing students with life-threatening allergies and other individuals with life-threatening allergies who may be present at a school. The policies shall:

* * *

(5) require each school to make publicly available protocols and procedures developed in accordance with the policies adopted by the ~~State Board~~ Secretary under this section.

Sec. 29. 16 V.S.A. § 1522 is amended to read:

§ 1522. DEFINITIONS

As used in this chapter:

* * *

(10) “CTE tuition” means the amount calculated by subtracting from total regional technical CTE center costs all expenditures from State and federal grants except for incentive grants, adult education grants, or other State grants as defined by ~~State Board~~ Agency rule, then dividing the result by the sum of the actual number of full-time equivalent out-of-state students and the average of the full-time equivalent Vermont students for the three prior years.

* * *

Sec. 30. 16 V.S.A. § 1531 is amended to read:

§ 1531. ~~RESPONSIBILITY OF STATE BOARD~~ SECRETARY OF
EDUCATION

(a) ~~The State Board~~ Secretary has overall responsibility for the effectiveness of career technical education. This requires the ~~Board~~ Secretary to collect suitable information and to take appropriate steps within its legal, financial, and personnel resources to ensure that:

* * *

~~(b) In order to provide regional career technical education services efficiently, the State Board shall designate a service region for each career technical center. However, the Board may designate a service region for two or more comprehensive high schools if that region is not served by a career technical center.~~

~~(c) For a school district that is geographically isolated from a Vermont career technical center, the State Board may approve a career technical center in another state as the career technical center that district students may attend. In this case, the school district shall receive transportation assistance pursuant to section 1563 of this title and tuition assistance pursuant to section 1561(c) of this title. Any student who is a resident in the Windham Southwest Supervisory Union and who is enrolled at public expense in the Charles H. McCann Technical School or the Franklin County Technical School shall be considered to be attending an approved career technical center in another state pursuant to this subsection, and, if the student is from a school district eligible for a small schools support grant pursuant to section 4015 of this title, the student’s full-time equivalency shall be computed according to time attending the school.~~

Sec. 31. 16 V.S.A. § 1531a is added to read:

§ 1531a. RESPONSIBILITY OF STATE BOARD

(a) In order to provide regional career technical education services efficiently, the State Board shall designate a service region for each career technical center. However, the Board may designate a service region for two or more comprehensive high schools if that region is not served by a career technical center.

(b) For a school district that is geographically isolated from a Vermont career technical center, the State Board may approve a career technical center in another state as the career technical center that district students may attend. In this case, the school district shall receive transportation assistance pursuant to section 1563 of this title and tuition assistance pursuant to section 1561(c) of this title. Any student who is a resident in the Windham Southwest Supervisory Union and who is enrolled at public expense in the Charles H. McCann Technical School or the Franklin County Technical School shall be considered to be attending an approved career technical center in another state pursuant to this subsection, and, if the student is from a school district eligible for a small schools support grant pursuant to section 4015 of this title, the student's full-time equivalency shall be computed according to time attending the school.

Sec. 32. 16 V.S.A. § 1532 is amended to read:

§ 1532. MINIMUM STANDARDS; MEASUREMENT OF STANDARDS

(a) The ~~State Board~~ Secretary shall adopt by rule:

(1) Minimum standards for the operation and performance of career technical centers that include the education quality standards adopted by the State Board under subdivision 164(9) and section 165 of this title.

(2) Standards for student performance based on the standards adopted by the State Board under subdivision 164(9) of this title and standards for industry recognized credentials.

* * *

Sec. 33. 16 V.S.A. § 1533 is amended to read:

§ 1533. CAREER TECHNICAL CENTER EVALUATION

(a) At least once in each period of five years, and in coordination with the Vermont Advisory Council on Career Technical Education, the Secretary shall evaluate the effectiveness of each career technical center in the State. The

~~State Board~~ Secretary by rule shall prescribe the method for conducting these evaluations.

(b) Evaluations of career technical centers shall consider at least the following areas:

(1) compliance with this chapter and the rules of the ~~State Board Agency~~;

* * *

Sec. 34. 16 V.S.A. § 1534 is amended to read:

§ 1534. COURSE OF STUDY EVALUATION

(a) At least once in each period of five years, and in coordination with the Vermont Advisory Council on Career Technical Education, the Secretary shall evaluate the effectiveness of each course of study offered by any career technical center in the State. The ~~State Board~~ Secretary by rule shall prescribe the method for conducting these evaluations.

* * *

Sec. 35. 16 V.S.A. § 1544 is amended to read:

§ 1544. CAREER TECHNICAL COURSES IN OTHER SCHOOLS

Subject to any direction and regulations as to courses, teachers, or equipment that the ~~State Board~~ Secretary of Education may prescribe by rule, high schools may include within their courses of study pretechnical or career technical courses, or both. Before establishing such a program, a high school shall consult with the regional advisory board for its CTE service region.

Sec. 36. 16 V.S.A. § 1545 is amended to read:

§ 1545. CREDITS AND GRADES EARNED

(a) Grades earned in a course offered within a CTE program ~~approved by the State Board~~ that complies with Agency rules shall not be altered by any public school or approved or recognized independent school in Vermont and shall be applied by the school toward any State graduation requirements in accordance with rules adopted by the ~~State Board Secretary~~. Any ~~State Board Agency~~ rules regarding earning of credits shall allow flexibility with respect to the integration of CTE education and other academic courses.

(b) The credits earned for a career technical education program ~~approved by the State Board~~ that complies with Agency rules shall be honored by any public or independent school within Vermont. If necessary to enable a student to participate in career technical education and graduate with his or her class,

the credits earned shall be applied toward any school district or independent school graduation requirements exceeding the minimum number of credits required by ~~the State Board~~ Agency rule. The school board of the high school from which the student wishes to graduate shall make a determination as to whether the credits shall be applied toward graduation requirements. A decision of a school board may be appealed to the Secretary who shall construe this section to favor participation in career technical education.

* * *

Sec. 37. 16 V.S.A. § 1552 is amended to read:

§ 1552. SECONDARY STUDENT TUITION

(a) Each career technical center shall establish a tuition charge for secondary career technical education. The amount shall reflect the actual cost, as defined by Agency rule ~~of the State Board~~, of attendance in the career technical courses offered by the center. The tuition charge shall be reduced proportionally for students enrolled in a part-time program.

(b) Secondary students are eligible for tuition assistance in career technical education provided in another state when the ~~State Board~~ Secretary determines that such career technical education can properly serve the needs of Vermont students.

* * *

Sec. 38. 16 V.S.A. § 1562 is amended to read:

§ 1562. TRYOUT CLASSES

From the monies annually available for use in career technical education, the ~~State Board~~ Secretary may reimburse part of the program cost attributable to programs designed to assist students in deciding whether to enroll in career technical courses. As a condition of such assistance, the program shall demonstrate that it has taken steps to encourage each student to consider enrolling in courses not traditional for that student's gender.

Sec. 39. 16 V.S.A. § 1563 is amended to read:

§ 1563. TRANSPORTATION ASSISTANCE

* * *

(c) The ~~State Board~~ Secretary may adopt rules necessary to implement this section.

Sec. 40. 16 V.S.A. § 1565 is amended to read:

§ 1565. SALARY ASSISTANCE

(a) The ~~State Board~~ Secretary shall reimburse a school district operating a career technical center for a portion of its cost in paying the salary of the following persons:

* * *

(b) Assistance under this section shall be determined by a formula and standards established by rule of the ~~State Board~~ Secretary. The formula and those standards:

* * *

Sec. 41. 16 V.S.A. § 1568 is amended to read:

§ 1568. REPORTING OF INFORMATION

(a) Annually, in accordance with a time line, format, and process established by ~~State Board~~ Agency rule, each CTE center shall report its costs and student enrollment, achievement, and performance measures to the Secretary. CTE center financial accounts shall be kept separately from those of the host high school in accordance with rules adopted by the ~~State Board~~ Secretary, which shall clearly delineate relevant costs and revenues.

(b) If a CTE center fails to file financial or student information required under this section within the timelines established by Agency rule ~~of the State Board~~, the Secretary may withhold funds due under this chapter and shall subtract \$100.00 per business day from funds due the center under this chapter. The Secretary may waive the \$100.00 penalty upon appeal by the center for good cause.

Sec. 42. 16 V.S.A. § 1577 is amended to read:

§ 1577. DUTIES AND AUTHORITY OF ALTERNATIVE GOVERNANCE BOARD

The governance board of a CTE center authorized under this subchapter, in addition to other duties and authority specifically assigned by law to the governing authority of a CTE center, shall have the following duties and authority:

* * *

(6) To establish and maintain a system for receipt, deposit, disbursement, accounting, control, and reporting procedures that meets the criteria established by the ~~State Board~~ Secretary pursuant to subdivision

164(15) 212(24) of this title and that ensures all payments are lawful and in accordance with the budget adopted pursuant to terms approved by the ~~State Board~~ Secretary. The ~~Board~~ Secretary may authorize a subcommittee, a superintendent of schools, or a designated employee of the ~~Board~~ Agency to examine claims against the district for center expenses, and draw orders for such as shall be allowed by it payable to the party entitled thereto. Such orders shall state definitely the purpose for which they are drawn, and shall serve as full authority to the treasurer to make such payments. It shall be lawful for a board to submit to its treasurer a certified copy of those portions of the board minutes, properly signed by the clerk and chair, or a majority of the board, showing to whom, and for what purpose, each payment is to be made by the treasurer, and the certified copy shall serve as full authority to the treasurer to make the approved payments.

* * *

Sec. 43. 16 V.S.A. § 1601 is amended to read:

§ 1601. DEFINITIONS

As used in this chapter:

* * *

(2) “Industry competency standards” ~~mean~~ means performance criteria developed jointly by educators and business representatives and adopted by the ~~State Board~~ Secretary that define skills and knowledge that are needed in the workplace.

* * *

(5) “Student apprentice coordinator” means a licensed professional educator whom the ~~State Board of Education~~ Secretary finds qualified to plan, implement and evaluate a student apprenticeship program.

* * *

Sec. 44. 16 V.S.A. § 1602 is amended to read:

§ 1602. SCHOOL BOARD RESPONSIBILITIES

* * *

(b) Each school board that runs a student apprenticeship program shall:

* * *

(2) Ensure preparation of individuals employed by business to be worksite mentors according to guidelines established by the ~~State Board~~ Secretary. Each participating business shall support the preparation of the

worksite mentor as a condition to participating in the student apprenticeship program.

* * *

Sec. 45. 16 V.S.A. § 1603 is amended to read:

§ 1603. ELEMENTS OF THE PROGRAM

(a) An eligible student may apply to enter the student apprenticeship program upon successful completion of grade 10 or its equivalent and meeting entrance requirements established by the ~~State Board of Education~~ Secretary.

* * *

(f) A student apprentice who successfully completes a student apprenticeship program shall receive an industry competency certificate issued by the ~~State Board of Education~~ Secretary. In order to earn an industry competency certificate, a student apprentice shall demonstrate mastery of industry competency standards and shall complete academic requirements for graduation.

* * *

Sec. 46. 16 V.S.A. § 1604 is amended to read:

§ 1604. ~~STATE BOARD~~ SECRETARY OF EDUCATION
RESPONSIBILITIES

The ~~State Board of Education~~ Secretary shall:

* * *

(6) Certify those who graduate from a student apprenticeship program as meeting industry competency standards for entrance into the trade or profession the student has studied. The ~~State Board~~ Secretary shall maintain a record of certificates issued under this subdivision.

Sec. 47. 16 V.S.A. § 1605 is amended to read:

§ 1605. REGIONAL ADVISORY BOARD RESPONSIBILITIES

Each regional advisory board shall:

(1) Based on standards of operation established by the ~~State Board of Education~~ Secretary, approve or disapprove an application from a school board to establish and operate a student apprenticeship program. The ~~Board~~ Secretary may rescind approval if the program is not meeting the standards.

(2) Based on standards and processes established by the ~~State Board~~ Secretary, determine which applicants shall be accepted into the student

apprenticeship programs in its region and determine whether a student should be terminated from a program. Decisions regarding acceptance into a program shall, in part, be based on submission of an acceptable career preparation plan developed by the applicant with the help of a guidance counselor. Decisions regarding termination shall be made with the advice of the student apprenticeship coordinator.

* * *

Sec. 48. 16 V.S.A. § 1931 is amended to read:

§ 1931. DEFINITIONS

As used in this chapter:

* * *

(20) “Teacher” shall mean any licensed teacher, principal, supervisor, superintendent, or any professional licensed by the Vermont Standards Board for Professional Educators who is regularly employed, or otherwise contracted if following retirement, for the full normal working time for his or her position in a public day school or school district within the State, or in any school or teacher-training institution located within the State, controlled by the State Board of Education or the Agency of Education, and supported wholly by the State; or in certain public independent schools designated for such purposes by the Board in accordance with section 1935 of this title. In all cases of doubt, the Board shall determine whether any person is a teacher as defined in this chapter. It shall not mean a person who is teaching with an emergency license.

* * *

Sec. 49. 16 V.S.A. § 1935 is amended to read:

§ 1935. TEACHERS IN CERTAIN PUBLIC OR INDEPENDENT SCHOOLS

(a) The Board of Trustees may designate certain public or independent schools, which are located within the State, and supported wholly or in part by the State but ~~which~~ that are not under the control of the State Board of Education or the Agency of Education, as employers of teachers within the meaning of this chapter.

* * *

Sec. 50. 16 V.S.A. § 2903 is amended to read:

§ 2903. PREVENTING EARLY SCHOOL FAILURE; READING
INSTRUCTION

* * *

(b) Foundation for literacy. The ~~State Board~~ Agency of Education, in collaboration with the Agency of Human Services, higher education, literacy organizations, and others, shall develop a plan for establishing a comprehensive system of services for early education in the first three grades to ensure that all students learn to read by the end of the third grade. The plan shall be updated at least once every five years following its initial submission in 1998.

