

House Calendar

Tuesday, March 23, 2021

77th DAY OF THE BIENNIAL SESSION

House Convenes at 10:00 A.M.

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ORDERS OF THE DAY

ACTION CALENDAR

Third Reading

H. 313

An act relating to miscellaneous amendments to alcoholic beverage laws

H. 431

An act relating to miscellaneous energy subjects

Favorable with Amendment

H. 360

An act relating to accelerated community broadband deployment.

(Rep. Sibia of Dover will speak for the Committee on Energy and Technology.)

Rep. Elder of Starksboro, for the Committee on Ways and Means, recommends the bill ought to pass.

(Committee Vote: 11-0-0)

Rep. Feltus of Lyndon, for the Committee on Appropriations, recommends the bill ought to pass when amended as follows:

First: In Sec. 1, findings and intent, in subsection (a), by adding subdivision (18) to read as follows:

(18) The Department of Public Service estimates that 82 percent of Vermont addresses (254,000 locations) lack access to 100 Mbps symmetrical service. The total cost to provide 100 Mbps symmetrical service to each of these locations is approximately \$1,000,000,000.00. This figure is based on estimates in the Magellan Advisors' report commissioned by the Department, and it includes estimates of both fixed and variable capital costs for fiber to the premise infrastructure (*Feasibility Study of Electric Companies Offering Broadband in Vermont*, dated December 31, 2019).

Second: In Sec. 2, 30 V.S.A. chapter 91A, in section 8087, the Community Broadband Preconstruction Grant Program, by adding subsection (c) to read as follows:

(c) To ensure the expeditious allocation of funds prior to the organization of the Vermont Community Broadband Authority, the Department of Public

Service is authorized to allocate up to \$9,000,000.00 under this Program on or before September 30, 2021.

Third: In Sec. 2, 30 V.S.A. chapter 91A, by striking out section 8088 in its entirety and inserting in lieu thereof a new section 8088 to read as follows:

§ 8088. CONSTRUCTION GRANT AND SUBORDINATED DEBT PROGRAM

(a) The Authority shall establish the Construction Grant and Subordinated Debt Program for communications union districts to support projects that are consistent with the funding priorities established in section 8086 of this chapter, including by supplementing financing under the Vermont Economic Development Authority's Broadband Expansion Loan Program.

(b) Lending and grant decisions under this section shall be made by the Vermont Community Broadband Authority Board of Directors. The Vermont Economic Development Authority shall service all loans made pursuant to this section. In the event of default by a loan recipient, the Vermont Economic Development Authority shall consult with the Vermont Community Broadband Authority prior to commencing any collection action.

Fourth: In Sec. 4a, position transfer, after the first sentence, by adding a new second sentence to read as follows: The position shall remain in the classified service created in 3 V.S.A. chapter 13.

Fifth: By striking out Sec. 23, appropriations; fund transfers, in its entirety and inserting in lieu thereof a new Sec. 23 to read as follows:

Sec. 23. APPROPRIATIONS; GRANT ADMINISTRATION

(a)(1) To the extent necessary, for appropriations using federal funds provided to the State by the American Rescue Plan Act of 2021 (ARPA), the Commissioner of Finance and Management is authorized to expend the funds in anticipation of receipts.

(2) In fiscal year 2021, to the extent permitted by federal law and guidance, \$150,000,000.00 of federal funds allocated to the State by the ARPA shall be appropriated as follows:

(A) \$30,000,000.00 to the Vermont Community Broadband Fund to support the Community Broadband Preconstruction Grant Program established in Sec. 2, 30 V.S.A. § 8087, of this act;

(B) \$120,000,000.00 to the Vermont Community Broadband Fund to support the Construction Grant and Subordinated Debt Program established in Sec. 2, 30 V.S.A. § 8088, of this act; and

(3) In fiscal year 2021, to the extent permitted by federal law and guidance, \$100,000.00 of federal funds allocated to the State by the ARPA shall be appropriated to the Department of Labor to support the broadband occupational needs survey required by Sec. 20 of this act and the broadband installer apprenticeship program established in Sec. 22 of this act as follows:

(A) \$3,000.00 to finance the development of the apprenticeship program;

(B) \$90,000.00 to support the related instruction tuition and on-the-job training contracts with employer-sponsors under the apprenticeship program; and

(C) \$7,000.00 to support non-federally funded work related to developing, conducting, and reporting on the occupational needs survey.

(c) In fiscal year 2022, the Authority is authorized to expend \$500,000.00 in anticipated receipts pursuant to 30 V.S.A. § 7523(b) (0.4 percent of the Vermont Universal Service Charge) to support the start-up costs of the Vermont Community Broadband Authority.

(d) The Vermont Community Broadband Authority shall be redesignated as the responsible entity for administering the \$1,000,000.00 grant award to the Department of Public Service by the Northern Border Regional Commission (NBRC) for the purpose of supporting communications union districts. Any position funded by the grant shall be overseen and managed by the Authority in a manner that is consistent with grant terms and conditions.

(Committee Vote 11-0-0)

Amendment to be offered by Reps. Marcotte of Coventry, Jerome of Brandon, Kimbell of Woodstock, Kitzmiller of Montpelier, Mulvaney-Stanak of Burlington, Nicoll of Ludlow, Nigro of Bennington and White of Bethel to H. 360

That the bill be amended in Sec. 2, 30 V.S.A. § 8083, by striking out subsection (c) in its entirety and inserting in lieu thereof a new subsection (c) to read as follows:

(c) In making appointments of public members, the appointing authorities shall coordinate to ensure that at least one of the public members has expertise in the area of finance. In addition, the appointing authorities shall give consideration to persons with knowledge of communications technology; communications law and policy; broadband deployment in rural, high-cost areas; and electric utility law and policy. However, the public members may not be persons with a financial interest in or owners, employees, or members of a governing board of an Internet service provider or a communications

union district. The conflict of interest provision in this subsection shall not be construed to disqualify a member who has ownership in a mutual fund, exchange traded fund, pension plan, or similar entity that owns shares in such enterprises as part of a broadly diversified portfolio.

H. 430

An act relating to expanding eligibility for Dr. Dynasaur to all income-eligible children and pregnant individuals regardless of immigration status.

(Rep. Black of Essex will speak for the Committee on Health Care.)

Rep. Yacovone of Morristown, for the Committee on Appropriations, recommends the bill ought to pass when amended as follows:

By striking out Secs. 2–4 in their entirety and inserting in lieu thereof three new sections to be Secs. 2–4 to read as follows:

Sec. 2. AGENCY OF HUMAN SERVICES; OUTREACH AND PROVIDER GRANTS; IMPLEMENTATION; APPROPRIATION

(a) The sum of \$1,400,000.00 in one-time funds is appropriated to the Agency of Human Services in fiscal year 2022 to be used for the following purposes:

(1) grants or reimbursements, or both, to health care providers for delivering health care services during fiscal year 2022 to children and pregnant individuals who are undocumented immigrants;

(2) grants to Vermont organizations that work with members of Vermont’s undocumented immigrant community or with members of the health care provider community to provide outreach and information regarding opportunities for children and pregnant individuals in Vermont who are undocumented immigrants to access health care services at low or no cost in fiscal year 2022 and thereafter; and

(3) implementing the technological and operational processes necessary for the Department of Vermont Health Access to administer the Dr. Dynasaur expansion as set forth in 33 V.S.A. § 1901c beginning on July 1, 2022.

Sec. 3. AGENCY OF HUMAN SERVICES; DR. DYNASAUR EXPANSION; FISCAL YEAR 2023 ESTIMATE

The Agency of Human Services shall provide information on the estimated fiscal year 2023 costs of expanding Dr. Dynasaur eligibility to undocumented immigrants pursuant to 33 V.S.A. § 1901c beginning on July 1, 2022 as part of the Agency’s fiscal year 2023 budget presentation to the House Committees on

Appropriations and on Health Care and the Senate Committees on Appropriations and on Health and Welfare.

Sec. 4. EFFECTIVE DATES

(a) Sec. 2 (Agency of Human Services; outreach and provider grants; implementation; appropriation) shall take effect on July 1, 2021.

(b) The remaining sections shall take effect on passage, with the Agency of Human Services making coverage available to eligible undocumented immigrants under Dr. Dynasaur in accordance with Sec. 1 (33 V.S.A. § 1901c) beginning on July 1, 2022, subject to fiscal year 2023 appropriations for this purpose.

(Committee Vote 11-0-0)

Favorable

H. 433

An act relating to the Transportation Program and miscellaneous changes to laws related to transportation.

(Rep. Lanpher of Vergennes will speak for the Committee on Transportation.)

Rep. Helm of Fair Haven, for the Committee on Appropriations, recommends the bill ought to pass.

(Committee Vote: 11-0-0)

NOTICE CALENDAR

Favorable with Amendment

H. 152

An act relating to education property tax

Rep. Beck of St. Johnsbury, for the Committee on Ways and Means, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Yields; Nonhomestead Rate * * *

Sec. 1. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR EQUIVALENT YIELD, AND NONHOMESTEAD RATE FOR FISCAL YEAR 2022

(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the property dollar equivalent yield shall be \$11,317.00.

(b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2022 only, the income dollar equivalent yield shall be \$13,770.00.

(c) Notwithstanding 32 V.S.A. § 5402(a)(1) and any other provision of law to the contrary, the tax rate for nonhomestead property for fiscal year 2022 shall be \$1.612 per \$100.00 of equalized education property value.

* * * Exclusion from Excess Spending Penalty; Capital Project Costs * * *

Sec. 2. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(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:

(i) Spending during the budget year for:

(I) approved school capital construction for a project that received preliminary approval under section 3448 of this title, including interest paid on the debt, provided the district shall not be reimbursed or otherwise receive State construction aid for the approved school capital construction; or

(II) spending on eligible school capital project costs pursuant to the State Board of Education’s Rule 6134 for a project that received preliminary approval under section 3448 of this title.

(ii) For a project that received final approval for State construction aid under chapter 123 of this title:

(I) spending for approved school capital construction during the budget year that represents the district’s share of the project, including interest paid on the debt; ~~and~~ or

(II) payment during the budget year of interest on funds borrowed under subdivision 563(21) of this title in anticipation of receiving State aid for the project.

(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, using the processes for preliminary approval of public school construction costs pursuant to subdivision 3448(a)(2) of this title.

* * *

* * * Declining Enrollment; 3.5 Percent Hold Harmless * * *

Sec. 3. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED MEMBERSHIP

* * *

(f) For purposes of determining weighted membership under this section, a district's equalized pupils shall in no case be less than 96 and one-half percent of the actual number of equalized pupils in the district in the previous year, prior to making any adjustment under this section.

* * *

* * * Small Schools Grants * * *

Sec. 4. 16 V.S.A. § 4015 is amended to read

* * *

(f)(1) Notwithstanding anything to the contrary in this section, a school district that received a small schools grant in fiscal year 2020 shall continue to receive an annual small schools grant.

(2) Payment of the grant under this subsection shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following the cessation of operations of the school that made the district eligible for the small schools grant, and further provided that if the building that houses the school that made the district eligible for the small schools grant is consolidated with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of

any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.

(3) A school district that is eligible to receive an annual small schools grant under this subsection shall not also be eligible to receive a small school grant or its equivalent under subsection (b) of this section or under any other provision of law.

* * * Effective Dates * * *

Sec. 5. EFFECTIVE DATES

(a) This section and Secs. 3–4 (3.5 percent hold harmless; small schools grant) shall take effect on passage.

(b) Secs. 1 (yield and nonhomestead property tax rate) and 2 (excess spending threshold) shall take effect on July 1, 2021.

(Committee Vote: 11-0-0)

H. 153

An act relating to Medicaid reimbursement rates for home- and community-based service providers

Rep. Wood of Waterbury, for the Committee on Human Services, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 33 V.S.A. § 900 is amended to read:

§ 900. DEFINITIONS

~~Unless otherwise required by the context, the words and phrases in this chapter shall be defined as follows~~ As used in this chapter:

* * *

(7) “Home- and community-based services” means long-term services and supports provided to older adults and adults with physical disabilities in a home or community setting other than a nursing home, including enhanced residential care services, pursuant to the Choices for Care component of Vermont’s Global Commitment to Health Section 1115 Medicaid demonstration or a successor program. “Home- and community-based services” also includes non-Choices for Care home health and hospice services, adult day rehabilitation services, assistive community care services, and services for individuals with traumatic brain injury.