* * *

Sec. 51. 16 V.S.A. § 2905 is amended to read:

§ 2905. PREKINDERGARTEN-16 COUNCIL

* * *

(h) The Council shall report on its activities to the House and Senate Committees on Education and to the ~~State Board~~ Secretary of Education each year in January. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

Sec. 52. 16 V.S.A. § 2944 is amended to read:

§ 2944. SPECIAL EDUCATION

(a)–(c) [Repealed.]

(d) The Secretary ~~with the advice of the State Board~~ may make grants for programs and may make grants, subject to conditions the Secretary shall establish, to persons whom he or she finds qualified for either part-time or full-time study in programs designed to qualify them as special education personnel.

* * *

Sec. 53. 16 V.S.A. § 2945 is amended to read:

§ 2945. ADVISORY COUNCIL ON SPECIAL EDUCATION

* * *

(d) The Council shall:

* * *

(2) review periodically the rules, regulations, standards, and guidelines pertaining to special education and recommend to the State Board and the Secretary any changes it finds necessary;

* * *

(4) advise the State Board and the Secretary in the development of any State plan for provision of special education.

Sec. 54. 16 V.S.A. § 2958 is amended to read:

§ 2958. RESIDENTIAL PLACEMENT REVIEW TEAM; RESIDENTIAL PLACEMENTS

* * *

(e) Costs for residential placement shall be reimbursed under subchapter 2 of this chapter only if the residential facility is approved by the ~~State Board~~ Secretary for the purposes of providing special education and related services to children with disabilities.

Sec. 55. 16 V.S.A. § 2973 is amended to read:

§ 2973. INDEPENDENT SCHOOL TUITION RATES

* * *

(c) The ~~State Board~~ Secretary is authorized to enter into interstate compacts with other states to regulate rates for tuition, room, and board for students receiving special education in independent schools.

Sec. 56. 16 V.S.A. § 2974 is amended to read:

§ 2974. SPECIAL EDUCATION PROGRAM; FISCAL REVIEW

Annually, the Secretary shall report to the ~~State Board~~ House and Senate Committees on Education regarding:

* * *

Sec. 57. 16 V.S.A. § 2974 is amended to read:

§ 2974. SPECIAL EDUCATION PROGRAM; FISCAL REVIEW

Annually, the Secretary shall report to the ~~State Board~~ House and Senate Committees on Education regarding:

* * *

Sec. 58. 16 V.S.A. § 2974 is amended to read:

§ 2869. LOAN CANCELLATION; MATHEMATICS, SCIENCE, AND
COMPUTER SCIENCE TEACHERS

(a) Loans obtained under this subchapter may be partially or completely cancelled and forgiven for a borrower who is employed for a complete academic school year as a full-time licensed teacher:

(1) in a Vermont elementary or secondary school ~~that is approved by the State Board;~~ and

* * *

Sec. 59. 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~~ Secretary by rule and shall specify the need for and purpose of the project.

(2) Approval of preliminary application.

(A) When reviewing a preliminary application for approval, the Secretary shall consider:

* * *

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

* * *

(3) Priorities. Following approval of a preliminary application and provided that the district has voted funds or authorized a bond for the total estimated cost of a project, the ~~State Board~~ Secretary shall assign points to the project so that the project can be placed on a priority list based on the number of points received. Once a project receives points, if it does not receive funding in a given year, it shall not lose points in subsequent years and, pursuant to rule of the ~~Board~~ Secretary and provided the scope of the project

remains the same, it shall gain points due to length of time on the list and may gain points for any other reason. The points shall be assigned in the following priority:

* * *

(4) Request for legislative appropriation. ~~By~~ On or before January 15 of each year, the ~~State Board~~ Secretary shall present the House Committee on Corrections and Institutions and the Senate Committee on Institutions with its annual capital construction funding request. Following receipt of the request, the Committees shall recommend a total school construction appropriation for the next fiscal year to the General Assembly. The General Assembly shall not revise the order of the project priorities presented by the ~~State Board~~ Secretary. The funding request to the Committees shall be in the form of separate line items as follows:

(A) a list of projects that have been assigned points in their order of priority, including the voted funds or authorized bond amount for each project;

(B) the cost of emergency projects that the ~~State Board~~ Secretary has approved but not yet reimbursed due to insufficient funds, as well as the estimated cost of those that might be approved in the coming year under subsection (d) of this section;

(C) the cost of projects to extend the life of a building that the ~~State Board~~ Secretary has approved but not yet reimbursed due to insufficient funds, as well as the estimated cost of those that might be approved by the ~~State Board~~ Secretary in the coming fiscal year under subdivision (3)(B) of this subsection (a).

(5) Final approval for construction aid.

(A) Unless approved by the Secretary for good cause in advance of commencement of construction, a school district shall not begin construction before the ~~State Board~~ Secretary approves a final application. A school district may submit a written final application to the ~~State Board~~ Secretary at any time following approval of a preliminary application.

(B) The ~~State Board~~ Secretary may approve a final application for a project provided that:

* * *

(iv) the district has provided for construction financing of the project during a period prescribed by the ~~State Board~~ Secretary;

* * *

(C) The board of trustees of an independent school may submit a written final application to the ~~State Board~~ Secretary for a project for which a preliminary application has been approved by the Secretary, provided that each municipality represented on the board of trustees has voted funds or authorized a bond issue for 100 percent of the municipality's estimated share of the project in an amount determined by the Secretary under this section.

(D) The ~~State Board~~ Secretary may provide that a grant for a high school project is conditioned upon the agreement of the recipient to provide high school instruction for any high school pupil living in an area prescribed by the ~~Board~~ Secretary who may elect to attend the school.

* * *

(8) Eligible construction cost.

(A) Space and cost parameters. Only those portions of a project shall be eligible for construction aid that meet space and cost parameters adopted by the ~~State Board~~ Secretary. The parameters shall define maximum square footage costs, maximum gross square footage per student by grade range and school size, and minimum and maximum square footage allowances per student for programs and services.

* * *

(9) Payment. Upon satisfactory evidence that a project approved under subdivision (5) of this subsection (a) is under construction or has been constructed, and upon appropriation of funds sufficient to fund the State aid due under this section, the ~~State Board~~ Secretary shall certify an award for the project to the Commissioner of Finance and Management who shall issue a warrant for the payment of one-half of the award, or the entire award if the project is complete. After a project has been completed according to approved plans and specifications and the cost thereof has been audited by the Agency, the Secretary shall certify the remainder of the award due for the project to the Commissioner of Finance and Management who shall issue a warrant for the payment. Provided, however, if a project that is included on a prioritized list, for which list the General Assembly has appropriated funds in any year, is not eligible to be certified for one-half of the award or for the entire award, and if another project of lesser priority is eligible for certification, nothing in this section shall preclude the ~~State Board~~ Secretary from certifying an award for the lesser priority project prior to the higher priority project.

* * *

(e) Rules. The ~~State Board~~ Secretary shall adopt rules pertaining to school construction and capital outlay.

* * *

Sec. 60. 16 V.S.A. § 3448a is amended to read:

§ 3448a. APPEAL

Any municipal corporation or independent school as defined in section 3447 of this title aggrieved by an order, allocation or award of the ~~State Board~~ Secretary of Education may, within 30 days, appeal ~~therefrom to the State Board~~, and may appeal from the decision of the State Board, within 30 days of that decision, to the Superior Court in the county in which the project is located.

Sec. 61. 16 V.S.A. § 3448f is amended to read:

§ 3448f. ENERGY PERFORMANCE CONTRACTING;
AUTHORIZATION; STATE AID

(a) Definitions. As used in this section:

(1) “Cost-saving measure” means any facility improvement, repair, or alteration or any equipment, fixture, or furnishing to be constructed or installed in any facility that is designed to reduce energy consumption and operating costs or to increase the operating efficiency of facilities for their appointed functions, that is cost effective, and that is further defined by ~~State Board~~ Agency rule.

* * *

(f) State funding for energy conservation measures.

* * *

(3) Priorities. Following approval of a district’s application, the ~~State Board~~ Secretary shall assign points, established by ~~Board~~ Agency rule, to the project so that the project can be placed on a priority list distinct from but similar to the list established under section 3448 of this title, based on the number of points received. Once a project receives points, if it does not receive funding in a given year, it shall not lose points in subsequent years and, pursuant to ~~Board~~ Agency rule and provided the scope of the project remains the same, it shall gain points due to the length of time on the list and may gain points for any other reason. Prioritized projects under this section shall be included in the ~~State Board’s~~ Secretary’s request for legislative appropriation as a separate and distinct line item under section 3448 of this title. Any legislative appropriation made to fund the line item for performance contracts shall not exceed 20 percent of the appropriation made in the same year to fund State aid for school construction under section 3448.

* * *

(5) Eligible costs. A project or portions of a project under this section shall be eligible for aid pursuant to criteria established by ~~State Board~~ Agency rule.

(6) Payment. Upon completion of the construction or installation of the cost-saving measure, determination by the Department of Buildings and General Services that implementation of the cost-saving measures is expected to result in energy and operational cost-savings, and legislative appropriation sufficient to fund the State aid due under this section, the ~~State Board~~ Secretary shall certify an award for the project to the Commissioner of Finance and Management who shall issue a warrant for the payment of the award. A district awarded State aid under this section shall use the State aid solely for the purpose of paying all or a portion of the obligation due under the performance contract at the time the award is received.

* * *

Sec. 62. 16 V.S.A. § 3454 is amended to read:

§ 3454. DEFERRED MAINTENANCE

No State school construction aid shall be available under this title for any proposed project or construction if the Secretary finds the need for the project or construction has arisen in whole or in part from significant deferred maintenance. The ~~State Board~~ Secretary, by rule, shall define “significant deferred maintenance.”

Sec. 63. 16 V.S.A. § 3581 is amended to read:

§ 3581. ACCEPTANCE

The ~~State Board~~ Secretary may accept, use, disburse, and account for federal funds made available for the purposes of acquisition, construction, reconstruction, remodeling, or repair of public school buildings.

Sec. 64. 16 V.S.A. § 3582 is amended to read:

§ 3582. FORMULATION OF PLANS

The ~~State Board~~ Secretary may formulate any State plan, including preparation of surveys and estimates of school building needs, required by federal legislation.

Sec. 65. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

(1) “Average daily membership” of a school district, or if needed in order to calculate the appropriate homestead tax rate, of the municipality as defined in 32 V.S.A. § 5401(9), in any year means:

(A) The full-time equivalent enrollment of students, as defined by the ~~State Board~~ Secretary by rule, who are legal residents of the district or municipality attending a school owned and operated by the district, attending a public school outside the district under section 822a of this title, or for whom the district pays tuition to one or more approved independent schools or public schools outside the district during the annual census period. The census period consists of the 11th day through the 30th day of the school year in which school is actually in session.

(B) The full-time equivalent enrollment in the year before the last census period, of any State-placed students as defined in subdivision 11(a)(28) of this title. A school district that provides for the education of its students by paying tuition to an approved independent school or public school outside the district shall not count a State-placed student for whom it is paying tuition for purposes of determining average daily membership. A school district that is receiving the full amount, as defined by the ~~State Board~~ Secretary by rule, of the student’s education costs under subsection 2950(a) of this title, shall not count the student for purposes of determining average daily membership. A State-placed student who is counted in average daily membership shall be counted as a student for the purposes of determining weighted student count.

* * *

(6) “Education spending” means the amount of the school district budget, any assessment for a joint contract school, career technical center payments made on behalf of the district under subsection 1561(b) of this title, and any amount added to pay a deficit pursuant to 24 V.S.A. § 1523(b) that is paid for by the school district, but excluding any portion of the school budget paid for from any other sources such as endowments, parental fundraising, federal funds, nongovernmental grants, or other State funds such as special education funds paid under chapter 101 of this title.

(A) [Repealed.]

(B) For purposes of calculating excess spending pursuant to 32 V.S.A. § 5401(12), “education spending” shall not include:

* * *

(iii) Spending that is approved school capital construction spending or deposited into a reserve fund under 24 V.S.A. § 2804 to pay future approved school capital construction costs, including that portion of tuition

paid to an independent school designated as the public high school of the school district pursuant to section 827 of this title for capital construction costs by the independent school that has received approval from the ~~State Board of Education~~ Secretary, using the processes for preliminary approval of public school construction costs pursuant to subdivision 3448(a)(2) of this title.

* * *

Sec. 66. 16 V.S.A. § 4015 is amended to read:

§ 4015. SMALL SCHOOL SUPPORT

(a) In this section:

(1) “Eligible school district” means a school district that:

(A) operates at least one school with an average grade size of 20 or fewer; and

(B) has been determined by the ~~State Board~~ Secretary, on an annual basis, to be eligible due to either:

* * *

Sec. 67. 16 V.S.A. § 4016 is amended to read:

§ 4016. REIMBURSEMENT FOR TRANSPORTATION EXPENDITURES

* * *

(b) ~~In~~ As used in this section, “allowable transportation expenditures” means the costs of transporting students to and from school for regular classroom services and shall not include expenditures for transporting students participating in curricular activities that take place off the school grounds or for transporting students participating in cocurricular activities. The ~~State Board~~ Secretary shall further define allowable transportation expenditures by rule.

(c) A district or supervisory union may apply and the Secretary may pay for extraordinary transportation expenditures incurred due to geographic or other conditions such as the need to transport students out of the school district to attend another school because the district does not maintain a public school. The ~~State Board~~ Secretary shall define extraordinary transportation expenditures by rule. The total amount of base year extraordinary transportation grant expenditures shall be \$250,000.00 for fiscal year 1997, increased each year thereafter by the annual price index for state and local government purchases of goods and services. Extraordinary transportation expenditures shall not be paid out of the funds appropriated under subsection (b) of this section for other transportation expenditures. Grants paid under this

section shall be paid from the Education Fund and shall be added to adjusted education payment receipts paid under section 4011 of this title.

Sec. 68. 16 V.S.A. § 4030 is amended to read:

§ 4030. DATA SUBMISSION; CORRECTIONS

(a) Upon discovering an error or change in data submitted to the Secretary for the purpose of determining payments to or from the Education Fund, a school district shall report the error or change to the Secretary as soon as possible. Any budget deficit or surplus due to the error or change shall be carried forward to the following year.

* * *

(e) The ~~State Board~~ Secretary may adopt rules as necessary to implement the provisions of this section.

Sec. 69. EFFECTIVE DATES

This act shall take effect on passage, except for Sec. 57 (16 V.S.A. § 2974) which shall take effect on July 1, 2022.

And that after passage the title of the bill be amended to read:

An act relating to reforming the State Board of Education.

(Committee vote: 6-0-0)

S. 190.

An act relating to the Standard Offer Program.

Reported favorably with recommendation of amendment by Senator MacDonald for the Committee on Finance.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 30 V.S.A. § 8009 is amended to read:

§ 8009. BASELOAD RENEWABLE POWER PORTFOLIO
REQUIREMENT

(a) ~~In~~ As used in this section:

(1) “Baseload renewable power” means a plant that generates electricity from renewable energy; that, during normal operation, is capable of taking all or part of the minimum load on an electric transmission or distribution system; and that produces electricity essentially continuously at a constant rate.

(2) “Baseload renewable power portfolio requirement” means an annual average of 175,000 MWh of baseload renewable power from an in-state woody biomass plant that was commissioned prior to September 30, 2009, has a nominal capacity of 20.5 MW, and was in service as of January 1, 2011.

(3) “Biomass” means organic nonfossil material of biological origin constituting a source of renewable energy within the meaning of subdivision 8002(17)(21) of this title.

(4) [Repealed.]

(b) Notwithstanding subsection 8004(a) and subdivision 8005(d)(c)(1) of this title, commencing November 1, 2012, the electricity supplied by each Vermont retail electricity provider to its customers shall include the provider’s pro rata share of the baseload renewable power portfolio requirement, which shall be based on the total Vermont retail kWh sales of all such providers for the previous calendar year. The obligation created by this subsection shall cease on November 1, ~~2022~~ 2032.

(c) A plant used to satisfy the baseload renewable power portfolio requirement shall be a qualifying small power production facility under 16 U.S.C. § 796(17)(C) and 18 C.F.R. part 292.

(d) The On or before January 1, 2022, the Commission shall determine, for the period beginning on November 1, 2022, and ending on November 1, 2032, the price to be paid to a plant used to satisfy the baseload renewable power portfolio requirement. The Commission shall not be required to make this determination as a contested case under 3 V.S.A. chapter 25. The price shall be the avoided cost of the Vermont composite electric utility system. In this subsection, the term “avoided cost” means the incremental cost to retail electricity providers of electric energy or capacity, or both, which, but for the purchase from the plant proposed to satisfy the baseload renewable power portfolio requirement, such providers would obtain from a source using the same generation technology as the proposed plant. In this subsection, the term “avoided cost” also includes the Commission’s consideration of each of the following:

(1) The relevant cost data of the Vermont composite electric utility system.

(2) The terms of the potential contract, including the duration of the obligation.

(3) The availability, during the system’s daily and seasonal peak periods, of capacity or energy from a proposed plant.

(4) The relationship of the availability of energy or capacity from the proposed plant to the ability of the Vermont composite electric utility system or a portion thereof to avoid costs.

(5) The costs or savings resulting from variations in line losses from those that would have existed in the absence of purchases from the proposed plant.

(6) The supply and cost characteristics of the proposed plant, including the costs of operation and maintenance of an existing plant during the term of a proposed contract.

(7) Mechanisms for encouraging dispatch of the proposed plant relative to the ISO New England wholesale energy price and value of regional renewable energy credits, while also respecting the physical operating parameters and fixed costs of the proposed plant.

(8) The fuel supply for the proposed plant is obtained from ecologically sound and sustainable sources. In the case of biomass, this shall include an assessment of whether fuel supplies use ecologically sound harvesting practices and whether they promote a diverse and sustainable forest economy in the region.

(9) The appropriate assignment of risks associated with the ISO New England Forward Capacity Market Pay-for-Performance Project.

(10) Any potential opportunities associated with having the proposed plant withdraw from the ISO New England Forward Capacity Market, while respecting the economic parameters of the proposed plant.

* * *

(i) The State and its instrumentalities shall not be liable to a plant owner or retail electricity provider with respect to any matter related to the baseload renewable power portfolio requirement or a plant used to satisfy such requirement, including costs associated with a contract related to such a plant or any damages arising from the breach of such a contract, the flow of power between a plant and the electric grid, or the interconnection of a plant to that grid. For the purpose of this section, the Commission and the Standard Offer Facilitator constitute instrumentalities of the State.

(j) The Commission shall authorize any agency participating in a proceeding under this section or in an order issued under this section to assess its costs against a proposed plant consistent with section 21 of this title.

(k) The Agency of Commerce and Community Development shall investigate the feasibility of utilizing the excess thermal energy generated by a

plant used to satisfy the baseload renewable power portfolio requirement imposed under this section. Such investigation shall be done in consultation with the plant's owner, the Northeast Vermont Development Association, and other interested parties and shall consider the economic feasibility of utilizing the excess thermal energy generated by a plant and the economic development options available to the State to assist in the utilization of the excess thermal energy. On or before January 15, 2022 the Agency shall report on its investigation and any recommended legislation to the House Committees on Energy and Technology and on Commerce and Economic Development and the Senate Committees on Finance and on Economic Development, Housing and General Affairs.

(l) In considering the assessment of whether fuel supplies use ecologically sound harvesting practices and whether they promote a diverse and sustainable forest economy in the region, the Agency of Natural Resources shall provide input to the Commission regarding any recommended changes to the biomass harvesting practices associated with fuel supply, and the Commission shall incorporate such recommendations in the Order.

Sec. 2. TRANSITION PROVISION

All decisions and orders of the former Public Service Board and the Public Utility Commission in the matter *Investigation into the Establishment of a Standard-Offer Price for Baseload Renewable Power under the Sustainably Priced Energy Enterprise Development ("SPEED") Program*, Docket No. 7782, shall remain in full force and effect through October 31, 2022.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 7-0-0)

S. 191.

An act relating to tax increment financing districts.

Reported favorably with recommendation of amendment by Senator Cummings for the Committee on Finance.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. TAX INCREMENT FINANCING; RESOLUTION ON THE USE OF DEBT PROCEEDS TO PAY FOR DEBT SERVICE

In 2019, the State Auditor of Accounts performed and reported on required reviews and audits of tax increment financing districts. One of the issues

raised in the reporting was whether it is permissible for a tax increment financing district to use debt proceeds to meet debt service obligations. The General Assembly seeks to address this issue and clarify tax increment financing laws for the future. Accordingly, the General Assembly shall not assess penalties on any tax increment financing district that used debt proceeds to pay for debt service during the period from January 1, 2006 to June 30, 2020 and considers this a final resolution of the issue.

Sec. 2. 24 V.S.A. § 1891 is amended to read:

§ 1891. DEFINITIONS

When used in this subchapter:

* * *

(4) “Improvements” means the installation, new construction, or reconstruction of infrastructure that will serve a public purpose and fulfill the purpose of tax increment financing districts as stated in section 1893 of this subchapter, including utilities, transportation, public facilities and amenities, land and property acquisition and demolition, and site preparation. “Improvements” also means the funding of debt service interest payments for a period of up to five years, beginning on the date in which the first debt is incurred.

* * *

(7) “Financing” means debt incurred, including principal, interest, and any fees or charges directly related to that debt, or other instruments or borrowing used by a municipality to pay for improvements in a tax increment financing district, only if authorized by the legal voters of the municipality in accordance with section 1894 of this subchapter. Payment for the cost of district improvements and related costs may also include direct payment by the municipality using the district increment. However, such payment is also subject to a vote by the legal voters of the municipality in accordance with section 1894 of this subchapter and, if not included in the tax increment financing plan approved under subsection 1894(d) of this subchapter, is also considered a substantial change and subject to the review process provided by subdivision 1901(2)(B) of this subchapter. If interfund loans within the municipality are used as the method of financing, no interest shall be charged. Bond anticipation notes may be used as a method of financing and may qualify as a district’s first incurrence of debt. A municipality that uses a bond anticipation note during the fourth year or tenth year that a district may incur debt pursuant to section 1894 of this title shall incur all permanent financing not more than one year after issuing the bond anticipation note.

Sec. 3. 24 V.S.A. § 1895 is amended to read:

§ 1895. ORIGINAL TAXABLE VALUE

(a) Certification. As of the date the district is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district has increased or decreased relative to the original taxable value.

(b) Boundary of the district. Any parcel within a district shall be located wholly within the boundaries of a district. No adjustments to the boundary of a district are permitted after the approval of a tax increment financing district plan as described in section 1894 of this title.

Sec. 4. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT FINANCING DISTRICTS

(a) A tax agreement or exemption shall affect the education property tax grand list of the municipality in which the property subject to the agreement is located if the agreement or exemption is:

* * *

(b)(1) An agreement affecting the education property tax grand list defined under subsection (a) of this section shall reduce the municipality's education property tax liability under this chapter for the duration of the agreement or exemption without extension or renewal, and for a maximum of 10 years. A municipality's property tax liability under this chapter shall be reduced by any difference between the amount of the education property taxes collected on the subject property and the amount of education property taxes that would have been collected on such property if its fair market value were taxed at the equalized nonhomestead rate for the tax year.

(2) Notwithstanding any other provision of law, if a municipality has entered into an agreement that reduces the municipality's education property tax liability under this chapter and the municipality establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5, the municipality's municipal and education tax increment shall be calculated based on the assessed value of the properties in the municipality's grand list and not on the stabilized value.

* * *

(f) A municipality that establishes a tax increment financing district under 24 V.S.A. chapter 53, subchapter 5 shall collect all property taxes on properties contained within the district and apply not more than 70 percent of the State education property tax increment, and not less than 85 percent of the municipal property tax increment, to repayment of financing of the improvements and related costs for up to 20 years pursuant to 24 V.S.A. § 1894, if approved by the Vermont Economic Progress Council pursuant to this section, subject to the following:

* * *

(4) In any year that the assessed valuation of real property in a district decreases in comparison to the original taxable value of the real property in a district, a municipality shall pay the amount equal to the tax calculated based on the original taxable value to the Education Fund.

* * *

Sec. 5. 32 V.S.A. § 5404a is amended to read:

§ 5404a. TAX STABILIZATION AGREEMENTS; TAX INCREMENT FINANCING DISTRICTS

* * *

(h) To approve utilization of incremental revenues pursuant to subsection (f) of this section, the Vermont Economic Progress Council shall do all the following:

* * *

(4) Project criteria. Determine that the proposed development within a tax increment financing district will accomplish at least three of the following five criteria:

(A) The development within the tax increment financing district clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures.

(B) The development includes new or rehabilitated affordable housing, as defined in 24 V.S.A. § 4303.

(C) The project will affect the remediation and redevelopment of a brownfield located within the district. In the case of a brownfield, the Vermont Economic Progress Council is authorized to adopt rules pursuant to subsection (j) of this section to clarify what is a reasonable improvement, as defined in 24 V.S.A. § 1891, to remediate and stimulate the development or redevelopment in the district. As used in this section, “brownfield” means an

area in which a hazardous substance, pollutant, or contaminant is or may be present, and that situation is likely to complicate the expansion, development, redevelopment, or reuse of the property.

* * *

Sec. 6. EFFECTIVE DATES

This act shall take effect on July 1, 2020, except that Sec. 3 shall take effect on July 1, 2021.

(Committee vote: 6-0-1)

S. 218.

An act relating to the Department of Mental Health's Ten-Year Plan.

Reported favorably with recommendation of amendment by Senator Westman for the Committee on Health and Welfare.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. MENTAL HEALTH INTEGRATION COUNCIL; REPORT

(a) Creation. There is created the Mental Health Integration Council for the purpose of helping to ensure that all sectors of the health care system actively participate in the State's principles for mental health integration established pursuant to 18 V.S.A. § 7251(4) and (8) and as envisioned in the Department of Mental Health's 2020 report "Vision 2030: A 10-Year Plan for an Integrated and Holistic System of Care."

(b) Membership.

(1) The Council shall be composed of the following members:

(A) the Commissioner of Mental Health or designee;

(B) the Commissioner of Health or designee;

(C) the Commissioner of Vermont Health Access or designee;

(D) the Commissioner for Children and Families or designee;

(E) the Commissioner of Corrections or designee;

(F) the Commissioner of Financial Regulation or designee;

(G) the executive director of the Green Mountain Care Board or designee;

(H) the Secretary of Education or designee;

- (I) a representative, appointed by the Vermont Medical Society;
 - (J) a representative, appointed by the Vermont Association for Hospitals and Health Systems;
 - (K) a representative, appointed by Vermont Care Partners;
 - (L) a representative, appointed by the Vermont Association of Mental Health and Addiction Recovery;
 - (M) a representative, appointed by Bi-State Primary Care;
 - (N) a representative, appointed by the University of Vermont Medical School;
 - (O) the chief executive officer of OneCare Vermont or designee;
 - (P) the Health Care Advocate established pursuant to 18 V.S.A. § 9602;
 - (Q) the Mental Health Care Ombudsman established pursuant to 18 V.S.A. § 7259;
 - (R) a representative, appointed by the insurance plan with the largest number of covered lives in Vermont;
 - (S) two persons who have received mental health services in Vermont, appointed by Vermont Psychiatric Survivors, including one person who has delivered peer services;
 - (T) one family member of a person who has received mental health services, appointed by the Vermont chapter of National Alliance on Mental Illness; and
 - (U) one family member of a child who has received mental health services, appointed by the Vermont Federation of Families for Children's Mental Health.
- (2) The Council may create subcommittees comprising the Council's members for the purpose of carrying out the Council's charge.
- (c) Powers and duties. The Council shall address the integration of mental health in the health care system including:
- (1) identifying obstacles to the full integration of mental health into a holistic health care system and identifying means of overcoming those barriers;
 - (2) helping to ensure the implementation of existing law to establish full integration within each member of the Council's area of expertise;

(3) establishing commitments from non-state entities to adopt practices and implementation tools that further integration;

(4) proposing legislation where current statute is either inadequate to achieve full integration or where it creates barriers to achieving the principles of integration; and

(5) fulfilling any other duties the Council deems necessary to achieve its objectives.