Sec. 2. 33 V.S.A. § 911 is added to read:

§ 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND
COMMUNITY-BASED SERVICES

(a) The Secretary of Human Services shall establish payment rates for providers of home- and community-based services that are reasonable and adequate to achieve the required outcomes for the populations they serve. When establishing payment rates for home- and community-based service providers, the Secretary shall adjust the rates to take into account factors that include:

(1) the reasonable cost of any governmental mandate that has been enacted, adopted, or imposed by any State or federal authority; and

(2) a cost adjustment factor to reflect changes in reasonable costs of goods to and services of providers of home- and community-based services, including those attributed to inflation and labor market dynamics.

(b) When establishing rates of payment for providers of home- and community-based services, the Secretary may consider geographic differences in wages, benefits, housing, and real estate costs in each region of the State.

(c) The Secretary shall adopt rules setting forth the methodology for establishing payment rates for providers of home- and community-based services in accordance with this section. The rules shall include a process for determining an annual inflationary rate adjustment, shall set forth a predictable timeline for redetermination of base rates, and shall use Vermont labor market rates and Vermont costs of operation.

Sec. 3. 18 V.S.A. § 8914 is amended to read:

§ 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED
SERVICE AGENCIES

* * *

(c) The Secretary shall adopt rules setting forth the methodology for establishing payment rates for services provided by designated and specialized service agencies to individuals with mental conditions, individuals with substance use disorders, and individuals with developmental or intellectual disabilities in accordance with this section. The rules shall include a process for determining an annual inflationary rate adjustment, shall set forth a predictable timeline for redetermination of base rates, and shall use Vermont labor market rates and Vermont costs of operation.

Sec. 4. HOME- AND COMMUNITY-BASED SERVICE PROVIDER

RATE STUDY; REPORT

(a) The Department of Vermont Health Access, in collaboration with the Departments of Disabilities, Aging, and Independent Living, of Health, and of Mental Health, shall conduct a rate study of the Medicaid reimbursement rates paid to providers of home- and community-based services, as defined in 33 V.S.A. § 900, and providers of substance use disorder treatment services, including their adequacy and the methodologies underlying the rates. As part of the rate study, the Department of Vermont Health Access shall:

(1) delineate a reasonable and predictable schedule for Medicaid rates and rate updates;

(2) identify ways to align Medicaid reimbursement methodologies and rates for providers of home- and community-based services with those of other payers, to the extent such other methodologies and rates exist; and

(3) determine ways to limit the number of methodological exceptions.

(b) On or before January 15, 2022, the Department of Vermont Health Access, in collaboration with the Departments of Disabilities, Aging, and Independent Living, of Health, and of Mental Health, shall report the results of the rate study conducted pursuant to this section and their findings and recommendations to the House Committees on Human Services and on Appropriations, the Senate Committees on Health and Welfare and on Appropriations, and the Secretary of Human Services.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage, with the rules adopted by the Secretary of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A. § 8914) taking effect on July 1, 2022 for rates effective beginning in fiscal year 2023.

(Committee Vote: 11-0-0)

Rep. Yacovone of Morristown, for the Committee on Appropriations, recommends the bill ought to pass when amended as recommended by the Committee on Human Services and when further amended as follows:

First: By striking out Secs. 2, 33 V.S.A. § 911, and 3, 18 V.S.A. § 8914, in their entireties and inserting in lieu thereof new Secs. 2 and 3 to read as follows:

Sec. 2. 33 V.S.A. § 911 is added to read:

§ 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND
COMMUNITY-BASED SERVICES

(a) The Secretary of Human Services shall determine payment rates for providers of home- and community-based services that are reasonable and adequate to achieve the required outcomes for the populations they serve. When determining these payment rates, the Secretary shall adjust the rate amounts to take into account factors that include:

(1) the reasonable cost of any governmental mandate that has been enacted, adopted, or imposed by any State or federal authority; and

(2) a cost adjustment factor to reflect changes in reasonable costs of goods to and services of providers of home- and community-based services, including those attributed to inflation and labor market dynamics.

(b) When determining reasonable and adequate rates of payment for providers of home- and community-based services, the Secretary may consider geographic differences in wages, benefits, housing, and real estate costs in each region of the State.

(c) The Secretary shall adopt rules setting forth the methodology for determining payment rates for providers of home- and community-based services in accordance with this section. The rules shall include a process for determining an annual inflationary rate adjustment, shall set forth a predictable timeline for redetermination of base rates, and shall use Vermont labor market rates and Vermont costs of operation.

(d) The Secretary shall redetermine the payment rates for providers of home- and community-based services in accordance with this section at least annually and shall report those rates, and the amounts necessary to fund them, to the House Committees on Appropriations, on Human Services, and on Health Care and the Senate Committees on Appropriations and on Health and Welfare annually as part of the Agency's budget presentation.

Sec. 3. 18 V.S.A. § 8914 is amended to read:

§ 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED
SERVICE AGENCIES

(a) The Secretary of Human Services shall ~~have sole responsibility for establishing~~ determine the Departments of Health's, of Mental Health's, and of Disabilities, Aging, and Independent Living's rates of payments for designated and specialized service agencies that are reasonable and adequate to achieve the required outcomes for designated populations. When ~~establishing~~ determining these rates of payment for ~~designated and specialized service agencies~~, the Secretary shall adjust rates the rate amounts to take into account factors that include:

(1) the reasonable cost of any governmental mandate that has been enacted, adopted, or imposed by any State or federal authority; and

(2) a cost adjustment factor to reflect changes in reasonable costs of goods to and services of designated and specialized service agencies, including those attributed to inflation and labor market dynamics.

(b) When ~~establishing~~ determining reasonable and adequate rates of payment for designated and specialized service agencies, the Secretary may consider geographic differences in wages, benefits, housing, and real estate costs in each region of the State.

(c) The Secretary shall adopt rules setting forth the methodology for determining the payment rates for services provided by designated and specialized service agencies to individuals with mental conditions, individuals with substance use disorders, and individuals with developmental or intellectual disabilities in accordance with this section. The rules shall include a process for determining an annual inflationary rate adjustment, shall set forth a predictable timeline for redetermination of base rates, and shall use Vermont labor market rates and Vermont costs of operation.

(d) The Secretary shall redetermine the payment rates for designated and specialized agencies in accordance with this section at least annually and shall report those rates, and the amounts necessary to fund them, to the House Committees on Appropriations, on Human Services, and on Health Care and the Senate Committees on Appropriations and on Health and Welfare annually as part of the Agency's budget presentation.

Second: By striking out Sec. 5, effective date, in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage, with the rules adopted by the Secretary of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A. § 8914) taking effect on or before July 1, 2022.

(Committee Vote: 11-0-0)

H. 157

An act relating to registration of construction contractors

Rep. Troiano of Stannard, for the Committee on General; Housing; and Military Affairs, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) There is currently no master list of residential construction contractors operating in the State.

(2) There is no standard process for determining or adjudicating construction contract fraud complaints either on the part of contractors or consumers.

(3) Public authorities have no mechanism to contact all contractors when necessary to provide updates to public health requirements, safe working protocols, codes and standards, and available trainings and certifications.

(4) Wide dissemination of information on codes, standards, and trainings is vital to improving construction techniques throughout the State's construction industry. Since building thermal conditioning represents over one-quarter of the State's greenhouse gas emissions, improving energy performance is a key strategy for meeting the requirements of the Global Warming Solutions Act, 2020 Acts and Resolves No. 153.

(5) While registration is not licensure and confers no assurance of competence, consumers have no way of knowing whether a contractor is operating legally or has been subject to civil claims or disciplinary actions.

(6) A noncommercial, standardized public listing will provide contractors an opportunity to include in their record optional third-party, State-sanctioned certifications.

Sec. 2. 3 V.S.A. § 122 is amended to read:

§ 122. OFFICE OF PROFESSIONAL REGULATION

The Office of Professional Regulation is created within the Office of the Secretary of State. The Office of Professional Regulation shall have a director who shall be is an exempt employee appointed by the Secretary of State ~~and shall be an exempt employee.~~ The following boards or professions are attached to the Office of Professional Regulation:

* * *

(50) Residential Contractors

Sec. 3. 26 V.S.A. chapter 107 is added to read:

CHAPTER 107. RESIDENTIAL CONTRACTORS

Subchapter 1. General Provisions

§ 5501. REGISTRATION REQUIRED

(a) A person shall register with the Office of Professional Regulation prior to contracting with a homeowner to perform residential construction in exchange for consideration of more than \$2,500.00, including labor and materials.

(b) Unless otherwise exempt under section 5502 of this title, as used in this chapter, “residential construction” means to build, demolish, or alter a residential dwelling unit, or a building or premises with four or fewer residential dwelling units, in this State, and includes interior and exterior construction, renovation, and repair; painting; paving; roofing; weatherization; installation or repair of heating, plumbing, electrical, water, or wastewater systems; and other activities the Office specifies by rule consistent with this chapter.

§ 5502. EXEMPTIONS

This chapter does not apply to:

(1) an employee acting within the scope of his or her employment for a business organization registered under this chapter;

(2) a professional engineer, licensed architect, or a tradesperson licensed by the Department of Public Safety acting within the scope of his or her license;

(3) delivery or installation of consumer appliances, audio-visual equipment, telephone equipment, or computer network equipment;

(4) landscaping;

(5) work on a structure that is not attached to a residential building; or

(6) work that would otherwise require registration that a person performs in response to an emergency, provided the person applies for registration within a reasonable time after performing the work.

§ 5503. MANDATORY REGISTRATION AND VOLUNTARY

CERTIFICATION DISTINGUISHED

(a)(1) The system of mandatory registration established by this chapter is intended to protect against fraud, deception, breach of contract, and violations of law, but is not intended to establish standards for professional qualifications or workmanship that is otherwise lawful.

(2) The provisions of 3 V.S.A. § 129a, with respect to a registration, shall be construed in a manner consistent with the limitations of this subsection.

(b) The system of voluntary certification established in this chapter is intended to provide consumers and contractors with a publicly available, noncommercial venue for contractors to list optional approved certifications. The Director of Professional Regulation, in consultation with public safety officials and recognized associations or boards of builders, remodelers, architects, and engineers, may:

(1) adopt rules providing for the issuance of voluntary certifications, as defined in subdivision 3101a(1) of this title, that signify demonstrated competence in particular subfields and specialties related to residential construction;

(2) establish minimum qualifications, and standards for performance and conduct, necessary for certification; and

(3) discipline a certificant for violating adopted standards or other law, with or without affecting the underlying registration.

Subchapter 2. Administration

§ 5505. DUTIES OF THE DIRECTOR

(a) The Director of Professional Regulation shall:

(1) provide information to the public concerning registration, certification, appeal procedures, and complaint procedures;

(2) administer fees established under this chapter;

(3) receive applications for registration or certification, issue registrations and certifications to applicants qualified under this chapter, deny or renew registrations or certifications, and issue, revoke, suspend, condition, and reinstate registrations and certifications as ordered by an administrative law officer; and

(4) prepare and maintain a registry of registrants and certificants.

(b) The Director, after consultation with an advisor appointed pursuant to section 5506 of this title, may adopt rules to implement this chapter.

§ 5506. ADVISORS

(a) The Secretary of State shall appoint two persons pursuant to 3 V.S.A. § 129b to serve as advisors in matters relating to residential contractors and construction.

(b) To be eligible to serve, an advisor shall:

(1) register under this chapter;

(2) have at least three years' experience in residential construction immediately preceding appointment; and

(3) remain active in the profession during his or her service.

(c) The Director of Professional Regulation shall seek the advice of the advisors in implementing this chapter.

§ 5507. FEES

A person regulated under this chapter shall pay the following fees at initial application and biennial renewal:

(1) Registration, individual: \$75.00.