(d) Assistance. The Council shall have the administrative, technical, and legal assistance of Department of Mental Health.

(e) Report.

(1) On or before December 15, 2021, the Commissioners of Mental Health and of Health shall report on the Council's progress to the Joint Health Reform Oversight Committee.

(2) On or before January 15, 2023, the Council shall submit a final written report to the House Committee on Health Care and to the Senate Committee on Health and Welfare with its findings and any recommendations for legislative action, including a recommendation as to whether the term of the Council should be extended.

(f) Meetings.

(1) The Commissioner of Mental Health shall call the first meeting of the Council.

(2) The Commissioner of Mental Health shall serve as chair. The Commissioner of Health shall serve as vice chair.

(3) The Council shall meet bimonthly between July 1, 2020 and January 1, 2023.

(4) The Council shall cease to exist on July 30, 2023.

(g) Compensation and reimbursement. Members of the Council shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. These payments shall be made from monies appropriated to the Department of Mental Health.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2020.

(Committee vote: 5-0-0)

S. 226.

An act relating to statewide public school employee health benefits.

Reported favorably with recommendation of amendment by Senator Perchlik for the Committee on Education.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 16 V.S.A. § 2101 is amended to read:

§ 2101. DEFINITIONS

As used in this chapter:

(1) “Participating employee” means a school employee who is eligible for and has elected to receive health benefit coverage through a school employer.

(2) “School employee” means:

(A) includes the following individuals:

(i) an individual employed by a ~~supervisory union~~ or school district employer as a teacher or administrator as defined in section 1981 of this title; or

(ii) a municipal school employee as defined in 21 V.S.A. § 1722;

(iii) an individual employed as a supervisor as defined in 21 V.S.A. § 1502;

(iv) a confidential employee as defined in 21 V.S.A. § 1722;

(v) a certified employee of a school employer; and

(vi) any other permanent employee of a school employer not covered by subdivisions (i)-(v) of this subdivision (2); and

(B) notwithstanding subdivision (A) of this subdivision (2), excludes individuals who serve in the role of superintendent.

(3) “School employer” means a supervisory union or school district as those terms are defined in section 11 of this title.

Sec. 2. 16 V.S.A. § 2102 is amended to read:

§ 2102. COMMISSION ON PUBLIC SCHOOL EMPLOYEE HEALTH BENEFITS CREATED

(a) Commission created. There is created an independent commission to be called the Commission on Public School Employee Health Benefits

(Commission) to determine, in accordance with section 2103 of this chapter, the amounts of the premiums and out-of-pocket expenses for school employee health benefits that shall be borne by school employers and by participating employees.

(b) Composition and appointment.

(1) The Commission shall have 10 members, of whom five shall be representatives of school employees and five shall be representatives of school employers.

(2)(A) The representatives of school employees shall be appointed as follows:

(i) four members appointed by the labor organization representing the greatest number of ~~teachers, administrators, and municipal~~ school employees in this State; and

(ii) one member appointed by the labor organization representing the second-greatest number of ~~teachers, administrators, and municipal~~ school employees in this State.

(B) The five representatives of school employers shall be appointed by the organization representing the majority of ~~the~~ public school boards in this State.

(C) The appointing authorities shall select appointees who have an understanding of health care and employer-employee relations and who demonstrate a willingness to work collaboratively.

(D) The term of each member of the Commission shall be six years, provided that of the members first appointed by the labor organization described in subdivision (A)(i) of this subdivision (2), one appointee shall serve a term of two years and one appointee shall serve a term of four years, and of the members first appointed by the organization representing the majority of the public school boards in this State, one appointee shall serve a term of two years and one appointee shall serve a term of four years.

(3) In the event of a vacancy, the appointing authority of the member whose seat becomes vacant shall appoint a successor to serve out the remainder of the member's term.

(c) Chairs. The Commission shall be chaired jointly by one member selected biennially by the representatives of school employees and one member selected biennially by the representatives of school employers.

(d) Removal of Commission members. Members of the Commission may be removed by the Commission only for cause and may be removed by the

appointing authority of the member without cause. The Commission shall adopt rules pursuant to 3 V.S.A. chapter 25 to define the basis and process for removal.

(e) Decisions. All decisions of the Commission shall require the votes of a majority of the representatives of school employees and a majority of the representatives of school employers.

(f) Compensation. Commission members shall be entitled to receive per diem compensation and reimbursement of expenses ~~pursuant to~~ as permitted under 32 V.S.A. § 1010 for not more than 10 meetings per year.

(g) Release time. A school district that employs a member of the Commission, or an alternate member of the Commission under subsection (j) of this section, who represents school employees or school employers shall grant the Commission member time off as necessary for the member to attend meetings of the Commission.

(h) Staffing and expenses. The Commission may hire staff as it deems necessary to carry out its duties under this chapter. Compensation for Commission staff and administrative expenses of the Commission shall be shared equally by school employers and school employees. The representatives of school employers and the representatives of school employees shall equitably apportion their share of the costs of compensation and administrative expenses among their members.

~~(h)~~(i) Rulemaking. The Commission may adopt rules or procedures, or both, pursuant to 3 V.S.A. chapter 25 as needed to carry out its duties under this chapter.

(j) Alternate members. Four alternate members may be appointed to the Commission who, if appointed, shall be entitled to attend all negotiating sessions of the Commission. Up to two alternate members may be appointed by representatives of school employees and up to two alternate members may be appointed by representatives of school employers. The term of each alternate member, if appointed, shall be six years. In the event of a vacancy, the appointing authority of the alternate member whose seat becomes vacant shall appoint a successor to serve out the remainder of the alternate member's term. Alternate members may be removed by the Commission only for cause and may be removed by the appointing authority of the alternate member without cause.

(k) Appropriations. The sum of \$17,500.00 is appropriated to the Commission from the General Fund for fiscal year 2021 for per diem compensation and reimbursement of expenses for members of the

Commission. The Commission shall request the Governor to include in the Governor's annual budget request the same amount for the same purpose. Any unused appropriation in any year shall revert to the General Fund.

Sec. 3. 16 V.S.A. § 2103 is amended to read:

§ 2103. DUTIES OF THE COMMISSION

(a) The Commission shall determine the percentage of the premium for individual, two-person, parent-child, and family coverage under a health benefit plan that shall be borne by each school employer and the percentage that shall be borne by participating employees.

(1) The premium responsibility percentages shall remain in effect for the entire plan year.

(2) Each school employer shall be responsible for paying, on behalf of all of its participating school employees, the applicable percentages of premium costs as determined by the Commission.

~~(3) The premium responsibility percentages for each plan tier shall be the same for all participating employees.~~

(b)(1) The Commission shall determine the amount of ~~school~~ participating employees' out-of-pocket expenses for which the school employer and the ~~school~~ participating employees shall be responsible, and whether school employers shall establish a health reimbursement arrangement, a health savings account, both, or neither, for their participating employees.

(2) The Commission also shall determine the extent to which the employer or employee shall bear first dollar responsibility for out-of-pocket expenses if using a health reimbursement arrangement and whether the balance in a participating employee's health reimbursement arrangement shall roll over from year to year.

~~(3) The school employers' and school participating employees' responsibilities for out-of-pocket expenses for each plan tier shall be the same for all participating employees.~~

(c) The Commission may make recommendations regarding health benefit plan design to any intermunicipal insurance association that offers health benefit plans to entities providing educational services pursuant to 24 V.S.A. chapter 121, subchapter 6.

(d) The Commission shall not make any determinations regarding school employer or ~~school~~ participating employee responsibilities with respect to stand-alone vision or dental benefits.

(e) The Commission may negotiate a State-wide grievance procedure for disputes concerning public school employee health benefits.

Sec. 4. 16 V.S.A. § 2104 is amended to read:

§ 2104. NEGOTIATION; TIME TO BEGIN; GOOD FAITH; WRITTEN AGREEMENT

(a)(1) The Commission shall commence negotiation of the matters set forth in subsections 2103(a) and (b) of this chapter not later than April 1 of the year before the existing agreement pursuant to this section is set to expire. On or before October 1 of the year prior to commencement of bargaining, the Commission shall request from the parties any data and information that it anticipates needing for the negotiation, in a common format, and, on or before February 1 of the year of bargaining, the parties shall submit to the Commission the information requested.

(2) The Commission shall meet together at reasonable times at the call of the Chairs and shall negotiate in good faith on all matters set forth in subsections 2103(a) and (b) of this chapter.

(3)(A) The Commission shall select a person to serve as a fact finder to assist it in resolving any matters remaining in dispute in the event that the Commission is unable to reach an agreement by August 1. The fact finder shall be selected by a vote of a majority of the representatives of school employees and of a majority of the representatives of school employers. If the Commission cannot agree on a fact finder by April 5, the American Arbitration Association shall be asked to appoint the fact finder.

(B)(i) The Commission shall mutually agree on an arbitrator by April 5 to decide all matters remaining in dispute if it is unable to reach an agreement within 30 days after receiving the fact finder's report.

(ii) If the Commission is unable to mutually agree on an arbitrator, it shall form a three-member panel of arbitrators to be selected as follows:

(I) One arbitrator shall be selected by the representatives of school employees from a list prepared by the American Arbitration Association.

(II) One arbitrator shall be selected by the representatives of school employers from a list prepared by the American Arbitration Association.

(III) The Commission shall request the services of the American Arbitration Association for the appointment of the third arbitrator.

(b)(1) The Commission shall enter into a written agreement incorporating all matters agreed to in negotiation.

(2) The terms of the agreement shall be incorporated by reference into all collective bargaining agreements for school employees.

(c) The term of each agreement shall be negotiated by the Commission but shall not be less than two years.

Sec. 5. 16 V.S.A. § 2105 is amended to read:

§ 2105. DISPUTE RESOLUTION

(a)(1) If the Commission is unable to reach agreement by August 1, the Commission shall meet with the fact finder selected pursuant to section 2104 of this chapter not later than August 15.

(2) The fact finder may schedule and hold additional meetings with the Commission as necessary. The Commission shall furnish the fact finder with all records, papers, and information in its possession pertaining to any matter remaining in dispute.

(3) The fact finder shall, before issuing his or her decision, attempt to mediate the matters remaining in dispute.

(4) If the mediation fails to produce an agreement, the fact finder shall, on or before September 15, submit a written report to the Commission recommending a reasonable basis for the settlement of the matters remaining in dispute.

(b)(1) If the Commission is unable to resolve all matters remaining in dispute within 30 days after receiving the fact finder's report, the Commission shall submit the matters remaining in dispute to the arbitrator or arbitrators selected pursuant to section 2104 of this chapter for resolution.

(2) The representatives of school employees and the representatives of school employers shall submit to the arbitrator or arbitrators their last best offer on all issues remaining in dispute prior to the arbitration hearing. The arbitrator or arbitrators shall select one of the last best offers without amendment, submitted by the parties prior to the arbitration hearing in its entirety without amendment. The parties shall not be permitted to modify their last best offers post-hearing. Prior to the issuance of the arbitrator's decision, nothing shall prohibit the parties from settling the matters in dispute.

(3)(A) The arbitrator or arbitrators shall hold a hearing on or before November 15 at which the Commission members shall submit all relevant evidence, documents, and written material, including a cost estimate for the term of the proposal with a breakdown of costs borne by employers and costs

borne by employees, and each member may submit oral or written testimony in support of his or her position on any undecided issue that is subject to arbitration.

(B) In reaching a decision, the arbitrator or arbitrators shall give weight to the evidence, documents, written material, and arguments presented, as well as the following factors:

(i) the interests and welfare of the public;

(ii) the financial ability of the Education Fund and school districts across the State to pay for the costs of health care benefits and coverage;

(iii) comparisons of the health care benefits of school employees with the health care benefits of similar employees in the public and private sectors in Vermont;

(iv) the average consumer prices for goods and services commonly known as the cost of living; and

(v) prior and existing health care benefits and coverage for school employees.

(4) The arbitrator or arbitrators shall issue their written decision within 30 days after the hearing, explaining in appropriate detail the rationale for selecting the last best offer. The decision of the arbitrator or arbitrators shall be final and binding upon the Commission and all school employees and school employers. The decision shall not be subject to ratification.

(5) Upon the petition of a Commission member within not more than 15 days following the arbitration decision, a Superior Court shall vacate the decision if:

(A) it was procured by corruption, fraud, or other undue means;

(B) there was evident partiality or prejudicial misconduct by the arbitrator or arbitrators;

(C) the arbitrator or arbitrators exceeded their power or rendered a decision requiring a person to commit an act or engage in conduct prohibited by law; or

(D) there is an absence of substantial evidence on the record as a whole to support the decision.

(6) At any time prior to the issuance of a decision by the arbitrator or arbitrators, the Commission may notify the arbitrator or arbitrators of any additional issues on which a majority of the representatives of school

employees and of the representatives of school employers have reached agreement.

(7) If any provision of this subsection is inconsistent with any other provision of law governing arbitration, this subsection shall govern.

(c) The arbitrator or arbitrators shall have the authority to address complaints that either party has engaged in or is engaging in unfair bargaining practices, including a refusal to bargain in good faith. If the arbitrator or arbitrators find upon a preponderance of the evidence that a party has engaged in or is engaging in any unfair bargaining practice, the arbitrator or arbitrators may include in the decision a remedy for the unfair bargaining practice that is consistent with the provisions of 21 V.S.A. § 1727(d).

Sec. 6. 16 V.S.A. § 2106 is amended to read:

§ 2106. STRIKES AND CONTRACT IMPOSITION PROHIBITED

(a) School employees and the representatives of school employees shall be prohibited from engaging in a strike, as defined by 21 V.S.A. § 1722(16), in relation to the negotiation of an agreement pursuant to this chapter.

(b) The representatives of school employers shall be prohibited from imposing the terms of the agreement that is subject to this chapter.

Sec. 7. 16 V.S.A. § 2107 is amended to read:

§ 2107. RATIFICATION OF AGREEMENT

(a) The representatives of school employers and the representatives of school employees shall each develop procedures by which their members shall ratify the agreement entered into by the Commission pursuant to this chapter within 30 days after the date of the agreement; provided, however, that if the agreement is determined by arbitration pursuant to subsection 2105(b) of this chapter, the agreement shall not be subject to ratification.

(b) In the event that either the school employers or school employees, or both, fail to ratify the agreement, the following provisions shall apply:

(1) If the Commission has not engaged in mediated fact-finding pursuant to subsection 2105(a) of this chapter during the current negotiation cycle, the Commission shall meet with the fact finder pursuant to the provisions of that subsection to settle all matters remaining in dispute. If the Commission is able to reach a new agreement, that agreement shall be submitted to the bargaining units for ratification. If, after mediated fact-finding, the Commission is unable to reach a new agreement, the Commission shall proceed to arbitration pursuant to subsection 2105(b) of this chapter.

(2) If the Commission has already engaged in mediated fact-finding pursuant to subsection 2105(a) of this chapter during the current negotiation cycle, the Commission shall proceed to arbitration pursuant to subsection 2105(b) of this chapter.

Sec. 8. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-1)

Reported favorably with recommendation of amendment by Senator McCormack for the Committee on Appropriations.

The Committee recommends that the bill be amended as recommended by the Committee on Education with the following amendments thereto:

First: In Sec. 2, 16 V.S.A. § 2102 (Commission on Public School Employee Health Benefits Created), by striking out subsection (k) in its entirety and inserting in lieu thereof the following:

(k) Funding. The Commission shall request the Governor to include in the Governor's annual budget a minimum of \$17,500.00 appropriated to the Agency of Education for per diem compensation and reimbursement of expenses for members of the Commission. Any unencumbered appropriation shall revert to the General Fund in the year following the conclusion of an agreement under subdivision 2104(b)(1) of this title.

Second: By adding a new Sec. 2a to read as follows:

Sec. 2a. APPROPRIATION

The sum of \$17,500.00 is appropriated to the Agency of Education from the General Fund for fiscal year 2021 for per diem compensation and reimbursement of expenses for members of the Commission.

(Committee vote: 6-0-1)

S. 237.

An act relating to promoting affordable housing.

Reported favorably with recommendation of amendment by Senator Sirotkin for the Committee on Economic Development, Housing and General Affairs.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Municipal Zoning * * *

Sec. 1. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality may be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

* * *

(4) A utility and facility plan, consisting of a map and statement of present and prospective community facilities and public utilities showing existing and proposed educational, recreational, and other public sites; buildings and facilities, including hospitals, libraries, power generating plants and transmission lines; water supply, lines, facilities, and service areas; sewage disposal, lines, facilities, and service areas; refuse disposal, storm drainage, and other similar facilities and activities; and recommendations to meet future needs for community facilities and services, with indications of priority of need, costs, and method of financing.

* * *

(10) A housing element that shall include a recommended program for addressing low and moderate income persons' housing needs as identified by the regional planning commission pursuant to subdivision 4348a(a)(9) of this title. The program ~~should account for permitted accessory dwelling units, as defined in subdivision 4412(1)(E)~~ shall comply with the requirements of section 4412 of this title, which to provide affordable housing.

* * *

Sec. 2. 24 V.S.A. § 4412 is amended to read:

§ 4412. REQUIRED PROVISIONS AND PROHIBITED EFFECTS

(a) Notwithstanding any existing bylaw, the following land development provisions shall apply in every municipality:

(1) Equal treatment of housing and required provisions for affordable housing.

* * *

(D) Bylaws shall designate appropriate districts and reasonable regulations for multiunit or multifamily dwellings. No bylaw shall have the effect of excluding these multiunit or multifamily dwellings from the

municipality. Within any regulatory district that allows multiunit residential dwellings, no bylaw shall have the effect of prohibiting multiunit residential dwellings of four or fewer units as an allowed, permitted use, or of conditioning approval based on the character of the area.

(E) Except for flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, no bylaw shall have the effect of excluding as a permitted use one accessory dwelling unit that is located within or appurtenant to ~~an owner-occupied~~ a single-family dwelling on an owner-occupied lot. A bylaw may require a single-family dwelling with an accessory dwelling unit to be subject to the same review, dimensional, or other controls as required for a single-family dwelling without an accessory dwelling unit. An accessory dwelling unit means ~~an efficiency or one-bedroom apartment~~ a distinct unit that is clearly subordinate to a single-family dwelling, and has facilities and provisions for independent living, including sleeping, food preparation, and sanitation, provided there is compliance with all the following:

(i) The property has sufficient wastewater capacity.

(ii) The unit does not exceed 30 percent of the total habitable floor area of the single-family dwelling or 900 square feet, whichever is greater.

~~(iii) Applicable setback, coverage, and parking requirements specified in the bylaws are met.~~

(F) Nothing in subdivision (a)(1)(E) of this section shall be construed to prohibit:

(i) a bylaw that is less restrictive of accessory dwelling units; or

(ii) a bylaw that ~~requires conditional use review for one or more of the following that is involved in creation of an accessory dwelling unit:~~

~~(I) a new accessory structure;~~

~~(II) an increase in the height or floor area of the existing dwelling; or~~

~~(III) an increase in the dimensions of the parking areas regulates short-term rental units distinctly from residential rental units.~~

* * *

(2) Existing small lots. Any lot that is legally subdivided, is in individual and separate and nonaffiliated ownership from surrounding properties, and is in existence on the date of enactment of any bylaw, including an interim bylaw, may be developed for the purposes permitted in the district

in which it is located, even though the small lot no longer conforms to minimum lot size requirements of the new bylaw or interim bylaw.

(A) A municipality may prohibit development of a lot not served by and able to connect to municipal sewer and water service if either of the following applies:

- (i) the lot is less than one-eighth acre in area; or
- (ii) the lot has a width or depth dimension of less than 40 feet.

* * *

(b) Inclusive Development.

(1) Except in a municipality that has reported substantial municipal constraints in accordance with subdivision (b)(2) of this section and notwithstanding any existing bylaw other than flood hazard and fluvial erosion area bylaws adopted pursuant to section 4424 of this title, the following land development provisions shall apply in every municipality:

(A) No bylaw shall have the effect of prohibiting the creation of residential lots of at least:

(i) 10,890 square feet or one-quarter acre within any regulatory district allowing residential uses served by and able to connect to a water system operated by a municipality; or

(ii) 5,400 square feet or one-eighth acre within any regulatory district allowing residential uses served by and able to connect to a water and sewer system operated by a municipality.

(B) The appropriate municipal panel or administrative officer, as applicable, shall condition any subdivision approval on obtaining a State wastewater permit pursuant to 10 V.S.A. chapter 64.

(C) No bylaw shall have the effect of prohibiting or requiring conditional use approval for a two-unit dwelling on any lot within any regulatory district allowing residential uses served by and able to connect to a water and sewer system operated by a municipality to any greater extent than a one-unit dwelling would be prohibited or restricted within such district with no additional review, dimensional, or other controls than would be required for a single-family dwelling without a second unit.

(D) When a bylaw establishes a parking minimum for residential properties, each residential parking space that will be leased separately from residential units shall count as two spaces for purposes of meeting the parking minimum for any proposed development located within a half mile of a transit

stop. The parking space lease costs shall be reasonably proportional to the production, operation, and maintenance cost of the space to reduce generalized subsidy of leased spaces by other residents. A municipality may condition the municipal land permit on continuation of the separate leasing of parking spaces and residential units.

(2) A municipality may opt out of the requirements of subdivision (1) of this subsection by filing a Substantial Municipal Constraint Report with the Department of Housing and Community Development.

(A) The Substantial Municipal Constraint Report shall demonstrate that:

(i) the municipality's bylaws comply with all of the requirements of subsection (a) of this section; and

(ii) the municipality has documented substantial municipal constraints on its municipal water, municipal sewer, or other services that prevent the adoption of bylaws that conform to the requirements of subdivision (1) of this subsection (b).

(B) On or before January 1, 2021, the Department of Housing and Community Development shall provide a template and guidance on the form and content of the Substantial Municipal Constraint Report.

(C) The Department of Housing and Community Development shall post all Substantial Municipal Constraint Reports on the Department's website, and shall promptly provide a copy to the municipality's regional planning commission, the State program directors for municipal and water sewer funding, the Vermont Community Development Board, the Vermont Downtown Development Board, the Vermont Housing and Conservation Board, and the Natural Resources Board, as well as any person requesting notice. Any person may provide comment on the municipality's report to the Commissioner of Housing and Development within 60 days of the filing. The Department shall post all comments with the Report on the Department's website.

(D) A municipality that has filed a Substantial Municipal Constraint Report shall update the Report each time it updates its municipal plan or bylaws. Failure to update the Report shall disqualify the municipality from the incentives identified in subdivision (3) of this subsection (b) and may subject the municipality to review by the Commissioner of Housing and Community Development pursuant to section 4351 of this title.

(3) Incentives and funding.

(A) On or before July 1, 2021, any municipality that requests technical assistance from a regional planning commission to update local bylaws to address inclusionary growth as described in subdivision (1) of this subsection (b) shall receive priority technical assistance through additional funding made available to the applicable regional planning commission by section 4306 of this title or municipal funding made available through the Municipal Planning Grant Program established by section 4306 of this title and may use resources developed by the Department of Housing and Community Development to assist with the updates.

(B) The following State funding programs shall prioritize funding in municipalities that have updated their bylaws to comply with this subsection or are actively pursuing actions that will bring their bylaws into compliance with this section:

(i) State funding for Municipal Water and Sewer Systems;

(ii) Municipal Planning Grants under section 4306 of this title;

(iii) Vermont Community Development Program under 10 V.S.A. chapter 29, subchapter 1; and

(iv) Neighborhood Development Area Historic Tax Credits under 32 V.S.A. § 5930cc.

(4) Pursuant to 27 V.S.A. § 545, in a municipality that has adopted bylaws that comply with subdivision (1) of this subsection (b), deeds may not be restricted by covenants, conditions, or restrictions that conflict with the duly adopted municipal bylaws or policies. This subsection shall not affect the enforceability of any existing deed restrictions.

Sec. 3. 27 V.S.A. § 545 is added to read:

§ 545. COVENANTS, CONDITIONS, AND RESTRICTIONS OF
SUBSTANTIAL PUBLIC INTEREST

Deed restrictions, covenants, or similar binding agreements added after July 1, 2020 that prohibit or have the effect of prohibiting land development allowed under the municipal bylaws in a municipality that has adopted a bylaw in accordance with 24 V.S.A. § 4412(b)(1) shall not be valid. This section shall not affect the enforceability of any property interest held in whole or in part by a qualified organization or State agency as defined in 10 V.S.A. § 6301a, including any restrictive easements, such as conservation easements and historic preservation rights and interests defined in 10 V.S.A. § 822. This section shall not affect the enforceability of any property interest that is restricted by a housing subsidy covenant as defined by section 610 of this title

and held in whole or in part by an eligible applicant as defined in 10 V.S.A. § 303(4) or the Vermont Housing Finance Agency.

Sec. 4. REPORT ON SUBSTANTIAL MUNICIPAL CONSTRAINTS

On or before January 15, 2023, the Department of Housing and Community Development shall report to the General Assembly on any Substantial Municipal Constraint Reports received. The report shall address the number of municipalities that have reported substantial municipal constraints, the nature of the constraints, the impact on the development of housing in those municipalities, and any steps the Department recommends towards reducing or eliminating constraints.

* * * Act 250 Downtown Exemption * * *

Sec. 5. 10 V.S.A. § 6001 is amended to read:

* * *

(27) “Mixed income housing” means a housing project in which the following apply:

(A) ~~Owner-occupied housing. At the option of the applicant, owner-occupied housing may be characterized by either of the following:~~

~~(i) at least 15 percent of the housing units have a purchase price that at the time of first sale does not exceed 85 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency; or~~

~~(ii) At the time of initial sale at least 20 percent of the housing units have a purchase price that at the time of first sale does not exceed 90 percent of the new construction, targeted area purchase price limits established and published annually by the Vermont Housing Finance Agency meet the requirements of affordable owner-occupied housing under subdivision (29)(A) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

~~(B) Rental housing. At least 20 percent of the housing units that are rented constitute affordable housing and have a duration of affordability of For not less than 15 years following the date that rental housing is initially placed in service, at least 20 percent of the housing units meet the requirements of affordable rental housing under subdivision (29)(B) of this section, adjusted for the number of bedrooms, as established and published annually by the Vermont Housing Finance Agency.~~

* * *

(35) “Priority housing project” means a discrete project located on a single tract or multiple contiguous tracts of land that consists exclusively of:

(A) mixed income housing or mixed use, or any combination thereof, and is located entirely within a ~~designated downtown development district, designated new town center, or designated growth center, or designated village center that is also a designated neighborhood development area~~ under 24 V.S.A. chapter 76A; ~~or~~

~~(B) mixed income housing and is located entirely within a designated Vermont neighborhood or designated neighborhood development area under 24 V.S.A. chapter 76A.~~

* * *

Sec. 6. 10 V.S.A. § 6081 is amended to read:

§ 6081. PERMITS REQUIRED; EXEMPTIONS

* * *

(o) If a designation pursuant to 24 V.S.A. chapter 76A is removed, subsection (a) of this section shall apply to any subsequent substantial change to a ~~priority housing project~~ development or subdivision that was originally exempt pursuant to subdivision 6001(3)(A)(iv)(I) of this title or subsection (p) of this section on the basis of that designation.