(2) Registration, business organization: \$250.00.

(3) State certifications: \$75.00 for a first certification and \$25.00 for each additional certification.

Subchapter 3. Registrations

§ 5508. ELIGIBILITY

To be eligible for registration, the Director of Professional Regulation shall find that the applicant is in compliance with the provisions of this chapter and applicable State law and has satisfied any judgment order related to the provision of professional services to a homeowner.

§ 5509. REQUIREMENTS OF REGISTRANTS

(a) Insurance. A person registered under this chapter shall maintain minimum liability insurance coverage in the amount of \$300,000.00 per claim and \$1,000,000.00 aggregate, evidence of which may be required as a precondition to issuance or renewal of a registration.

(b) Writing.

(1) A person registered under this chapter shall execute a written contract prior to receiving a deposit or commencing residential construction work if the estimated value of the labor and materials exceeds \$2,500.00.

(2) A contract shall specify:

(A) Price. One of the following provisions for the price of the contract:

(i) a maximum price for all work and materials;

(ii) a statement that billing and payment will be made on a time and materials basis, not to exceed a maximum price; or

(iii) a statement that billing and payment will be made on a time and materials basis and that there is no maximum price.

(B) Work dates. Estimated start and completion dates.

(C) Scope of work. A description of the services to be performed and a description of the materials to be used.

(D) Change order provision. A description of how and when amendments to the contract may be approved and recorded.

(3) The parties shall record an amendment to the contract in a signed writing.

(c) Down payment. Unless a contract specifies that billing and payment will be made on a time and materials basis and that there is no maximum price, the contract may require a down payment of up to one-half of the contract price, or of the price of materials, whichever is greater.

§ 5510. PROHIBITIONS AND REMEDIES

(a) A person who does not register pursuant to this chapter when required engages in unauthorized practice pursuant to 3 V.S.A. § 127.

(b) The Office of Professional Regulation may discipline a registrant or certificant for unprofessional conduct as provided in 3 V.S.A. § 129a, except that 3 V.S.A. § 129a(b) does not apply to a registrant.

(c) The following conduct by a registrant, certificant, applicant, or person who later becomes an applicant constitutes unprofessional conduct:

(1) failure to enter into a written contract when required by this chapter;

(2) failure to maintain liability or workers' compensation insurance as required by law;

(3) committing a deceptive act in commerce in violation of 9 V.S.A. § 2453;

(4) falsely claiming certification under this chapter, provided that this subdivision does not prevent accurate and nonmisleading advertising or statements related to credentials that are not offered by this State; and

(5) selling or fraudulently obtaining or furnishing a certificate of registration, certification, license, or any other related document or record, or assisting another person in doing so, including by reincorporating or altering a trade name for the purpose or with the effect of evading or masking revocation, suspension, or discipline against a registration issued under this chapter.

Sec. 4. IMPLEMENTATION

(a) Notwithstanding any contrary provision of 26 V.S.A. chapter 107:

(1) The initial biennial registration term for residential contractors pursuant to 26 V.S.A. chapter 107 shall begin on April 1, 2022.

(2) The Secretary of State may begin receiving applications for the initial registration term on December 1, 2021.

(3)(A) The registration fee for individuals who submit complete registration requests between December 1, 2021 and March 31, 2022 is \$25.00 and between April 1, 2022 and March 31, 2023, the fee is \$50.00.

(B) The registration fee for business organizations that submit complete registration requests between December 1, 2021 and March 31, 2022 is \$175.00 and between April 1, 2022 and March 31, 2023, the fee is \$200.00.

(4) Prior to April 1, 2023, the Office of Professional Regulation shall not take any enforcement action for unauthorized practice under 26 V.S.A. § 5510(a) against a residential contractor who fails to register as required by this act.

(b) On or before July 1, 2022, the Director of Professional Regulation shall establish an initial set of voluntary certifications, to include at minimum OSHA standards on construction projects and components of energy-efficient “green” building for insulators, carpenters, and heating and ventilation installers.

Sec. 5. CREATION OF POSITIONS WITHIN THE OFFICE OF PROFESSIONAL REGULATION; LICENSING.

(a) There are created within the Secretary of State’s Office of Professional Regulation one new position in licensing and one position in enforcement.

(b) Any funding necessary to support the positions created in subsection (a) of this section and the implementation of 26 V.S.A. chapter 107 created in Sec. 2 of this act shall be derived from the Office’s Professional Regulatory Fee Fund and not from the General Fund.

Sec. 6. SECRETARY OF STATE; STATUS REPORT

On or before January 15, 2023, the Office of Professional Regulation shall report to the House Committee on General, Housing and Military Affairs and on Government Operations and to the Senate Committees on Economic Development, Housing and General Affairs and on Government Operations concerning the implementation of 26 V.S.A. chapter 107, including:

- (1) the number of registrations and certifications;
 - (2) the resources necessary to implement the chapter;
 - (3) the number and nature of any complaints or enforcement actions;
- and
- (4) any other issues the Office deems appropriate.

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

(Committee Vote: 9-2-0)

Rep. Masland of Thetford, for the Committee on Ways and Means, recommends the bill ought to pass when amended as recommended by the Committee on General; Housing; and Military Affairs and when further amended as follows:

that it has considered the same and recommends that the report of committee on General, Housing, and Military affairs be amended as follows:

First: In section 5501, in subsection (a), by striking out “\$2,500.00” and inserting in lieu thereof “\$3,500.00”

Second: In section 5502, in subdivision (2), following “license” by inserting “, or a contractor whose work is regulated by the Public Utility Commission”

(Committee Vote: 7-4-0)

H. 159

An act relating to creating the Better Places Program

Rep. Marcotte of Coventry, for the Committee on Commerce and Economic Development, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Tourism and Marketing * * *

Sec. 1. TOURISM AND MARKETING; APPROPRIATION

(a) The tourism and hospitality sector has suffered widespread disruption from the COVID-19 pandemic, with restaurant, lodging, entertainment, specialty retail and related businesses, as well as cultural attractions, suffering job losses and an uncertain ability to remain operational due to the travel restrictions imposed and the revenue losses that have been experienced.

(b) When travel is safe again, Vermont will have a strategic opportunity coming out of the pandemic to encourage visitation due our abundance of open

space, strong cultural and outdoor recreation assets, and careful management of the virus.

(c) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from the General Fund to the Department of Tourism and Marketing to promote Vermont's travel, recreation, culinary, arts, culture, agritourism, and heritage experiences to attract visitors, and stimulate visitor spending with local attractions and small businesses in rural communities and throughout the State.

* * * Technology-Based Economic Development * * *

Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT
PROGRAM; APPROPRIATION

(a) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to design and implement a technology-based economic development program, consistent with the following:

(1) Small business innovation research; small business technical transfer; technical assistance. A total of \$200,000.00 to provide technical assistance to first-time applicants pursuing a federal SBIR or STTR grant.

(2) SBIR; STTR; Phase I and Phase II matching grants. A total of \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

(3) Industry research partnership program. A total of \$200,000.00 to provide a 100 percent matching grant to Vermont small businesses:

(A) to purchase services and technical assistance from universities and research institutions, including research and development assistance, technology assessments, product prototyping, lab validation, and overcoming development hurdles; and

(B) to establish better relationships among Vermont businesses and higher education researchers, speed time-to-market for new technologies, and help keep Vermont companies relevant in the marketplace.

(4) University of Vermont Office of Engagement. A total of \$200,000.00 for a pass-through grant to the University of Vermont Office of Engagement to leverage the research services and data science capabilities of the University.

* * * Postsecondary CTE System * * *

Sec. 3. 2019 Acts and Resolves No. 80, Sec. 6 is amended to read:

Sec. 6. POSTSECONDARY CAREER AND TECHNICAL EDUCATION
SYSTEM

(a) Findings; purpose.

(1) Findings. The General Assembly finds:

(A) Like many rural states, Vermont faces demographic realities that have resulted in an historically low unemployment rate and created obstacles for employers that seek to hire and retain enough fully trained employees.

(B) Notwithstanding this high employer demand, due to rapidly changing technology and evolving business needs, potential employees may lack the particular skills and training necessary to qualify for available jobs.

(C) In order to assist employers and employees in matching demand to requisite skills, Vermont has a broad diversity of postsecondary workforce education and training programs offered by multiple providers, including programs administered or funded by State government, educational institutions, and business-lead groups ~~such as the Vermont Talent Pipeline Management Project~~. The State should continue to work closely with these providers to identify and meet the needs of employers and employees.

* * *

(b) Postsecondary CTE System.

(1) The Department of Labor, in collaboration with the Agency of Education, the Vermont State Colleges, and the Vermont Adult Technical Education Association, ~~and any~~ shall:

(A) ~~consultant the Department hires for that purpose, issue a request for proposals and hire a consultant on or before September 1, 2021; and~~

(B) shall ~~consider and~~ report to the General Assembly on the design, implementation, and costs of an integrated postsecondary career and technical education system that achieves the results specified in subdivision (a)(2) of this section.

(2) In performing their work, the Department, stakeholders, and ~~any~~ the consultant shall conduct a broad-based stakeholder engagement process to solicit input from interested parties, and State agencies and departments shall provide necessary information and assistance within their relative areas of expertise.

(c) Report. On or before January 15, ~~2020~~ 2022, the Department of Labor shall submit a preliminary report on the status of its work and a final report on or before December 15, 2022 with any recommendations for legislative action to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

(d) In performing its work to create an integrated postsecondary career and technical education system, the Department shall recognize issues faced by persons with historical barriers to employment or who are underrepresented in the workforce, including persons who have faced discrimination based on race, sex, sexual orientation, gender identity, age, refugee status, and national origin; persons in recovery; persons with a history of incarceration; and persons with disabilities.

Sec. 4. APPROPRIATION

In fiscal year 2022, the amount of \$75,000.00 is appropriated from the General Fund to the Department of Labor to implement Sec. 3 of this act.

* * * Group Insurance; Northern Borders Regional Commission * * *

Sec. 5. 3 V.S.A. § 631 is amended to read:

§ 631. GROUP INSURANCE FOR STATE EMPLOYEES; SALARY DEDUCTIONS FOR INSURANCE, SAVINGS PLANS, AND CREDIT UNIONS

(a)(1) The Secretary of Administration may contract on behalf of the State with any insurance company or nonprofit association doing business in this State to secure the benefits of franchise or group insurance. Beginning July 1, 1978, the terms of coverage under the policy shall be determined under section 904 of this title, but it may include:

(A) life, disability, health, and accident insurance and benefits for any class or classes of State employees; and

(B) hospital, surgical, and medical benefits for any class or classes of State employees or for those employees and any class or classes of their dependents.

(2)(A)(i) As used in this section, the term “employees” includes any class or classes of elected or appointed officials, State’s Attorneys, sheriffs, employees of State’s Attorneys’ offices whose compensation is administered through the State of Vermont payroll system, except contractual and temporary employees, and deputy sheriffs paid by the State of Vermont pursuant to 24 V.S.A. § 290(b). The term “employees” shall not include members of the

General Assembly as such, any person rendering service on a retainer or fee basis, members of boards or commissions, or persons other than employees of the Vermont Historical Society, ~~the Vermont Film Corporation~~, the Vermont State Employees' Credit Union, Vermont State Employees' Association, ~~and~~ the Vermont Council on the Arts, and the Northern Border Regional Commission, whose compensation for service is not paid from the State Treasury, or any elected or appointed official unless the official is actively engaged in and devoting substantially full-time to the conduct of the business of his or her public office.

(ii) For purposes of group hospital-surgical-medical expense insurance, the term "employees" shall include employees as defined in subdivision (i) of this subdivision (2)(A) and former employees as defined in this subdivision who are retired and are receiving a retirement allowance from the Vermont State Retirement System or the State Teachers' Retirement System of Vermont and, for the purposes of group life insurance only, are retired on or after July 1, 1961, and have completed 20 creditable years of service with the State before their retirement dates and are insured for group life insurance on their retirement dates.