(p)(1) No permit or permit amendment is required for any subdivision, development, or change to a project that is located entirely within a downtown development district designated pursuant to 24 V.S.A. § 2793, if the change consists exclusively of any combination of mixed use and mixed income housing, and the cumulative changes within any continuous period of five years, commencing on or after the effective date of this subsection, remain below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title or a neighborhood development area designated pursuant to 24 V.S.A. § 2793e. Upon receiving notice and a copy of the permit issued by an appropriate municipal panel pursuant to 24 V.S.A. § 4460(f), a previously issued permit for a development or subdivision located in a downtown development area or a neighborhood development area is extinguished.

(2) No permit or permit amendment is required for a priority housing project in a designated center other than a downtown development district if the project remains below any applicable jurisdictional threshold specified in subdivision 6001(3)(A)(iv)(I) of this title and will comply with all conditions of any existing permit or permit amendment issued under this chapter that applies to the tract or tracts on which the project will be located. If such a

priority housing project will not comply with one or more of these conditions, an application may be filed pursuant to section 6084 of this title.

* * *

~~(v) A permit or permit amendment shall not be required for a development or subdivision in a designated downtown development district for which the District Commission has issued positive findings and conclusions under section 6086b of this title on all the criteria listed in that section. A person shall obtain new or amended findings and conclusions from the District Commission under section 6086b of this title prior to commencement of a material change, as defined in the rules of the Board, to a development or subdivision for which the District Commission has issued such findings and conclusions. A person may seek a jurisdictional opinion under section 6007 of this title concerning whether such a change is a material change. [Repealed.]~~

* * *

Sec. 7. REPEALS

The following are repealed:

- (1) 10 V.S.A. § 6083a(d) (neighborhood development area fees).
- (2) 10 V.S.A. § 6086b (downtown development).

Sec. 8. 24 V.S.A. § 4460 is amended to read:

§ 4460. APPROPRIATE MUNICIPAL PANELS

* * *

(f)(1) This subsection shall apply to a subdivision or development that:

- (A) was previously permitted pursuant to 10 V.S.A. chapter 151;
- (B) is located in a downtown development district or neighborhood development area designated pursuant to chapter 76A of this title; and
- (C) has applied for a permit or permit amendment required by zoning regulations or bylaws adopted pursuant to this subchapter.

(2) The appropriate municipal panel reviewing a municipal permit or permit amendment pursuant to this subsection shall include conditions contained within a permit previously issued pursuant to 10 V.S.A. chapter 151 unless the panel determines that the permit condition pertains to any of the following:

- (A) the construction phase of the project that has already been constructed;

(B) compliance with another State permit that has independent jurisdiction;

(C) federal or State law that is no longer in effect or applicable;

(D) an issue that is addressed by municipal regulation and the project will meet the municipal standards; or

(E) a physical or use condition that is no longer in effect or applicable, or that will no longer be in effect or applicable once the new project is approved.

(3) After issuing or amending a permit containing conditions pursuant to this subsection, the appropriate municipal panel shall provide notice and a copy of the permit to the Natural Resources Board.

(4) The appropriate municipal panel shall comply with the notice and hearing requirements provided in subdivision 4464(a)(1) of this title. In addition, notice shall be provided to those persons requiring notice under 10 V.S.A. § 6084(b) and shall explicitly reference the existing Act 250 permit.

(5) The appropriate municipal panel's decision shall be issued in accord with subsection 4464(b) of this title and shall include specific findings with respect to its determinations pursuant to subdivision (2) of this subsection.

(6) Any final action by the appropriate municipal panel affecting a condition of a permit previously issued pursuant to 10 V.S.A. chapter 151 shall be recorded in the municipal land records.

Sec. 9. 24 V.S.A. § 2792(a) is amended to read:

(a) A "Vermont Downtown Development Board," also referred to as the "State Board," is created to administer the provisions of this chapter. The State Board shall be composed of the following members or their designees:

* * *

(12) The executive director of the Vermont Housing and Conservation Board or designee.

Sec. 10. 24 V.S.A. § 2793 is amended to read:

§ 2793. DESIGNATION OF DOWNTOWN DEVELOPMENT DISTRICTS

* * *

(b) Within 45 days of receipt of a completed application, the State Board shall designate a downtown development district if the State Board finds in its written decision that the municipality has:

(1) Demonstrated a commitment to protect and enhance the historic character of the downtown through the adoption of a design review district, through the adoption of an historic district, or through the adoption of regulations that adequately regulate the physical form and scale of development that the State Board determines substantially meet the historic preservation requirements in subdivisions 4414(1)(E) and (F) of this title, ~~or through the creation of a development review board authorized to undertake local Act 250 reviews of municipal impacts pursuant to section 4420 of this title.~~

* * *

(4) A housing element in its plan in accordance with subdivision 4382(10) of this title that achieves the purposes of subdivision 4302(11) of this title and that includes clear implementation steps for achieving mixed income housing, including affordable housing, a timeline for implementation, responsibility for each implementation step, and potential funding sources.

(5) Adopted one of the following to promote the availability of affordable housing opportunities in the municipality:

(A) inclusionary zoning as provided in subdivision 4414(7) of this title;

(B) a restricted housing trust fund with designated revenue streams;

(C) a housing commission as provided in section 4433 of this title; or

(D) impact fee exemptions or reductions for affordable housing as provided in section 5205 of this title.

(c) A designation issued under this section shall be effective for eight years and may be renewed on application by the municipality. The State Board also shall review a community's designation four years after issuance or renewal and may review compliance with the designation requirements at more frequent intervals. Any community applying for renewal shall explain how the designation under this section has furthered the goals of the town plan and shall submit an approved town plan map that depicts the boundary of the designated district. Beginning on July 1, 2022, any community under review or seeking renewal shall comply with subdivisions (b)(4) and (5) of this section. If at any time the State Board determines that the downtown development district no longer meets the standards for designation established in subsection (b) of this section, it may take any of the following actions:

(1) require corrective action;

(2) provide technical assistance through the Vermont Downtown Program;

(3) limit eligibility for the benefits established in section 2794 of this chapter without affecting any of the district's previously awarded benefits; or

(4) remove the district's designation without affecting any of the district's previously awarded benefits.

Sec. 11. 24 V.S.A. § 2793a. is amended to read:

§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

* * *

(c) A village center designated by the State Board pursuant to subsection (a) of this section is eligible for the following development incentives and benefits:

* * *

~~(4) The following State tax credits for projects located in a designated village center:~~

~~(A) A State historic rehabilitation tax credit of ten percent under 32 V.S.A. § 5930cc(a) that meets the requirements for the federal rehabilitation tax credit.~~

~~(B) A State façade improvement tax credit of 25 percent under 32 V.S.A. § 5930cc(b).~~

~~(C) A State code improvement tax credit of 50 percent under 32 V.S.A. § 5930cc(e) The Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.~~

* * *

Sec. 12. 24 V.S.A. § 2793e is amended to read:

§ 2793e. NEIGHBORHOOD PLANNING AREAS; DESIGNATION OF NEIGHBORHOOD DEVELOPMENT AREAS

* * *

(c) Application for designation of a neighborhood development area. The State Board shall approve a neighborhood development area if the application demonstrates and includes all of the following elements:

* * *

(5) The proposed neighborhood development area consists of those portions of the neighborhood planning area that are appropriate for new and

infill housing, excluding identified flood hazard and fluvial erosion areas, except those areas containing preexisting development and areas suitable for infill development as defined in section 29-201 of the Vermont Flood Hazard Area and River Corridor Rule. In determining what areas are most suitable for new and infill housing, the municipality shall balance local goals for future land use, the availability of land for housing within the neighborhood planning area, and the smart growth principles. Based on those considerations, the municipality shall select an area for neighborhood development area designation that:

(A) Avoids or that minimizes to the extent feasible the inclusion of “important natural resources” as defined in subdivision 2791(14) of this title and flood hazard areas and river corridors. If an “important natural resource” is included within a proposed neighborhood development area, the applicant shall identify the resource, explain why the resource was included, describe any anticipated disturbance to such resource, and describe why the disturbance cannot be avoided or minimized. If the neighborhood development area includes flood hazard areas or river corridors, the local bylaws must contain provisions consistent with the Agency of Natural Resources rules required under 10 V.S.A. § 754(a) to ensure that new infill development within a neighborhood development area occurs outside the floodway, new development is elevated or floodproofed at least two feet above Base Flood Elevation, or otherwise reasonably safe from flooding, and will not cause or contribute to fluvial erosion hazards within the river corridor. If the neighborhood development area includes flood hazard areas or river corridors, local bylaws shall also contain provisions to protect river corridors outside of the neighborhood development area consistent with the Agency of Natural Resources model river corridor bylaws.

(B) Is served by planned or existing transportation infrastructure that conforms with “complete streets” principles as described under 19 V.S.A. § 309d and establishes pedestrian access directly to the downtown, village center, or new town center.

(C) Is compatible with and will reinforce the character of adjacent National Register Historic Districts, National or State Register Historic Sites, and other significant cultural and natural resources identified by local or State government.

(6) The neighborhood development area is served by:

(A) municipal sewer infrastructure; or

(B) a community or alternative wastewater system approved by the Agency of Natural Resources.

(7) ~~The~~ Within the neighborhood development area, the municipal bylaws allow minimum lot sizes of one-quarter of an acre or less and minimum net residential densities within the neighborhood development area greater than or equal to four single-family detached dwelling units per acre, exclusive of accessory dwelling units, or no fewer than the average existing density of the surrounding neighborhood, whichever is greater.

(A) The methodology for calculating density shall be established in the guidelines developed by the Department pursuant to subsection 2792(d) of this title.

~~(A)~~(B) Regulations that adequately regulate the physical form and scale of development may be used to demonstrate compliance with this requirement.

~~(B)~~(C) Development in the neighborhood development areas that is lower than the minimum net residential density required by this subdivision (7) shall not qualify for the benefits stated in subsections (f) and (g) of this section. ~~The district coordinator shall determine whether development meets this minimum net residential density requirement in accordance with subsection (f) of this section.~~

(8) Local bylaws, regulations, and policies applicable to the neighborhood development area substantially conform with neighborhood design guidelines developed by the Department pursuant to section 2792 of this title. These policies shall:

(A) ensure that all investments contribute to a built environment that enhances the existing neighborhood character and supports pedestrian use;

(B) ensure sufficient residential density uses and building heights;

(C) minimize the required lot sizes, setbacks, and parking requirements, and street widths; and

(D) require conformance with “complete streets” principles as described under 19 V.S.A. § 309d, street and pedestrian connectivity, and street trees.

(9) Residents hold a right to utilize household energy conserving devices.

(10) The application includes a map or maps that, at a minimum, identify:

(A) “important natural resources” as defined in subdivision 2791(14) of this title;

(B) existing slopes of 25 percent or steeper;

(C) public facilities, including public buildings, public spaces, sewer or water services, roads, sidewalks, paths, transit, parking areas, parks, and schools;

(D) planned public facilities, roads, or private development that is permitted but not built;

(E) National Register Historic Districts, National or State Register Historic Sites, and other significant cultural and natural resources identified by local or State government;

(F) designated downtown, village center, new town center, or growth center boundaries as approved under this chapter and their associated neighborhood planning area in accordance with this section; and

(G) delineated areas of land appropriate for residential development and redevelopment under the requirements of this section.

(11) The application includes the information and analysis required by the Department's guidelines under section 2792 of this title.

(12) A housing element in its plan in accordance with subdivision 4382(10) of this title that achieves the purposes of subdivision 4302(11) of this title and that includes clear implementation steps for achieving mixed income housing, including affordable housing, a timeline for implementation, responsibility for each implementation step, and potential funding sources.

(13) The application includes information in the proposed neighborhood development area that the municipality has adopted one of the following to promote the availability of affordable housing opportunities in the municipality:

(A) inclusionary zoning as provided in subdivision 4414(7) of this title;

(B) a restricted housing trust fund with designated revenue streams;

(C) a Housing Commission as provided in section 4433 of this title;

or

(D) impact fee exemptions or reductions for affordable housing as provided in section 5205 of this title.

* * *

(e) Length of designation. Initial designation of a neighborhood development area shall be reviewed concurrently with the next periodic review

conducted of the underlying designated downtown, village center, new town center, or growth center.

(1) The State Board, on its motion, may review compliance with the designation requirements at more frequent intervals.

(2) If the underlying downtown, village center, new town center, or growth center designation terminates, the neighborhood development area designation also shall terminate.

(3) If at any time the State Board determines that the designated neighborhood development area no longer meets the standards for designation established in this section, it may take any of the following actions:

(A) require corrective action within a reasonable time frame;

(B) remove the neighborhood development area designation; or

(C) prospectively limit benefits authorized in this chapter.

(4) Action taken by the State Board under subdivision (3) of this subsection shall not affect benefits already received by the municipality or a land owner in the designated neighborhood development area.

(5) Beginning on July 1, 2022, any community under review or seeking renewal shall comply with subdivisions (c)(12) and (13) of this section.

(f) Neighborhood development area incentives for developers. Once a municipality has a designated neighborhood development area or has a Vermont neighborhood designation pursuant to section 2793d of this title, any a proposed development within that area shall be eligible for each of the benefits listed in this subsection. These benefits shall accrue upon approval by the district coordinator, who shall review, provided that the project meets the density requirements set forth in subdivision (c)(7) of this section to determine benefit eligibility and issue a jurisdictional opinion under 10 V.S.A. chapter 151 on whether the density requirements are met, as determined by the administrative officer, as defined in chapter 117 of this title. These benefits are:

(1) ~~The~~ the application fee limit for wastewater applications stated in 3 V.S.A. § 2822(j)(4)(D); and

(2) ~~The application fee reduction for residential development stated in 10 V.S.A. § 6083a(d).~~

(3) ~~The~~ the exclusion from the land gains tax provided by 32 V.S.A. § 10002(p).