(iii) For purposes of group hospital-surgical-medical expense insurance only, the term "employees" shall include employees as defined in subdivision (i) of this subdivision (2)(A) and employees who are receiving a retirement allowance based upon their employment with the Vermont State Employees' Association, the Vermont State Employees' Credit Union, the Vermont Council on the Arts, as long as they are covered as active employees on their retirement date, and:

(I) they have at least 20 years of service with that employer; or

(II) have attained 62 years of age, and have at least 15 years of service with that employer.

(B) The premiums for extending insurance coverage to employees shall be paid in full by the Vermont Historical Society, ~~the Vermont Film Corporation~~, the Vermont State Employees' Association, the Vermont State Employees' Credit Union, the Vermont Council on the Arts, and the Northern Border Regional Commission, or their respective retirees. Nothing herein creates a legal obligation on the part of the State of Vermont to pay any portion of the premiums required to extend insurance coverage to this group of employees.

* * *

* * * Better Places Program * * *

Sec. 6. FINDINGS; INTENT AND PURPOSE

(a) The General Assembly finds:

(1) The COVID-19 pandemic has devastated our economy through business closures and job losses, and physical distancing requirements have exacerbated social isolation and impacted Vermonters' quality of life and sense of community.

(2) Public spaces are essential for supporting economic activity and health and well-being throughout the pandemic and for building engaged, equitable, and resilient communities in the future.

(3) Vermont's downtowns and villages increasingly depend on inviting public spaces that are robustly programmed to restore our distinct sense of place; strengthen community pride and identity; and attract businesses, jobs, and talent.

(4) Placemaking projects intentionally leverage the power of the arts and cultural assets to strengthen the economic and social fabric of communities and allow for growth and transformation that builds upon local and regional character, culture, and quality of place.

(5) Research shows that community-driven placemaking projects increase economic and civic vitality and create spaces where commerce thrives, social connections flourish, civic participation increases, and residents are empowered to take ownership of their future to build healthier and equitable local economies.

(b) It is the intent of the General Assembly to:

(1) enhance the livability and unique sense of place in Vermont's downtowns and villages by providing funding, training, and resources to support investments in public spaces and local placemaking projects that build prosperous, equitable, healthy, and resilient communities;

(2) promote healthy, safe, equitable, and vibrant downtowns, villages, and neighborhoods for people of all ages, abilities, backgrounds, and incomes by increasing public space and placemaking investments in local communities;

(3) strategically coordinate and simplify the funding process from multiple community development funders, streamline the grantmaking and distribution process, democratize community access to grant funds, and provide communities a nimble, flexible source to quickly fund and launch community-driven placemaking projects to make positive and enduring change locally; and

(4) help local leaders identify, develop, and implement placemaking projects by creating the Better Places Program to advance local recovery efforts, rebuild local economies, boost local capacity, and reconnect Vermonters to one another—critical elements that help communities recover quickly and build prosperous and resilient communities in the future.

Sec. 7. 24 V.S.A. § 2799 is added to read:

§ 2799. BETTER PLACES PROGRAM; CROWD GRANTING

(a)(1) There is created the Better Places Program within the Department of Housing and Community Development, and the Better Places Fund, which the Department shall manage pursuant to 32 V.S.A. chapter 7, subchapter 5.

(2) The purpose of the Program is to utilize crowdfunding to spark community revitalization through collaborative grantmaking for projects that create, activate, or revitalize public spaces.

(3) The Department may administer the Program in coordination with and support from other State agencies and nonprofit and philanthropic partners.

(b) The Fund is composed of the following:

(1) State or federal funds appropriated by the General Assembly;

(2) gifts, grants, or other contributions to the Fund; and

(3) any interest earned by the Fund.

(c) As used in this section, “public space” means an area or place that is open and accessible to all people with no charge for admission and includes village greens, squares, parks, community centers, town halls, libraries, and other publicly accessible buildings and connecting spaces such as sidewalks, streets, alleys, and trails.

(d)(1) The Department of Housing and Community Development shall establish an application process, eligibility criteria, and criteria for prioritizing assistance for awarding grants through the Program.

(2) The Department may award a grant to a municipality, a nonprofit organization, or a community group with a fiscal sponsor for a project that is located in or serves a designated downtown, village center, new town center, or neighborhood development area that will create a new public space or revitalize or activate an existing public space.

(3) The Department may award a grant to not more than one project per calendar year within a municipality.

(4) The minimum amount of a grant award is \$5,000.00 and the maximum amount of a grant award is \$50,000.00.

(5) The Department shall develop matching grant eligibility requirements to ensure a broad base of community and financial support for the project, subject to the following:

(A) A project shall include in-kind support and matching funds raised through a crowdfunding approach that includes multiple donors.

(B) An applicant may not donate to its own crowdfunding campaign.

(C) A donor may not contribute more than \$10,000.00 or 35 percent of the campaign goal, whichever is less.

(D) An applicant shall provide matching funds raised through crowdfunding of not less than 25 percent and not more than 50 percent of the grant award, provided that the Department may adjust the matching requirements within this range if necessary due to demand and availability of funds.

(e) The Department of Housing and Community Development, with the assistance of a fiscal agent, shall distribute funds under this section in a manner that provides funding for projects of various sizes in as many geographical areas of the State as possible.

(f) The Department of Housing and Community Development may use up to 15 percent of any appropriation to the Fund from the General Fund to assist with crowdfunding, administration, training, and technological needs of the Program.

(g) Beginning on January 15, 2022 and annually thereafter, the Department of Housing and Community Development shall submit to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development an annual report regarding the activities and progress of the Program. The report shall:

(1) summarize the Program activities in the preceding year and report on the number of awarded grants and the total grant funds allocated;

(2) report on partner resources and contributions to the Program; and

(3) report on any measurable economic activity, which may include the number of jobs created, the number of visitors, the approximate number of square feet to be activated or redeveloped, and the number of volunteers engaged in the project.

* * * Downtown Tax Credit Program * * *

Sec. 8. 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 ~~or~~, village center, or neighborhood development area, which, 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.

* * *

Sec. 9. 32 V.S.A. § 5930ee is amended to read:

§ 5930ee. LIMITATIONS

Beginning in fiscal year 2010 and thereafter, the State Board may award tax credits to all qualified applicants under this subchapter, provided that:

(1) the total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$3,000,000.00~~ \$4,750,000.00.

* * *

(5) credit under any one subsection of 5930cc of this subchapter may not be allocated more often than once every two years with respect to the same building; ~~and~~

(6) credit awarded under section 5930cc of this subchapter that is rescinded or recaptured by the State Board shall be available for the State Board to award to applicants in any subsequent year, in addition to the total amount of tax credits authorized under this section;

(7) the total amount of tax credits awarded annually to qualified projects located within neighborhood development areas does not exceed \$750,000.00; and

(8) no credit shall be awarded to a qualified project located within a neighborhood development area after July 1, 2026.

Sec. 10. 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. § 5930ee(b).~~

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

* * *

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

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

* * *

(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 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 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. These benefits are:

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

(2) ~~The~~ 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); and

(4) eligibility for the Downtown and Village Center Tax Credit Program described in 32 V.S.A. § 5930aa et seq.

* * *

Sec. 12. 24 V.S.A. § 2794 is amended to read:

§ 2794. INCENTIVES FOR PROGRAM DESIGNEES

(a) Upon designation by the Vermont Downtown Development Board under section 2793 of this title, a downtown development district and projects in a downtown development district shall be eligible for the following:

(1) Priority consideration by any agency of the State administering any State or federal assistance program providing funding or other aid to a

municipal downtown area with consideration given to such factors as the costs and benefits provided and the immediacy of those benefits, provided the project is eligible for the assistance program.

(2) ~~The following State tax credits:~~

~~(A) A State historic rehabilitation tax credit of 10 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. 13. REPORT

On or before January 15, 2026, the Department of Housing and Community Development shall report to the House Committees on Commerce and Economic Development, on General, Housing, and Military Affairs, and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance on:

(1) the number and location of new neighborhood development areas designated after the passage of this act;

(2) the amount of tax credits allocated annually to projects located within neighborhood development areas under 32 V.S.A. § 5930aa et seq. and the location of those projects;

(3) for any housing produced within neighborhood development areas using tax credits under 32 V.S.A. § 5930aa et seq., the number of housing units produced, the development cost per unit, and the average rent per unit;

(4) whether to extend the sunset in 32 V.S.A. § 5930ee(8); and

(5) any recommended changes to the programs.

* * * International Business Attraction and Investment Program * * *

Sec. 14. FINDINGS

(a) The General Assembly finds:

(1) Business investment by Canada-based businesses provides the opportunity to generate increased employment, increase the range of job opportunities for Vermonters, and increase the dynamism of our communities.

(2) From the past work of the Department of Economic Development, we know that small- and mid-sized businesses in Quebec, Ontario, and other provinces in the region have a natural inclination to explore Vermont as the site for expansion in the U.S. market.

(3) Developing a program to attract businesses and investment from Canada-based businesses and engaging the services of a foreign trade representative to provide local recruitment support can allow the State and its businesses to tap resources of institutions, enterprises, and people to a greater degree and to develop lead generation services, expansion monitoring, in-market representation, market intelligence, and the ability to engage and nurture high-growth companies primed for expansion.

(4) It is the intent of the General Assembly to fund the services of a foreign trade representative for two years in order to begin the work of cultivating relationships with Canada-based partners and developing prospects for attracting business relocation and investment in Vermont.

Sec. 15. APPROPRIATION; REPORT

(a) In fiscal year 2022, the amount of \$300,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to provide funding for up to two years to contract with a foreign trade representative consistent with Sec. 14 of this act.

(b) On or before January 15, 2022, the Agency of Commerce and Community Development shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning:

- (1) the terms of the contract; and
- (2) metrics to evaluate success of the contract and the representative.

(b) On or before January 15, 2023, the Agency of Commerce and Community Development shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning:

- (1) the type and number of business contacts and engagement;
- (2) the type of businesses, jobs, and wages brought to the State; and
- (3) recommendations concerning the continuation or expansion of the program.

* * * Workforce Development and Education * * *

Sec. 16. WORKFORCE DEVELOPMENT AND EDUCATION

(a) Findings.

(1) Due to the COVID-19 the public health emergency, the Vermont State Colleges have experienced a significant decrease in applications, and the board of directors has voted to freeze tuition for the 2021–2022 academic year both to keep students costs low and to mitigate the economic impact of COVID-19 on enrollment.

(2) Deposit activity, a signal of anticipated enrollment for the fall 2021 semester, has declined between five and 20 percent at two of the four VSC institutions, and FAFSA filing for Vermont is down seven percent year over year.

(3) While the enrollment gap is narrowing from earlier in the fall, it is still significantly wider than normal due to the complexities of how the pandemic is affecting Vermont’s high schools and high school students, for example, due to remote learning and the necessity for guidance counselors to broaden the reach of their services to struggling students.

(4)(A) The federal Pell Grant eligibility for first time, full-time Vermont students is high, signifying that families are financially distressed.

(B) In the fall of 2019, the percentage of first-time, full-time students who were Pell eligible were as follow: CCV (57 percent); CU (39 percent); NVU (49 percent); and VTC (41 percent).

(C) These students, already economically disadvantaged, are disproportionately impacted by the pandemic and related economic crisis.

(5) In addition to increasing the needs of Vermont’s secondary and post-secondary students, the COVID-19 pandemic has also placed significant burden on the Vermont workforce, which can benefit from expanded opportunities available at the Vermont State Colleges.

(b) Purpose. The purpose of this act is to provide funding for Vermonters:

(A) who have been impacted by the COVID-19 pandemic through layoffs, furloughs, or reduced hours or due to being employed in an industry that has been severely affected; and

(B) who are pursuing education and training and require educational assistance and other support due to economic harm and lost opportunities arising from the COVID-19 public health emergency.

(b) Appropriation. In fiscal year 2022, the amount of \$20,500,000.00 is appropriated from the General Fund to the Vermont State Colleges, in coordination with the Department of Labor, for workforce development and education to Vermonters, as follows:

(1) Welcome home scholarships. \$4,000,000.00 to provide scholarships of \$5,000.00 per year or \$2,500.00 per semester for full-time students enrolled for 12 or more credits, or \$3,000.00 per year or \$1,500.00 per semester for part-time students, to Vermonters transferring from out-of-state institutions or returning to school after exiting in 2020–2021. This program’s mission is to incentivize students to come home to Vermont by transferring to VSCS institutions and to complete their degree if they left school without finishing in 2020–2021.

(2) Degree completion program. \$3,000,000.00 to provide scholarships for up to 30 credits towards a credential of value for adult learners who have earned at least 40 credits towards an undergraduate degree and have a gap in attendance of at least two years.

(3) Critical occupations; graduate internship scholarships. \$2,000,000.00 to provide scholarships for up to 12 credits and incentive payments of \$15.00 per hour for up to 240 hours per semester for graduate students who are required to fulfill an internship, practicum, or clinical requirement for a graduate degree in education or mental health counseling.

(4) Critical occupations; undergraduate internship scholarships. \$1,000,000.00 to provide incentive payments of \$15.00 per hour for up to 240 hours per semester for undergraduate students who are required to fulfill an internship, practicum, or clinical requirement for an undergraduate degree in education or allied health.

(5) Free tuition for critical occupation careers. \$5,500,000.00 to provide free last dollar tuition for one year of undergraduate studies for critical occupation careers, including bookkeeping certificate, IT service desk specialist certificate, certified production technician, graphic design certificate, software and web development program, practical nursing program, electrical and plumbing apprenticeships, child care, nursing programs, mental health counseling, paramedicine, dental hygiene, certificate in accounting, small business management, radiologic science, and respiratory therapy.

(6) Workforce development 2.0. \$3,000,000.00 to provide funding for up to six credits or two courses, including wraparound services, for Vermonters whose employment was impacted by the COVID-19 public health emergency since March 13, 2020.

(7) Long-term care facility LPN program. \$2,000,000.00 to provide funding for tuition and wraparound services for students to pursue a practical nursing certificate program.

(d) Report. On or before January 15, 2022, the Vermont State Colleges shall submit to the General Assembly a progress report concerning the implementation of this section.

Sec. 17. MICROBUSINESS DEVELOPMENT PROGRAM; EMBRACE

(a) The General Assembly finds that the Microbusiness Development Program has demonstrated the capability to help individuals lift themselves out of poverty by providing the technical support and financial assistance necessary to start and sustain entrepreneurial enterprises.

(b) In fiscal year 2022, the amount of \$200,000.00 is appropriated from the General Fund to the Department for Children and Families, Office of Economic Opportunity for pass-through grants to the Community Action Agencies to provide funding for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

(c) In fiscal year 2022, the amount \$2,000,000.00 is appropriated to the Department for Children and Families, Office of Economic Opportunity, to be granted to the Community Action Agencies for the Statewide Community Action Network's Economic Micro Business Recovery Assistance for the COVID-19 Epidemic (EMBRACE) to assist the most disadvantaged Vermont microbusiness owners impacted by COVID-19 business closure orders with access to grants and technical assistance.

Sec. 18. STATE BIPOC BUSINESS NETWORK DEVELOPMENT

(a) Intent.

(1) Racial wealth disparities are a function of not only access to income, but also the ability to start and sustain a business, access land, and own property.

(2) Vermont embraces its responsibility to course correct the historical impact of economic exploitation and exclusion from opportunity due to race and ethnicity for American descendants of slavery and the broader Black, Indigenous, and Persons of Color community.

(3) In order to rectify this history of inequity, it is the intent of this General Assembly to acknowledge and address wealth disparity and cultural disempowerment by creating economic opportunity and cultural empowerment, using new systems that empower Vermonters who have historically suffered from discrimination and lacked equal access to public or private economic benefits due to race, ethnicity, geography, language preference, and immigrant or citizen status.

(b) Findings.

(1) The Vermont Partnership for Fairness and Diversity conducted a survey of BIPOC businesses after the Emergency Recovery Grant programs closed. The survey analysis included three core recommendations: form a state BIPOC Commission, create a BIPOC business association, and improve data collection and the State's understanding of BIPOC business needs.

(2) The Committee sought information from over a dozen BIPOC business and community and State leaders to learn what BIPOC businesses need to be economically successful in Vermont. Core findings included:

(A) allow BIPOC businesses to lead and define the formation of a BIPOC business network;

(B) offer more support to BIPOC businesses by assisting them in procuring State contracts, securing capital investment and customer cultivation, and finding technical support;

(C) improve language access and cultural competency practices within State economic development programs and strengthen connections to BIPOC businesses; and

(D) improve State data collection to better serve the variety of identities represented within the BIPOC community.

(c) BIPOC business network.

(1) In fiscal year 2022, the amount of \$100,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to provide funding for a contractor of not more than \$100,000.00 to convene BIPOC businesses, organizations, and community leaders and other business organizations, and representatives from State government to create a set of recommendations on how to launch a State BIPOC business network.

(2) On or before January 15, 2022, the contractor shall deliver to the Agency and to legislative committees of jurisdiction a report summarizing its process, deliberations, and a set of recommendations on how the State can support the formation of a BIPOC business network, including financial resources needed and policy changes.

(3) Applications for the contract shall be reviewed and selected by the Executive Director of Racial Equity, the Racial Equity Advisory Panel, and the Secretary of Commerce and Community Development.

Sec. 19. 10 V.S.A. § 2 is added to read:

§ 2. BIPOC BUSINESS DEVELOPMENT

The Agency of Commerce and Community Development shall design and implement the Economic Advancement Program and dedicate at least one full-time equivalent employee to oversee the following responsibilities:

(1) cultivate and support BIPOC businesses, including:

(A) technical assistance;

(B) grants and loans;

(C) business-to-business mentorship program;

(D) business procurement contract assistance;

(E) financial management, digital growth, and marketing;

(F) start-up support;

(G) capital investment opportunities; and

(H) networking;

(2) provide training to business technical assistance providers to reduce bias in service delivery;

(3) create a data collection system to allow the Department to analyze trends, sectors, and outcomes for BIPOC businesses to better inform economic development policy that benefits BIPOC businesses; and

(4) create an outreach program that includes language access for the not fewer than three of the most commonly used languages within Vermont other than English on all the programs offered to Vermont businesses within the Agency.

Sec. 20. ENTREPRENEURS' SEED CAPITAL FUND

(a) Entrepreneurs' Seed Capital Fund. The Entrepreneurs' Seed Capital Fund, created by the Vermont Economic Development Authority pursuant to 10 V.S.A. § 291, is a \$5.1 million revolving "evergreen" capital fund in operation since 2010 serving Vermont's entrepreneurs and early-stage technology-enabled companies for job growth, income potential, and wealth creation. Since inception, the Fund's portfolio companies have now raised in excess of \$182 million. The Fund is professionally managed by the Vermont Center for Emerging Technologies (VCET).

(b) Appropriation. The amount of \$1,000,000.00 is appropriated from the General Fund to the Entrepreneurs' Seed Capital Fund to provide risk stage seed capital to Vermont businesses that have experienced economic disruption either through reduced business, new business formation, or through an unmanageable increase in new business due to the COVID-19 crisis.

(c) Fast Capital Investment Program; categories. Notwithstanding any provision of 10 V.S.A. § 290 to the contrary, the Fund shall invest in businesses consistent with the following:

(1) The Fund shall invest in rapid seed and early growth stage employers that have a viable plan for recovery and growth.

(2) The Fund shall make expedited investments using simplified investment terms and instruments, including stock, convertible notes, forgivable loans, royalty financing, or grants with equity warrants.

(3) The expected range per new investment is \$20,000.00 to \$100,000.00 from this appropriation.

(4) The Fund shall prioritize sourcing and funding on BIPOC-, veteran-, and women-owned businesses.

(5) In continuing to serve the Vermont innovation ecosystem and notwithstanding the expedited program timeline, the Fund shall pursue co-investment participation from local and regional investors, including Vermont venture funds, family offices, community foundations, accredited individual “angel” investors, lending institutions, and other relevant sources.

(d) Eligibility. For-profit Vermont businesses are eligible under the Fast Capital Investment Program except where other significant State appropriated Coronavirus Relief Fund program resources have been directed. These excluded sectors include:

(A) traditional in-person retail operations;

(B) lodging, hospitality, and real estate operations; and

(C) restaurants and food service operations.

Sec. 21. 10 V.S.A. § 291(b)(3) is amended to read:

(3)(A) Before the Fund makes any investments, the Fund shall have and maintain a board of five advisors who shall be appointed as follows: two shall be appointed by the Authority, two shall be appointed by the Fund manager, and one shall be appointed jointly by the Authority and the Fund manager.

(B) The appointing authorities shall coordinate their appointments to ensure that the Board comprises advisors with diverse professional and personal backgrounds and experiences, including representation of women and BIPOC identified individuals.

(C) The Board of Advisors shall represent solely the economic interest of the State with respect to the management of the Fund and shall have no civil liability for the financial performance of the Fund.

(D) The Board of Advisors shall be advised of investments made by the Fund and shall have access to all information held by the Fund with respect to investments made by the Fund.

* * * Effective Date * * *

Sec. 22. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

and that after passage the title of the bill be amended to read: “An act relating to community and economic development and workforce revitalization”

(Committee Vote: 9-0-2)

Rep. Ancel of Calais, for the Committee on Ways and Means, recommends the bill ought to pass when amended as recommended by the Committee on Commerce and Economic Development and when further amended as follows:

By striking out Secs. 8–13, downtown tax credit program, and their reader assistance heading, in their entirety and by renumbering the remaining sections to be numerically correct.

(Committee Vote: 11-0-0)

Rep. Toleno of Brattleboro, for the Committee on Appropriations, recommends the bill ought to pass when amended as recommended by the Committees on Commerce and Economic Development, and Ways and Means, and when further amended as follows:

First: In Sec. 1, tourism and marketing; appropriation, in subsection (c), by striking out “\$1,000,000.00” and inserting in lieu thereof “\$2,500,000.00” and by striking out “General Fund” and inserting “funds available to the State under the American Rescue Plan Act of 2021”

Second: By striking out Sec. 2, technology-based economic development program; appropriation, in its entirety and inserting in lieu thereof a new Sec. 2 to read:

Sec. 2. TECHNOLOGY-BASED ECONOMIC DEVELOPMENT

PROGRAM; APPROPRIATION

(a) In fiscal year 2022, the amount of \$1,000,000.00 is appropriated from the amounts available to the State through the American Rescue Plan Act of 2021 to the University of Vermont to design and implement a technology-based economic development program, consistent with the following:

(1) Small business innovation research; small business technical transfer; technical assistance. A total of \$200,000.00 to provide technical assistance to first-time applicants pursuing a federal SBIR or STTR grant.

(2) SBIR; STTR; Phase I and Phase II matching grants. A total of \$400,000.00 to provide a 50 percent State matching grant, up to \$50,000.00, to businesses that receive a federal SBIR/STTR Phase I or Phase II grant.

(3) Industry research partnership program. A total of \$200,000.00 to provide a 100 percent matching grant to Vermont small businesses:

(A) to purchase services and technical assistance from universities and research institutions, including research and development assistance, technology assessments, product prototyping, lab validation, and overcoming development hurdles; and

(B) to establish better relationships among Vermont businesses and higher education researchers, speed time-to-market for new technologies, and help keep Vermont companies relevant in the marketplace.

(4) University of Vermont Office of Engagement. A total of \$200,000.00 to the Office of Engagement to administer the funds pursuant to this subsection.

(b) In fiscal year 2022, the amount of \$2,000,000 is appropriated from the amounts available to the State under the American Rescue Plan Act of 2021 to the University of Vermont Office of Engagement for a two-year period to leverage the research services and data science capabilities of the University.

(c) On or before January 15, 2022, the University of Vermont shall report to the General Assembly concerning the implementation of this section, including the provision of grants and technical assistance; the number of businesses assisted; how many SBIR/STTR phase I & II matching grants awarded; how many businesses received the maximum grant; how many matching grants and the amounts awarded through the industry research partnership program; and the nature and scope of assistance provided through the Office of Engagement.