(g) Neighborhood development area incentives for municipalities. Once a municipality has a designated neighborhood development area, it may receive:

(1) priority consideration for municipal planning grant funds; and

(2) training and technical assistance from the Department to support an application for benefits from the Department.

(h) Alternative designation. If a municipality has completed all of the planning and assessment steps of this section but has not requested designation of a neighborhood development area, an owner of land within a neighborhood planning area may apply to the State Board for neighborhood development area designation status for a portion of land within the neighborhood planning area. The applicant shall have the responsibility to demonstrate that all of the requirements for a neighborhood development area designation have been satisfied and to notify the municipality that the applicant is seeking the designation. The State Board shall provide the municipality with at least 14 days' prior written notice of the Board's meeting to consider the application, and the municipality shall submit to the State Board the municipality's response, if any, to the application before or during that meeting. On approval of a neighborhood development area designation under this subsection, the applicant ~~may proceed to obtain a jurisdictional opinion from the district coordinator under subsection (f) of this section in order to obtain~~ shall be eligible for the benefits granted to neighborhood development areas, subject to approval by the administrative officer, as provided in subsection (f) of this section.

* * * Tax Credits * * *

Sec. 13. 32 V.S.A. § 5930aa is amended to read:

§ 5930aa. DEFINITIONS

As used in this subchapter:

(1) "Qualified applicant" means an owner or lessee of a qualified building involving a qualified project, but does not include a State or federal agency or a political subdivision of either; or an instrumentality of the United States.

(2) "Qualified building" means a building built at least 30 years before the date of application, located within a designated downtown or₂ village center, or neighborhood development area, which₂ upon completion of the project supported by the tax credit, will be an income-producing building not used solely as a single-family residence. Churches and other buildings owned by religious organization may be qualified buildings, but in no event shall tax credits be used for religious worship.

(3) “Qualified code improvement project” means a project:

(A) to install or improve platform lifts suitable for transporting personal mobility devices, limited use or limited application elevators, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the Department of Public Safety;

(B) to abate lead paint conditions or other substances hazardous to human health or safety in a qualified building; or

(C) to redevelop a contaminated property in a designated downtown, ~~or~~ village center, or neighborhood development area under a plan approved by the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

(4) “Qualified expenditures” means construction-related expenses of the taxpayer directly related to the project for which the tax credit is sought but excluding any expenses related to a private residence.

(5) “Qualified façade improvement project” means the rehabilitation of the façade of a qualified building that contributes to the integrity of the designated downtown ~~or~~, designated village center, or neighborhood development area. Façade improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places must be consistent with Secretary of the Interior Standards, as determined by the Vermont Division for Historic Preservation.

(6) “Qualified Flood Mitigation Project” means any combination of structural and nonstructural changes to a building located within an area subject to the River Corridor Rule or within the flood hazard area as mapped by the Federal Emergency Management Agency that reduces or eliminates flood damage to the building or its contents. The project shall comply with the municipality’s adopted flood hazard and river corridor bylaw, if applicable, and a certificate of completion shall be submitted by a registered engineer, architect, qualified contractor, or qualified local official to the State Board. Improvements to qualified buildings listed, or eligible for listing, in the State or National Register of Historic Places shall be consistent with Secretary of the Interior’s Standards for Rehabilitation, as determined by the Vermont Division for Historic Preservation.

(7) “Qualified historic rehabilitation project” means an historic rehabilitation project that has received federal certification for the rehabilitation project.

~~(7)~~(8) “Qualified project” means a qualified code improvement, qualified façade improvement, or qualified historic rehabilitation project as defined by this subchapter.

~~(8)~~(9) “State Board” means the Vermont Downtown Development Board established pursuant to 24 V.S.A. chapter 76A.

* * * Wastewater Connection Permits * * *

Sec. 14. 10 V.S.A. § 1974(9) is added to read:

(9) A person who receives an authorization from a municipality that administers a program registered with the Secretary pursuant to section 1983 of this title.

Sec. 15. 10 V.S.A. § 1983 is added to read:

§ 1983. REGISTRATION FOR MUNICIPAL WASTEWATER SYSTEM
AND POTABLE WATER SUPPLY CONNECTIONS

(a) A municipality may issue an approval for a connection or an existing connection with a change in use to the municipal sanitary sewer collection line via a sanitary sewer service line or a connection to a water main via a new water service line in lieu of permits issued under this chapter, provided that the municipality documents the following in a form prescribed by the Secretary:

(1) The municipality owns or has legal control over connections to a public community water system permitted pursuant to chapter 56 of this title and connections to a wastewater treatment facility permitted pursuant to chapter 47 of this title.

(2) The municipality shall only issue authorizations for:

(A) a sanitary sewer service line that connects to the sanitary sewer collection line that serves a single connection; and

(B) a water service line that connects to the water main that serves a single connection.

(3) The building or structure connects to both the sanitary sewer collection line and public community water system.

(4) The municipality issues approvals that comply with the technical standards for sanitary sewer service lines and water service lines adopted by the Secretary under this chapter.

(5) The municipality requires documentation in the land records that the connection authorized by the municipality was installed in accordance with the technical standards.

(6) The program requires the retention of plans that show the location and design of authorized connections.

(b) The municipality shall notify the Secretary 30 days in advance of terminating any registration. The municipality shall provide all approvals and plans to the Secretary as a part of this termination notice.

Sec. 16. STUDY OF SUBDIVISION REGULATIONS IN AUTHORIZED MUNICIPALITIES

The Agency of Natural Resources' Technical Advisory Committee shall report to the House Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy on whether municipalities authorized under 10 V.S.A. § 1983 should also have jurisdiction to issue permits in lieu of the Secretary for subdivisions when the lot is served by municipal water and sewer.

* * * Age-Specific Housing Study * * *

Sec. 17. STATEWIDE HOUSING STUDY

(a)(1) The Department of Housing and Community Development, in collaboration with the Department of Disabilities, Aging, and Independent Living, shall conduct a Statewide Housing Study to evaluate the current and projected needs for age-specific housing in Vermont.

(2) The Departments shall include recommendations for an age-specific housing plan and policies with measurable objectives that are focused on older Vermonters, in particular those with very low income or who are caregivers or living with disabilities.

(b) The Departments shall submit the Study to the Senate Committee on Economic Development, Housing and General Affairs and to the House Committee on General, Housing, and Military Affairs on or before January 15, 2021.

* * * Funding for Affordable Housing * * *

Sec. 18. FINDINGS AND PURPOSE; FUNDING FOR AFFORDABLE HOUSING

(a) Findings. The General Assembly finds that:

(1) In 2017, the General Assembly, in partnership with the Vermont Housing and Conservation Board, the Vermont Housing Finance Agency, the State Treasurer, and other affordable housing stakeholders, provided for the funding and creation of an affordable housing bond to support the development of affordable housing throughout the State.

(2) The results of the Housing for All Revenue Bond initiative greatly exceeded original estimates by raising \$37 million in bond proceeds, creating or improving more than 800 homes across the State, generating \$172 million in construction activity, and leveraging \$198 million in other public and private funding.

(3) Additional investments through the Vermont Housing and Conservation Board are necessary to sustain and build on the success of the Housing for All Revenue Bond and create needed affordable housing options for Vermonters including:

(A) creating new multifamily and single-family homes;

(B) addressing blighted properties and other existing housing stock requiring reinvestment, including in mobile home parks; and

(C) providing service-supported housing in coordination with the Agency of Human Services, including housing for those who are elderly, homeless, in recovery, experiencing severe mental illness, or leaving incarceration.

(b) Purpose and intent.

(1) The purpose of this section is to promote the development and improvement of permanently affordable housing for current and future Vermont residents throughout the State.

(2) It is the intent of the General Assembly to provide funding to the Vermont Housing and Conservation Board in accordance with 10 V.S.A. § 312.

(c) Appropriations. In fiscal year 2021, the amount of \$13,073,840.00 is appropriated to the Vermont Housing and Conservation Board from property transfer tax revenues pursuant to 32 V.S.A. § 9602, which represents an increase of \$2,269,000.00 from the fiscal year 2020 appropriation to the Vermont Housing and Conservation Board from property transfer tax revenues. It is the intent of the General Assembly that this increase of \$2,269,000.00 is used for housing projects, of which approximately \$750,000.00 shall be used for mobile home park infrastructure needs.

* * * Short-term Rentals * * *

Sec. 19. SHORT-TERM RENTALS

(a) The Department of Housing and Community Development may exercise its authority under 3 V.S.A. § 844 to adopt emergency rules to collect sufficient data to allow the State to understand the impact of short-term rentals

on the availability of housing in this State while balancing the privacy interests of short-term rental operators and their guests.

(b) On or before January 15, 2021, the Department shall submit a report to the Senate Committee on Economic Development, Housing and General Affairs and to the House Committee on General, Housing, and Military Affairs that includes:

(1) information concerning the data it collects pursuant to this section and in conjunction with any housing needs assessment the Department conducts in conjunction with the Vermont Housing Finance Agency and Vermont Housing and Conservation Board;

(2) a compilation of the legal frameworks adopted by U.S. states and municipalities to regulate short-term rentals; and

(3) recommendations for any statutory and municipal regulation of short-term rentals in this State.

Sec. 20. 24 V.S.A. § 2291 is amended to read:

§ 2291. ENUMERATION OF POWERS

For the purpose of promoting the public health, safety, welfare, and convenience, a town, city, or incorporated village shall have the following powers:

* * *

(29) To regulate by means of an ordinance or bylaw the operation of short-term rentals within the municipality, provided that the ordinance or bylaw does not adversely impact the availability of long-term rental housing. As used in this subdivision, “short-term rental” means a furnished house, condominium, or other dwelling room or self-contained dwelling unit rented to the transient, traveling, or vacationing public for a period of fewer than 30 consecutive days and for more than 14 days per calendar year.

* * * Homelessness Prevention * * *

Sec. 21. HOMELESSNESS PREVENTION

(a) Consistent with the report mandated in 2019 Acts and Resolves No. 72, Sec. E.300.4, the Secretary of Human Services shall take reasonable measures, including increasing case management services under a “housing first” model for Vermonters who are homeless, to reduce the loss of specialized federal rental assistance vouchers.

(b) The Secretary shall report to the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Health and

Welfare and to the House Committees on Appropriations, on General, Housing, and Military Affairs, on Human Services, and on Health Care on or before October 15, 2020 on measures taken, and results achieved, in increasing the use of specialized federal assistance vouchers.

* * * Mobile Home Parks * * *

Sec. 22. MOBILE HOME PARK INFRASTRUCTURE

(a) The Department of Environmental Conservation shall:

(1) assist the Town of Brattleboro and the Tri-Park Cooperative in the implementation of the Tri-Park Master Plan and Deerfield River & Lower Connecticut River Tactical Basin Plan, including through loan forgiveness or restructuring of State Revolving Loans RF1-104 and RF3-163 and additional loans, to allow for the relocation of homes in the floodplain and improvements to wastewater and stormwater infrastructure needs;

(2) provide similar assistance to the extent possible to similarly situated mobile home parks that also have relocation or infrastructure needs; and

(3) identify statutory and programmatic changes necessary to assist in the implementation of the plans and to improve access and terms by mobile home parks and other small communities to the Clean Water Revolving Loan Fund, Water Infrastructure Sponsorship Program and the Drinking Water State Revolving Fund.

(b) On or before January 15, 2021, the Department shall report on actions taken and recommendations for statutory or programmatic changes to the Senate Committees on Economic Development, Housing and General Affairs and on Institutions and to the House Committees on General, Housing, and Military Affairs and on Corrections and Institutions.

Sec. 23. 10 V.S.A. § 10 is amended to read:

§ 10. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL INVESTMENTS

(a)(1) Notwithstanding any provision of 32 V.S.A. § 433(a) to the contrary, the Vermont State Treasurer shall have the authority to establish a credit facility of up to 10 percent of the State's average cash balance on terms acceptable to the Treasurer and consistent with prudent investment principles and guidelines pursuant to 32 V.S.A. § 433(b)–(c) and the Uniform Prudent Investor Act, 14A V.S.A. chapter 9.

(b)(2) The amount authorized in subdivision (1) of this subsection (a) of ~~this section~~ shall include all credit facilities authorized by the General

Assembly and established by the Treasurer, and the renewal or replacement of those credit facilities.

(b) The Treasurer may use amounts available under this section to provide financing for infrastructure projects in Vermont mobile home parks and may modify the terms of such financing in his or her discretion as is necessary to promote the availability of mobile home park housing and to protect the interests of the State.

* * * Vermont Housing Incentive Program * * *

Sec. 24. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Vermont Housing Incentive Program

§ 699. VERMONT HOUSING INCENTIVE PROGRAM

(a) Purpose. Recognizing that Vermont's rental housing stock is some of the oldest in the country and that much of it needs updating to meet code requirement and other standards, this section is intended to incentivize private apartment owners to make significant improvements to both housing quality and weatherization by providing small grants that are matched by the private apartment owner.

(b) Creation of Program. The Department of Housing and Community Development shall design and implement a Vermont Housing Incentive Program to provide funding to regional nonprofit housing partner organizations to provide incentive grants to private landlords for the rehabilitation and improvement, including weatherization, of existing rental housing stock.

(c) Administration. The Department shall require any nonprofit regional housing partner organization that receives funding under this Program to develop a standard application form for property owners that describes the application process and includes clear instructions and examples to help property owners apply, a selection process that ensures equitable selection of property owners, and a grants management system that ensures accountability for funds awarded to property owners.

(d) Grant Requirements. The Department shall ensure that each grant complies with the following requirements:

(1) A property owner may apply for a grant for improvements to not more than four rental units that are vacant, blighted, or otherwise do not comply with applicable rental housing health and safety laws.

(2) A property owner shall:

(A) match the value of a grant at least two-to-one with his or her own funds and not through in-kind services;

(B) include a weatherization component; and

(C) comply with applicable permit requirements and rental housing health and safety laws.