(d) The University of Vermont shall use the funds appropriated in this section to promote technology-based businesses and to provide assistance to Vermont businesses that have suffered economic harm due to the COVID-19 public health emergency consistent with the American Rescue Plan Act of 2021.

Third: By striking out Sec. 4, appropriation, in its entirety and inserting in lieu thereof a new Sec. 4 to read:

Sec. 4. APPROPRIATION

The Department of Labor shall allocate not more than \$75,000.00 from the amounts available in the Workforce Expansion Fund to implement Sec. 3 of this act.

Fourth: By adding a new Sec. 7a to read:

Sec. 7a. APPROPRIATION

In fiscal year 2022, the amount of \$5,000,000.00 is appropriated from the funds available to the State under the American Rescue Plan Act of 2021 to the Better Places Fund to implement the Better Places Program created in Sec. 7 of this act.

Fifth: By striking out Sec. 16, workforce development and education, in its entirety and inserting in lieu thereof a new Sec. 16 to read:

Sec. 16. WORKFORCE DEVELOPMENT AND EDUCATION

(a) Findings.

(1) Due to the COVID-19 public health emergency, the Vermont State Colleges have experienced a significant decrease in applications, and the board of directors has voted to freeze tuition for the 2021–2022 academic year both to keep students’ costs low and to mitigate the economic impact of COVID-19 on enrollment.

(2) Deposit activity, a signal of anticipated enrollment for the fall 2021 semester, has declined between five and 20 percent at two of the four VSC institutions, and FAFSA filing for Vermont is down seven percent year over year.

(3) While the enrollment gap is narrowing from earlier in the fall, it is still significantly wider than normal due to the complexities of how the pandemic is affecting Vermont’s high schools and high school students, for example, due to remote learning and the necessity for guidance counselors to broaden the reach of their services to struggling students.

(4)(A) The federal Pell Grant eligibility for first-time, full-time Vermont students is high, signifying that families are financially distressed.

(B) In the fall of 2019, the percentage of first-time, full-time students who were Pell eligible were as follows: CCV (57 percent), CU (39 percent), NVU (49 percent), and VTC (41 percent).

(C) These students, already economically disadvantaged, are disproportionately impacted by the pandemic and related economic crisis.

(5) In addition to increasing the needs of Vermont’s secondary and postsecondary students, the COVID-19 pandemic has also placed significant burden on the Vermont workforce, which can benefit from expanded opportunities available at the Vermont State Colleges.

(b) Purpose. In light of these findings, it is the intent of the General Assembly to provide funding in the Big Bill to expand opportunities for education at the Vermont State Colleges for Vermonters:

(A) who have been impacted by the COVID-19 pandemic through layoffs, furloughs, or reduced hours or due to being employed in an industry that has been severely affected; and

(B) who are pursuing education and training and require educational assistance and other support due to economic harm and lost opportunities arising from the COVID-19 public health emergency.

Sixth: In Sec. 17, Microbusiness Development Program; EMBRACE, in subsection (c), following “appropriated” by inserting “from the funds available to the State under the American Rescue Plan Act of 2021”

Seventh: In Sec. 18, State BIPOC business network development, in subsection (c) by striking out “General Fund” and inserting in lieu thereof “from the funds available to the State under the American Rescue Plan Act of 2021”

Eighth: In Sec. 20, Entrepreneurs’ Seed Capital Fund, in subsection (b), by striking out “\$1,000,000.00” and inserting in lieu thereof “\$900,000.00”

(Committee Vote: 10-0-1)

H. 171

An act relating to the governance and financing of Vermont’s child care system

Rep. Brumsted of Shelburne, for the Committee on Human Services, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

* * * Legislative Intent * * *

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly:

(1) that immediate investments are necessary to support Vermont’s economy, ensure that all families with young children have affordable access

to high-quality child care and early education, and that Vermont's early childhood educators are fairly compensated and well supported; and

(2) to continue and build upon the five-year redesign of the Child Care Financial Assistance Program that began in fiscal year 2020.

* * * Child Care Financial Assistance Program * * *

Sec. 2. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period.

(2) ~~The subsidy authorized by this subsection shall be on a sliding scale basis. The scale shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the current federal poverty guidelines. The upper income limit of the fee scale shall be neither less than 200 percent of the current federal poverty guidelines nor more than 100 percent of the State median income, adjusted for the size of the family. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 150 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 350 percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by the subsection.~~ The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.

* * *

Sec. 3. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

* * *

(c)(1) The payment schedule established by the Commissioner shall reimburse providers in accordance with the results of the most recent Vermont Child Care Market Rate Survey and be adjusted following the release of each new Vermont Child Care Market Rate Survey.

(2) The payment schedule shall include reimbursement rate caps tiered in relation to provider ratings in the Vermont STARS program and the results of the most recent Vermont Child Care Market Rate Survey. The lower limit of the reimbursement rate caps shall be not less than the 50th percentile of all reported rates for the same provider setting in each rate category.

Sec. 4. APPROPRIATION AND LEGISLATIVE INTENT; CHILD CARE

FINANCIAL ASSISTANCE PROGRAM

(a) In fiscal year 2022, \$5,529,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for the purpose of implementing Secs. 2 and 3 of this act.

(b) It is the intent of the General Assembly that:

(1) an appropriation that meets or exceeds the amount distributed in fiscal year 2022 be made in fiscal years 2023 through 2026 to progressively adjust the upper income limit of the Child Care Financial Assistance Program fee scale each year;

(2) by fiscal year 2023, the co-payment at the upper limit of the income eligibility scale for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income; and

(3) by fiscal year 2026, a family shall spend not more than 10 percent of the family's gross annual income on child care.

* * * Bright Futures Information System * * *

Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;

MODERNIZATION PLAN

(a) In fiscal year 2022, \$4,500,000.00 is appropriated to the Agency of Digital Services for the purpose of completing the implementation of the Bright Futures Information System modernization plan.

(b)(1) On or before October 1, 2021, the Department for Children and Families' Child Development Division shall make every reasonable effort to

achieve full functionality of the first module of the modernized Bright Futures Information System.

(2) On or before August 1, 2021, the Department for Children and Families' Child Development Division shall convene and consult with a Bright Futures Information System end-user group, composed of child care providers, eligibility specialists from community child care support agencies, families participating in the Child Care Financial Assistance Program, and any other relevant stakeholders. The Division shall provide periodic updates to the end-user group regarding the Division's progress in completing the modernization project and any successes or challenges identified once the modernized Bright Futures Information System is operational. The Division shall actively seek advice and feedback from the end-user group regarding the modernized Bright Futures Information System. The end-user group shall be dissolved following full functionality of all components of the modernized Bright Futures Information System.

* * * Workforce Supports * * *

Sec. 6. 33 V.S.A. chapter 35, subchapter 5 is added to read:

Subchapter 5. Workforce

§ 3541. SCHOLARSHIPS FOR CURRENT EARLY CHILDHOOD

PROVIDERS

(a) There is established a need-based scholarship program for individuals employed by a regulated, privately operated center-based child care program or family child care home while acquiring credits in early childhood development or that are related directly to working with children from birth through eight years of age.

(b) The Division may contract for the administration of the program set forth in subsection (a) of this section and adopt policies, procedures, and guidelines necessary for its implementation.

(c) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(d) An individual shall not simultaneously participate in the scholarship program set forth in this section and the student loan repayment assistance program set forth in section 3543 of this title.

§ 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD

PROVIDERS

(a)(1) There is established a need-based scholarship program for individuals pursuing a college degree in early childhood education or early childhood special education. The scholarship program shall provide financial assistance up to the full cost of tuition for an eligible individual.

(2) An eligible individual shall:

(A) attend a Vermont college or university at least part-time;

(B) be pursuing an associates or bachelor's degree in early childhood education or early childhood special education; and

(C) commit to working in a regulated, privately operated center-based child care program or family child care home in Vermont for years equal to those in which scholarship monies are sought under this section.

(b)(1) The Department shall adopt policies, procedures, and guidelines necessary for implementation of the program described in subsection (a) of this section.

(2) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c)(1) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(2) An eligible individual who does not work the required number of years in a regulated, privately operated center-based child care program or family child care home in Vermont after completion of the individual's degree program shall repay scholarship monies received under this section commensurate with the balance of the eligible individual's time commitment.

(d) An individual shall not simultaneously participate in the scholarship program set forth in this section and the student loan repayment assistance program set forth in section 3543 of this title.

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program for the purpose of providing student loan repayment assistance to any individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A) work in a privately operated center-based child care program or in a family child care home that is regulated by the Division for at least an average of 30 hours per week for 48 weeks of the year;

(B) receive an annual salary of not more than \$50,000.00; and

(C) have earned an associates or bachelor's degree with a major concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

(3) To participate in the program set forth in this section, an eligible individual shall submit to the Department for Children and Families documentation expressing the individual's intent to work in a regulated, privately operated center-based child care program or family child care home for at least the 12 months following the annual loan repayment award notification. A participant may receive up to \$4,000.00 annually in student loan repayment assistance, which shall be distributed by the Department in four allotments. The Department shall distribute at least one-quarter of the individual's total annual benefit after the individual has completed three months of employment in accordance with the program. The remainder of an individual's total annual benefit shall be distributed by the Department every three months after the initial payment.

(b)(1) The Department shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

(2) Student loan repayments shall be available pursuant to this section on a first-come, first-served basis until appropriated funds are depleted.

(3) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c) An individual shall not simultaneously participate in the student loan repayment assistance program set forth in this section and either of the scholarship programs set forth in section 3541 or 3542 of this title.

Sec. 7. APPROPRIATION, LEGISLATIVE INTENT, AND EVALUATION;
EARLY CHILDHOOD WORKFORCE PROGRAMS

(a)(1) In fiscal year 2022, \$300,000.00 is appropriated to the Department for Children and Families' Child Development Division for the Current Early Childhood Provider Scholarship Program established pursuant to 33 V.S.A. § 3541.

(2) In fiscal year 2022, \$400,000.00 is appropriated to the Department for Children and Families for the Prospective Early Childhood Provider Scholarship Program established pursuant to 33 V.S.A. § 3542.

(3) In fiscal year 2022, \$1,800,000.00 is appropriated to the Department for Children and Families for the student loan repayment assistance program established pursuant to 33 V.S.A. § 3543.

(b) It is the intent of the General Assembly that appropriations that meet or exceed each of the amounts appropriated in fiscal year 2022 pursuant to subdivisions (a)(1) through (3) of this section be made in fiscal years 2023 through 2026.

(c) On or before October 1, 2025, the Department for Children and Families' Child Development Division, in consultation with stakeholders, shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare:

(1) evaluating the effectiveness of the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 at recruiting and retaining providers in Vermont's child care and early learning system; and

(2) recommending whether the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 shall be repealed in accordance with Sec. 8 of this act, retained and funded in their current state, or retained with amendment.

Sec. 8. REPEALS

(a) 33 V.S.A. § 3541(d) (reference to student loan repayment assistance program) is repealed on July 1, 2026.

(b) 33 V.S.A. § 3542 (scholarships for prospective early childhood providers) is repealed on July 1, 2026.

(c) 33 V.S.A. § 3543 (student loan repayment assistance program) is repealed on July 1, 2026.

* * * Advisory Commission * * *

Sec. 9. RECOMMENDATIONS; ADVISORY COMMITTEE

(a) Purpose. Building Bright Futures' Early Learning and Development Committee shall advise the Agency of Human Services, Department for Children and Families, and Child Development Division on all services pertaining to child care and early childhood education, including:

(1) child care and early childhood education licensing rules, policies, and procedures;

(2) administration of the child care and early childhood education system;

(3) Child Care Financial Assistance Program rules, policies, procedures, and plans;

(4) child care provider credentialing and compensation standards;

(5) the Vermont STARS quality rating and improvement system;

(6) child care and early childhood education curricula standards, including antiracist early childhood education practices and standards; and

(7) the child care and early childhood education systems analysis study pursuant to Sec. 10 of this act.