(3) The Department and the property owner shall ensure that not fewer than half of the rental units improved with grant funds have rents that are affordable to households earning not more than 80 percent of area median income and remain affordable for not less than seven years.

(4) If a property owner sells or transfers a property improved with grant funds within seven years of receiving the grant, the property owner shall:

(A) repay the amount of the grant funds upon sale or transfer; or

(B) ensure that the property continues to remain affordable for the remainder of the seven-year period required in subdivision (3) of this subsection.

(e) As used in this section:

(1) "Blighted" means that a rental unit is not fit for human habitation and does not comply with the requirements of applicable building, housing, and health regulations.

(2) "Vacant" means that a rental unit has not been leased or occupied for at least 90 days prior to the date a property owner submits a grant application and remains unoccupied at the time the grant is awarded.

* * * Appropriations * * *

Sec. 25. APPROPRIATIONS

(a) The sum of \$150,000.00 is appropriated to the Municipal and Regional Planning Fund from the General Fund in fiscal year 2021 to be used by regional planning commissions to assist municipalities in updating their bylaws to include inclusionary housing bylaws.

(b) The sum of \$150,000.00 is appropriated to the Municipal and Regional Planning Fund from the General Fund in fiscal year 2021 to be used by municipal planning commissions to assist municipalities in updating their bylaws to include inclusionary housing bylaws.

(c) The sum of \$50,000.00 is appropriated to Agency of Commerce and Community Development from the General Fund in fiscal year 2021 to provide technical assistance to homeowners and developers who seek to

develop accessory dwelling units for existing residential properties and for small residential projects of less than \$1,000,000.00 in anticipated construction costs.

(d) The sum of \$800,000.00 is appropriated to the Agency of Human Services from the General Fund to increase case management services under a “housing first” model for Vermonters who are homeless pursuant to Sec. 22 of this act.

(e) The sum of \$1,000,000.00 is appropriated to the Department of Housing and Community Development from the General Fund to provide funding through the Vermont Housing Incentive Program created in 10 V.S.A. § 699.

* * * Implementation of Incentives * * *

Sec. 26. IMPLEMENTATION

The incentives and funding established in 24 V.S.A. §4412(b)(3) shall be available immediately to municipalities that adopt bylaws to comply with 24 V.S.A. §4412(b)(1) prior to the effective date of July 1, 2023.

* * * Effective Dates * * *

Sec. 27. EFFECTIVE DATES

This act shall take effect on July 1, 2020, except in Sec. 2, 24 V.S.A. § 4412(b) shall take effect on July 1, 2023.

(Committee vote: 5-0-0)

S. 273.

An act relating to creating incentives for schools and establishing a goal for correctional facilities to purchase locally produced foods.

Reported favorably with recommendation of amendment by Senator Hardy for the Committee on Agriculture.

The Committee recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 16 V.S.A. § 1262a is amended to read:

§ 1262a. AWARD OF GRANTS

* * *

(d) The Agency shall, from funds appropriated for this subsection to the Agency, award grants to supervisory unions and supervisory districts in accordance with section 1264a of this title (Locally Produced Foods). If the

amount appropriated for this purpose is insufficient to fully fund the grants under that section, then the grant amounts that are awarded shall be prorated.

Sec. 2. 16 V.S.A. § 1264 is amended to read:

§ 1264. FOOD PROGRAM

* * *

~~(d) It is a goal of the State that by the year 2022 school boards operating a school lunch, breakfast, or summer meals program shall purchase at least 20 percent of all food for those programs from local producers.~~

~~(e)(1) On or before December 31, 2020, and annually thereafter, a school board operating a school lunch, breakfast, or summer meals program shall submit to the Agency of Education an estimate of the percentage of locally produced foods that were purchased by the school board for those programs.~~

~~(2) On or before January 31, 2021, and annually thereafter, the Agency of Education shall submit to the Senate Committees on Agriculture and on Education and the House Committees on Agriculture and Forestry and on Education in an aggregated form the information received from school boards regarding the percentage of locally produced foods that are purchased as part of a school lunch, breakfast, or summer meals program. The provisions of 2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the report required by this subdivision.~~

Sec. 3. 16 V.S.A. § 1264a is added to read:

§ 1264a. LOCALLY PRODUCED FOODS

(a) It is a goal of the State that by the year 2022 at least 20 percent of all foods purchased by supervisory unions and supervisory districts, together referred to in this section as “supervisory unions,” be locally produced foods. School boards have the discretion to define what foods are included within the definition of “locally produced foods” for the purposes of this subsection and subsection (b) of this section.

(b) On or before December 31, 2020 and annually thereafter, a school board operating a school lunch, breakfast, or summer meals program shall report to the Agency of Education an estimate of the percentage of the cost of all foods purchased by the school board for those programs that were locally produced foods during the one-year period ending on June 30 of that year.

(c)(1) Beginning with the 2020–21 school year and thereafter, supervisory unions shall be eligible for a local foods incentive grant (grant) from funds appropriated to the Agency of Education for this purpose.

(2) A supervisory union may apply for the grant if it has:

(A) developed a locally produced foods' purchasing plan, which describes the supervisory union's goals for purchasing locally produced foods and its plan to achieve those goals;

(B) designated an individual as the food coordinator for locally produced foods who shall be responsible for implementing the locally produced foods' purchasing plan;

(C) developed a process for tracking the purchase of locally produced foods; and

(D) complied with the reporting requirement under subsection (b) of this section.

(3) A supervisory union that has satisfied the conditions under subdivision (2) of this subsection may, on or before January 15, 2021 or January 15 of any year thereafter, apply to the Agency for the grant by submitting a certification, signed by the business manager for the supervisory union, that the supervisory union satisfies the conditions under subdivision (2) of this subsection.

(4) If a supervisory union is eligible for a grant under subdivision (3) of this subsection, then the Agency shall make the grant payment, subject to appropriation, on or before the following March 31 after submission of the supervisory union's application (which is due on or before January 15 of that year), which shall be equal to 15 cents per reimbursable school lunch served by the supervisory union in the prior school year through the National School Lunch Program. A supervisory union may apply for this grant and receive this grant funding only once.

(5)(A) A supervisory union that has received a grant under subdivision (4) of this subsection (c) may, on or before January 15, 2022 or January 15 of any year thereafter, apply for a further grant by submitting to the Agency of Education information that demonstrates that at least 15 percent of the cost of all foods purchased or grown, raised, or produced by the supervisory union during the one year period ending on June 30 of the previous year, excluding foods purchased or grown, raised, or produced by the supervisory union that were used to provide catering services for which the supervisory union received compensation, was in aggregate:

(i) fruits, vegetables, meat, poultry, dairy (except fluid milk), maple syrup, honey, legumes, grains, or eggs that were grown, raised, or produced in Vermont or within 30 miles of the Vermont border; and

(ii) foods processed in Vermont with at least 75 percent Vermont-grown, Vermont-raised, or Vermont-produced ingredients, with fluid milk counted as a processed food.

(B) If a supervisory union grows, raises, or produces food, it shall assign a fair market value to that food for the purpose of reporting its cost.

(6) If a supervisory union is eligible for a grant under subdivision (5) of this subsection, the Agency shall, on or before the following March 31 after submission of the supervisory union's application (which is due on or before January 15 of that year), make the grant payment, subject to appropriation, which shall be determined as follows:

(A) 15 cents per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 15 percent or more locally produced foods;

(B) 20 cents per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 20 percent or more locally produced foods; or

(C) 25 cents per reimbursable school lunch served in the prior school year through the National School Lunch Program for supervisory unions purchasing at least 25 percent or more locally produced foods.

(7) A supervisory union may apply for and receive grant funding under subdivisions (5) and (6) under this subsection (c) for each year that it qualifies for this grant funding.

(8) The Agency of Education may perform sample audits for any year that grant funds are paid to supervisory unions under subdivision (6) under this subsection (c) to verify that information provided to the Agency under subdivision (5) under this subsection (c) is accurate. If the Agency makes a grant payment under subdivision (6) to a supervisory union that was based on inaccurate information reported by the supervisory union, the Agency may seek reimbursement from the supervisory union for an overpayment or reimburse the supervisory union for an underpayment, or may adjust future grant amounts under this section to reflect the over- or underpayment.

(d)(1) On or before January 31, 2021 and annually thereafter, the Agency of Education shall submit to the Senate Committees on Agriculture and on Education and the House Committees on Agriculture and Forestry and on Education in an aggregated form:

(A) the information received from supervisory unions regarding the percentage of locally produced foods, as the supervisory unions define them, that were reported under subsection (b) of this section; and

(B) the percentage of locally produced foods, using the grant funding definition, that were reported under subdivision (c)(5) of this section, and the amount of grant funding paid to supervisory unions under subdivision (c)(6) in the prior school year.

(2) The provisions of 2 V.S.A. § 20(d) regarding expiration of required reports shall not apply to the reports required by this subsection.

Sec. 4. ADMINISTRATIVE SUPPORT

(a) The Agency of Education shall collaborate with the Agency of Agriculture, Food and Markets to promote the local foods program under 16 V.S.A. § 1264a to supervisory unions and supervisory districts, farmers, food processors, and distributors.

(b) The following position is created in the Agency of Education: one full-time, classified position specializing in the administration of federal child nutrition programs in order to expand access to these programs and to assist with the implementation of the local foods incentive grant under 16 V.S.A § 1264a created under this act. The position established in this subsection shall be transferred and converted from an existing vacant position in the Executive Branch of State government. There is appropriated to the Agency of Education from the General Fund for fiscal year 2021 the amount of \$125,000.00 for salary, benefits, and operating expenses.

Sec. 5. APPROPRIATIONS FOR FOOD PROGRAMS

(a) There is appropriated to the Agency of Education from the General Fund for fiscal year 2021 the amount of \$75,000.00 for the summer food service program under 16 V.S.A. § 1264(a)(2).

(b) There is appropriated to the Agency of Education from the General Fund for fiscal year 2021 the amount of \$500,000.00 for local foods incentive grants under 16 V.S.A. § 1264a (Locally Produced Foods) as added by this act.

Sec. 6. CORRECTIONAL FACILITIES

(a) It is a goal of the State that by the year 2023 at least 20 percent of all foods purchased for meals served in correctional facilities shall be locally produced foods, measured either by cost or volume, and that correctional facilities pay fair market value for food purchased from farmers. As used in this section, “locally produced foods” means:

(1) fruits, vegetables, meat, poultry, dairy (except fluid milk), maple syrup, honey, legumes, grains, or eggs that are grown, raised, or produced in Vermont or within 30 miles of the Vermont border; and

(2) foods processed in Vermont with at least 75 percent Vermont-grown, Vermont-raised, or Vermont-produced ingredients, with fluid milk counted as a processed food.

(b) On or before January 31, 2021 and annually thereafter, the Department of Corrections shall report to the House Committees on Agriculture and Forestry and on Corrections and Institutions and the Senate Committees on Agriculture and on Institutions the estimated percentage of locally produced foods purchased by correctional facilities during the previous fiscal year. If a correctional facility grows, raises, or produces food, it shall assign a fair market value to that food for purposes of reporting its cost if cost rather than volume is used to measure the percentage of locally produced foods.

Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 5-0-0)

CONCURRENT RESOLUTIONS FOR NOTICE

Concurrent Resolutions For Notice Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session of the next legislative day. Requests for floor consideration should be communicated to the Secretary's Office.

S.C.R. 19 (For text of Resolution, see Addendum to Senate Calendar for March 12, 2020.)

H.C.R. 287 - 296 (For text of Resolutions, see Addendum to House Calendar for March 12, 2020.)

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission shall be fully and separately acted upon.

Craig Bolio of Winooski – Commissioner, Department of Taxes – By Sen. Cummings for the Committee on Finance. (01/21/20)

Michael Schirling of Burlington – Commissioner, Department of Public Safety – Sen. Mazza for the Committee on Transportation. (01/29/20)

Michael K. Smith of Westford – Secretary, Agency of Human Services – Sen. Lyons for the Committee on Health and Welfare. (02/12/02)

Sabina Brochu of Williston - Member, State Board of Education - By Sen. Ingram for the Committee on Education. (01/24/20)

Kyle Courtois of Georgia - Member, State Board of Education - By Sen. Perchlik for the Committee on Education. (01/24/20)

Margaret Tandoh of South Burlington – Member, Board of Medical Practice – By Sen. McCormack for the Committee on Health and Welfare. (02/11/20)

Holly Morehouse of Burlington – Member, Children and Family Council for Prevention Programs – By Sen. Lyons for the Committee on Health and Welfare. (02/12/20)

Susan Hayward of Middlesex – Member, Capitol Complex Commission – By Sen. Benning for the Committee on Institutions. (02/14/20)

Heather Shouldice – Member, Capitol Complex Commission – By Sen. Benning for the Committee on Institutions. (02/14/20)

Dorinne Dorfman – Member, Children and Family Council for Prevention Programs – Sen. Cummings for the Committee on Health and Welfare. (02/25/20)

Richard Bernstein of Jericho – Member, Board of Medical Practice – Sen. Ingram for the Committee on Health and Welfare. (03/10/20)

Dawn Philibert of Williston – Member, State Board of Health – Sen. Ingram for the Committee on Health and Welfare. (03/10/20)

PUBLIC HEARINGS

March 19, 2020 - 5:00 p.m. - 7:00 p.m. - Vermont Law School Campus, Oakes 107, Royalton, VT - Re: State Code of Ethics - Senate Committee on Government Operations.

NOTICE OF JOINT ASSEMBLY

March 19, 2020 - 10:30 a.m. - Retention of five Superior Court Judges: David A. Barra, Michael J. Harris, Katherine Anne Hayes, Martin A. Maley, John William Valente and one Environmental Judge, Thomas G. Walsh.

FOR INFORMATION ONLY

CROSSOVER DATES

The Joint Rules Committee established the following Crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 13, 2020**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by Friday March 13, 2020.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 20, 2020**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (the general Appropriations bill (“The Big Bill”), the Transportation Capital bill, the Capital Construction bill and the Fee/Revenue bills.