(b) Membership. The membership of the Committee shall be adjusted for the purposes of providing the recommendations required by this section to reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color, and to engage the following members:

(1) a parent or caregiver from a large town or city;

(2) a parent or caregiver from a rural community;

(3) a foster parent or person providing kinship care for a child under 12 years of age;

(4) a family child care home provider;

(5) a center-based child care and preschool program provider;

(6) a Head Start family policy advisory council member;

(7) a Head Start early childhood provider or program director;

(8) a representative of the Vermont Association for the Education of Young Children;

(9) a representative of the Vermont Early Childhood Education Higher Education Consortium;

(10) a representative of Vermont's Parent Child Center Network;

(11) a representative of a community child care resource agency;

(12) a provider of Children's Integrated Services;

(13) a provider of early childhood special education services;

(14) a regional Universal Pre-K Coordinator;

(15) a pediatrician;

(16) a representative of the National Federation of Independent Businesses;

(17) a representative of Vermont Businesses for Social Responsibility;

(18) a representative of the Vermont Business Roundtable;

(19) the Executive Director of the Office of Racial Equity or designee;

(20) an afterschool provider; and

(21) any other member that Building Bright Futures deems necessary to complete the work required by this section.

(c) Assistance. The Committee shall have the administrative assistance of Building Bright Futures and the technical and legal assistance of the Department for Children and Families' Child Development Division.

(d) Reports.

(1) On or before January 15, 2022, the Committee shall submit an interim written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare with a summary of the Committee's efforts to organize and provide advice to the Department to date.

(2) On or before September 1, 2022 and 2023, the Committee shall submit a written report to the House Committee on Human Services and to the Senate Committee on Health and Welfare with a summary of its annual activities, findings, and any recommendations for legislative action. All findings and recommendations provided pursuant to this subdivision shall be divided by birth through five years of age and six years of age through 12 years of age.

(e) Meetings.

(1) The Committee shall begin the work required by this section on or before September 1, 2021.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) The work required by this section shall be completed on or before January 15, 2024.

(f) Members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than six meetings annually. These payments shall be made from monies appropriated to the Department for Children and Families.

(g) Appropriation.

(1) In fiscal year 2022, \$33,000.00 is appropriated from the General Fund to the Department for Children and Families for the purpose of implementing this section.

(2) It is the intent of the General Assembly that \$33,000.00 is appropriated to the Department for Children and Families in fiscal year 2023 for the purpose of implementing this section.

(h) Definition. As used in this section, “child care and early childhood education” means programming provided at a center-based child care program or family child care home regulated by the Department for Children and Families’ Child Development Division that serves children from birth through 12 years of age.

* * * Studies and Reports * * *

Sec. 10. CHILD CARE AND EARLY CHILDHOOD EDUCATION

SYSTEMS ANALYSIS STUDY

(a) In order to ensure that Vermont’s systems for early childhood education effectively meet the needs of children, families, and providers, including child care and early childhood education programs’ ability to refer and connect families to needed services, Building Bright Futures shall undertake an analysis that evaluates and makes recommendations on the following:

(1) existing child care and early childhood education systems and administrative stakeholders and structures;

(2) child care and early childhood education systems and administrative functions that are currently not staffed or understaffed;

(3) emerging system needs;

(4) stakeholder engagement in decision-making processes and State plan development;

(5) mechanisms to strengthen system oversight and leverage current system strengths;

(6) identification of existing needs and challenges; and

(7) ensuring that an antiracist approach is utilized in modifying existing policies and procedures and creating new policies and procedures.

(b) On or before September 1, 2022, Building Bright Futures shall submit the analysis and recommendations required pursuant to this section to the General Assembly. All findings and recommendations provided pursuant to

this subsection shall be divided by birth through five years of age and six years of age through 12 years of age.

(c) In preparing the analysis and recommendations required pursuant to this section, Building Bright Futures shall rely on the work and advice provided pursuant to Sec. 9 of this act.

(d)(1) In fiscal year 2022, \$200,000.00 is appropriated to the Department for Children and Families for the purpose of implementing this section.

(2) The Department may use appropriated funds to cover administrative needs associated with the study and to contract a consultant with experience in organizational or administrative systems, administration, or system management experience.

(e) As used in this section, “child care and early childhood education” means programming provided at a center-based child care program or family child care home regulated by the Department for Children and Families’ Child Development Division that serves children from birth through 12 years of age.

Sec. 11. REPORT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ENROLLMENT MODEL; CO-PAYMENTS

On or before July 1, 2022, the Department for Children and Families’ Child Development Division shall submit to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare analyses addressing:

(1) the costs and policy implications associated with moving from an attendance-based model to an enrollment-based model in the Child Care Financial Assistance Program; and

(2) the costs and policy implications of requiring that co-payments at the upper limit of the income eligibility scale for families participating in the Child Care Financial Assistance Program does not exceed 10 percent of gross annual income.

Sec. 12. CHILD CARE AND EARLY CHILDHOOD EDUCATION
FINANCING STUDY

(a) On or before September 1, 2021, the Joint Fiscal Office shall contract with an economist or independent consulting entity with expertise in the field of child care and early childhood education to evaluate the economic impacts of and potential funding mechanisms to adjusting Vermont’s existing child care system regulated pursuant to 33 V.S.A. chapter 35 for children from birth through five years of age with consideration given to the intersection of and

impacts on child care for children from six years of age through 12 years of age in alignment with the recommendations of the Universal Afterschool Task Force established pursuant to 2020 Acts and Resolves No. 154, Sec. B.1120.1. The work of the economist or independent consulting entity shall be governed by the following goals:

(1) that a family does not spend more than 10 percent of its gross annual income on child care;

(2) that child care providers receive compensation that is commensurate with peers in other fields; and

(3) the utilization of a cost of care model versus a market rate model in the Child Care Financial Assistance Program.

(b)(1) In conducting this evaluation, the consultant shall consult with Building Bright Futures; the State Treasurer; the Commissioners of Finance and Management, of Taxes, and for Children and Families; the Secretary of Education; and any other State entity the consultant deems necessary.

(2) The consultant shall consult with the Auditor for the purpose of ensuring that the consultant's evaluation includes appropriate requirements for ongoing performance review, accountability, and outcomes tracking.

(3) The consultant may consult with the National Association for the Education of Young Children, the Vermont Advancing as a Recognized Profession Task Force, and the Center for the Study of Child Care Employment for determining models for compensation commensurate with peers in other fields. Public school salaries may serve as a relevant benchmark for comparable compensation, assuming comparable qualifications, experience, and job responsibilities.

(c) Taking into consideration the analysis completed as part of the Blue Ribbon Commission on Financing High Quality, Affordable Child Care and the report issued by the Universal Afterschool Task Force, the consultant's evaluation shall:

(1) take into consideration demographic and workforce impacts; and

(2) review potential indirect impacts and multiplier effects on parents and guardians who may utilize the Child Care Financial Assistance Program; child care providers; and entities providing care, supplies, and services; children participating in child care and early childhood education programs; and other impacts to Vermont's economy and communities.

(d)(1) On or before November 15, 2022, the consultant shall submit preliminary results to the Joint Fiscal Office and to the chairs of the House

Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare.

(2) On or before January 15, 2023, the consultant shall submit to the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare results that:

(A) project the costs of expanding the State's child care benefit to more families in accordance with this section, requiring commensurate pay for providers, and utilizing cost of care in the Child Care Financial Assistance Program and the feasibility of implementing each policy in Vermont, both separately and jointly; and

(B) identify and determine the feasibility of implementing stable, long-term funding sources to finance an affordable, high-quality early child care system for children from birth through five years of age given child care's role in postpandemic stimulus and long-term economic development.

(e) The Joint Fiscal Office shall be allowed to accept philanthropic contributions to underwrite the cost of hiring economists and analysts to provide expertise specific to early care and childhood education in accordance with this section.

(f) In fiscal year 2022, \$500,000.00 shall be appropriated from the General Fund to the Joint Fiscal Office for the purpose of hiring a consultant pursuant to this section.

* * * Effective Dates * * *

Sec. 13. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except that Secs. 2 (Child Care Financial Assistance Program; eligibility) and 3 (Payment to Providers) shall take effect on October 1, 2022.

(Committee Vote: 10-0-1)

Rep. Jessup of Middlesex, for the Committee on Appropriations, recommends the bill ought to pass when amended as recommended by the Committee on Human Services and when further amended as follows:

* * * Legislative Intent * * *

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly:

(1) that immediate investments are necessary to support Vermont's economy, ensure that all families with young children have affordable access to high-quality child care and early education, and that Vermont's early childhood educators are fairly compensated and well supported; and

(2) to continue and build upon the five-year redesign of the Child Care Financial Assistance Program that began in fiscal year 2020.

* * * Child Care Financial Assistance Program * * *

Sec. 2. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period.

~~(2) The subsidy authorized by this subsection shall be on a sliding scale basis. The scale shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the current federal poverty guidelines. The upper income limit of the fee scale shall be neither less than 200 percent of the current federal poverty guidelines nor more than 100 percent of the State median income, adjusted for the size of the family. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 150 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 350 percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by the subsection. The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.~~

* * *

Sec. 3. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

* * *

(c)(1) The payment schedule established by the Commissioner may reimburse providers in accordance with the results of the most recent Vermont Child Care Market Rate Survey.

(2) The payment schedule shall include reimbursement rate caps tiered in relation to provider ratings in the Vermont STARS program. The lower limit of the reimbursement rate caps shall be not less than the 50th percentile of all reported rates for the same provider setting in each rate category.

Sec. 4. APPROPRIATION AND LEGISLATIVE INTENT; CHILD CARE
FINANCIAL ASSISTANCE PROGRAM

(a) In fiscal year 2022, \$5,529,000.00 is appropriated from the General Fund to the Department for Children and Families' Child Development Division for the purpose of implementing Secs. 2 and 3 of this act.

(b) It is the intent of the General Assembly that:

(1) consideration be made in fiscal years 2023 through 2026 to progressively adjust the upper income limit of the Child Care Financial Assistance Program fee scale each year; and

(2) by October 1, 2021, the co-payment at the upper limit of the income eligibility scale for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income.

* * * Bright Futures Information System * * *

Sec. 5. BRIGHT FUTURES INFORMATION SYSTEM;
MODERNIZATION PLAN

(a) Funds for the modernization of the Bright Futures Information System are located within the Technology Modernization Reserve.

(b)(1) On or before October 1, 2021, the Department for Children and Families' Child Development Division shall make every reasonable effort to achieve full functionality of the first module of the modernized Bright Futures Information System.

(2) On or before August 1, 2021, the Department for Children and Families' Child Development Division shall convene and consult with a Bright Futures Information System end-user group, composed of child care providers, eligibility specialists from community child care support agencies, families

participating in the Child Care Financial Assistance Program, and any other relevant stakeholders. The Division shall provide periodic updates to the end-user group regarding the Division's progress in completing the modernization project and any successes or challenges identified once the modernized Bright Futures Information System is operational. The Division shall actively seek advice and feedback from the end-user group regarding the modernized Bright Futures Information System. The end-user group shall be dissolved following full functionality of all components of the modernized Bright Futures Information System.

* * * Workforce Supports * * *

Sec. 6. 33 V.S.A. chapter 35, subchapter 5 is added to read:

Subchapter 5. Workforce

§ 3541. SCHOLARSHIPS FOR CURRENT EARLY CHILDHOOD

PROVIDERS

(a) There is established a need-based scholarship program for individuals employed by a regulated, privately operated center-based child care program or family child care home while acquiring credits in early childhood development or that are related directly to working with children from birth through eight years of age.

(b) The Department of Children and Families may contract for the administration of the program set forth in subsection (a) of this section and adopt policies, procedures, and guidelines necessary for its implementation.

(c) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(d) An individual shall not simultaneously participate in the scholarship program set forth in this section and the student loan repayment assistance program set forth in section 3543 of this title.

§ 3542. SCHOLARSHIPS FOR PROSPECTIVE EARLY CHILDHOOD

PROVIDERS

(a)(1) There is established a need-based scholarship program for individuals pursuing a college degree in early childhood education or early childhood special education. The scholarship program shall provide financial assistance up to the full cost of tuition for an eligible individual.

(2) An eligible individual shall:

(A) attend a Vermont college or university at least part-time;

(B) be pursuing an associates or bachelor's degree in early childhood education or early childhood special education; and

(C) commit to working in a regulated, privately operated center-based child care program or family child care home in Vermont for years equal to those in which scholarship monies are sought under this section.

(b)(1) The Department for Children and Families shall adopt policies, procedures, and guidelines necessary for implementation of the program described in subsection (a) of this section.

(2) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c)(1) Scholarships distributed pursuant to this section shall be available on a first-come, first-served basis until any appropriated funds are depleted.

(2) An eligible individual who does not work the required number of years in a regulated, privately operated center-based child care program or family child care home in Vermont after completion of the individual's degree program shall repay scholarship monies received under this section commensurate with the balance of the eligible individual's time commitment.

(d) An individual shall not simultaneously participate in the scholarship program set forth in this section and the student loan repayment assistance program set forth in section 3543 of this title.

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

(a)(1) There is established a need-based student loan repayment assistance program for the purpose of providing student loan repayment assistance to any individual employed by a regulated, privately operated center-based child care program or family child care home.

(2) An eligible individual shall:

(A) work in a privately operated center-based child care program or in a family child care home that is regulated by the Division for at least an average of 30 hours per week for 48 weeks of the year;

(B) receive an annual salary of not more than \$50,000.00; and

(C) have earned an associates or bachelor's degree with a major concentration in early childhood, child and human development, elementary education, special education with a birth to age eight focus, or child and family services within the preceding five years.

(3) To participate in the program set forth in this section, an eligible individual shall submit to the Department for Children and Families documentation expressing the individual's intent to work in a regulated, privately operated center-based child care program or family child care home for at least the 12 months following the annual loan repayment award notification. A participant may receive up to \$4,000.00 annually in student loan repayment assistance, which shall be distributed by the Department in four allotments. The Department shall distribute at least one-quarter of the individual's total annual benefit after the individual has completed three months of employment in accordance with the program. The remainder of an individual's total annual benefit shall be distributed by the Department every three months after the initial payment.

(b)(1) The Department shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

(2) Student loan repayments shall be available pursuant to this section on a first-come, first-served basis until appropriated funds are depleted.

(3) The Department may contract for the administration of the program. Administration costs shall not be more than 10 percent of the total appropriation received to implement this section.

(c) An individual shall not simultaneously participate in the student loan repayment assistance program set forth in this section and either of the scholarship programs set forth in section 3541 or 3542 of this title.

Sec. 7. APPROPRIATION AND EVALUATION; EARLY CHILDHOOD

WORKFORCE PROGRAMS

(a) In fiscal year 2022:

(1) \$300,000.00 is appropriated to the Department for Children and Families' Child Development Division for the current early childhood provider scholarship program established pursuant to 33 V.S.A. § 3541.

(2) \$400,000.00 is appropriated to the Department for Children and Families for the prospective early childhood provider scholarship program established pursuant to 33 V.S.A. § 3542.

(3) \$1,800,000.00 is appropriated to the Department for Children and Families for the student loan repayment assistance program established pursuant to 33 V.S.A. § 3543.

(b) On or before October 1, 2025, the Department for Children and Families' Child Development Division, in consultation with stakeholders, shall submit a report to the House Committees on Commerce and Economic

Development and on Human Services and to the Senate Committees on Economic Development, Housing, and General Affairs and on Health and Welfare:

(1) evaluating the effectiveness of the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 at recruiting and retaining providers in Vermont's child care and early learning system; and

(2) recommending whether the scholarship and student loan repayment programs established in 33 V.S.A. chapter 35, subchapter 5 shall be repealed in accordance with Sec. 8 of this act, retained and funded in their current state, or retained with amendment.

Sec. 8. REPEALS

(a) 33 V.S.A. § 3541(d) (reference to student loan repayment assistance program) is repealed on July 1, 2026.

(b) 33 V.S.A. § 3542 (scholarships for prospective early childhood providers) is repealed on July 1, 2026.

(c) 33 V.S.A. § 3543 (student loan repayment assistance program) is repealed on July 1, 2026.

* * * Building Bright Futures' Powers and Duties * * *

Sec. 9. 33 V.S.A. § 4603 is amended to read:

§ 4603. POWERS AND DUTIES

The Council established by section 4602 of this title shall have the following powers and duties necessary and appropriate to effectuating the purposes of this chapter:

(1) Advise the Administration and General Assembly on:

(A) the status and needs of the early care, health, and education system by conducting a review of the status of young children in Vermont and the care, health, and education services and systems that support them; and

(B) planning related to and the administration and operation of Vermont's child care system.

* * *

(3) Develop an early care, health, and education system plan for Vermont to serve as the basis for policy and funding recommendations, which shall reflect the growing diversity of Vermont's children and families.

* * *

(12) Convene members of the child care community, medical community, education community, business community, and other organizations, as well as State agencies serving young children, to ensure that families receive quality services in the most efficient and cost-effective manner.

* * *

* * * Recommendations on the American Rescue Plan Act of 2021 * * *

Sec. 10. RECOMMENDATIONS; AMERICAN RESCUE PLAN ACT OF
2021; CHILD CARE DEVELOPMENT BLOCK GRANT

(a) Purpose and membership. The Department for Children and Families, in coordination with Building Bright Futures, shall convene a child care working group composed of mutually agreed to stakeholders that reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color. Members of this working group shall include a representative from both the House Committee on Human Services and the Senate Committee on Health and Welfare, as well as individuals representing families, child care and afterschool providers, the business community, child welfare advocates, and consultation with any other individuals necessary to make recommendations for most effectively utilizing Child Care Development Block Grant funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to meet the immediate and future child care needs of Vermonters.

(b) Powers and duties. The working group shall make recommendations to the General Assembly to ensure that the use of the ARPA Child Care Development Block Grant is fully utilized. The working group shall consider the following priorities but need not be limited to consideration of the listed priorities:

(1) funding necessary to ensure that the co-payment for a family participating in the Child Care Financial Assistance Program shall not exceed 10 percent of a family's annual gross income;

(2) expansion of the Child Care Financial Assistance Program to families whose incomes are up to 400 percent of the current federal poverty level;

(3) funding necessary to complete the child care and early childhood education systems analysis and financing studies pursuant to Secs. 13 and 14 of this act;

(4) funding necessary to implement the child care workforce support programs established in 33 V.S.A. chapter 35, subchapter 5;

(5) increased access to high-quality infant care;

(6) access to high-quality, affordable child care for culturally and racially diverse families;

(7) support and assistance to stabilize regulated, privately operated center-based child care programs and family child care homes; and

(8) the identification of any statutory or regulatory barriers to using the ARPA funds to address the immediate and future child care needs of Vermonters.

(c) Report. On or before November 30, 2021, the Department for Children and Families shall submit a written report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare containing the working group's recommendations.

(d) Meetings.

(1) The Commissioner for Children and Families or designee and the Executive Director of Building Bright Futures shall call the first meeting of the working group and shall serve as Co-Chairs.

(2) A majority of the membership shall constitute a quorum.

(3) The working group shall cease to exist on December 1, 2021.

Sec. 11. RECOMMENDATIONS; AMERICAN RESCUE PLAN ACT OF 2021; CHILD CARE STABILIZATION GRANTS

(a) Purpose and membership. The Department for Children and Families, in coordination with Building Bright Futures, shall convene a child care working group composed of mutually agreed to stakeholders that reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color. Members of this working group shall include a representative from both the House Committee on Human Services and the Senate Committee on Health and Welfare, child care and afterschool providers, and consultation with any other individuals necessary to make recommendations for most effectively utilizing Child Care Stabilization Grants funding received by the State pursuant to the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA) to meet the immediate and future child care needs of Vermonters.

(b) Powers and duties. The working group shall make recommendations to ensure that the use of the ARPA Child Care Stabilization Grants funding is fully utilized in a timely manner.

(c) Report and Approval. On or before September 1, 2021, the Department shall submit a written report to the Joint Fiscal Committee and to the Chairs of the House Committee on Human Services and the Senate Committee on Health and Welfare containing the working group's recommendations. Upon receipt, the Joint Fiscal Committee shall have five days to approve or reject the working group's recommendations. If the Joint Fiscal Committee does not act within five days, the recommendations shall be deemed approved and the Department shall distribute the funds according to the recommendations. If the Joint Fiscal Committee rejects the recommendations within the five-day window, it shall hold a meeting as soon as possible to receive testimony from the Department.

(d) Meetings.

(1) The Commissioner for Children and Families or designee and the Executive Director of Building Bright Futures shall call the first meeting of the working group and shall serve as Co-Chairs.

(2) A majority of the membership shall constitute a quorum.

(3) The working group shall cease to exist on January 1, 2022.

* * * Studies and Reports * * *

Sec. 12. REPORT; CHILD CARE FINANCIAL ASSISTANCE PROGRAM;
ENROLLMENT MODEL

On or before July 1, 2022, the Department for Children and Families' Child Development Division shall submit to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare analyses addressing the costs and policy implications associated with moving from an attendance-based model to an enrollment-based model in the Child Care Financial Assistance Program.

Sec. 13. CHILD CARE AND EARLY CHILDHOOD EDUCATION
SYSTEMS ANALYSIS STUDY

(a) On or before September 1, 2022, Building Bright Futures shall submit an analysis and recommendations to the House Committee on Human Services and to the Senate Committee on Health and Welfare regarding the following:

(1) existing child care and early childhood education systems and administrative stakeholders and structures, including functions that are currently not staffed or understaffed;

(2) emerging system needs;

(3) stakeholder engagement in decision-making processes and State plan development;

(4) mechanisms to strengthen system oversight and leverage current system strengths;

(5) identification of existing needs and challenges; and

(6) ensuring that an antiracist approach is utilized in modifying existing policies and procedures and creating new policies and procedures.

(b) All findings and recommendations provided pursuant to this section shall:

(1) be divided by birth through five years of age and six years of age through 12 years of age; and

(2) rely on the work and advice provided pursuant to Sec. 10 of this act.

(c) As used in this section, “child care and early childhood education” means programming provided at a center-based child care program or family child care home regulated by the Department for Children and Families’ Child Development Division that serves children from birth through 12 years of age.

Sec. 14. CHILD CARE AND EARLY CHILDHOOD EDUCATION

FINANCING STUDY

(a) On or before January 1, 2022, the Joint Fiscal Office shall contract with an economist or independent consulting entity with expertise in the field of child care and early childhood education to evaluate the economic impacts of and potential funding mechanisms to adjusting Vermont’s existing child care system regulated pursuant to 33 V.S.A. chapter 35 for children from birth through five years of age with consideration given to the intersection of and impacts on child care for children from six years of age through 12 years of age in alignment with the recommendations of the Universal Afterschool Task Force established pursuant to 2020 Acts and Resolves No. 154, Sec. B.1120.1. The work of the economist or independent consulting entity shall be governed by the following goals:

(1) that a family does not spend more than 10 percent of its gross annual income on child care;

(2) that child care providers receive compensation that is commensurate with peers in other fields; and

(3) the utilization of a cost of care model versus a market rate model in the Child Care Financial Assistance Program.

(b)(1) On or before November 15, 2023, the consultant shall submit preliminary results to the Joint Fiscal Office and to the chairs of the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare.

(2) On or before January 15, 2024, the consultant shall submit to the House Committees on Appropriations, on Human Services, and on Ways and Means and to the Senate Committees on Appropriations, on Finance, and on Health and Welfare results that:

(A) project the costs of expanding the State's child care benefit to more families in accordance with this section, requiring commensurate pay for providers, and utilizing cost of care in the Child Care Financial Assistance Program and the feasibility of implementing each policy in Vermont, both separately and jointly; and

(B) identify and determine the feasibility of implementing stable, long-term funding sources to finance an affordable, high-quality early child care system for children from birth through five years of age.

* * * Federal Funding, Administration * * *

Sec. 15. FEDERAL FUNDS; ANTICIPATED RECEIPTS

(a) To the extent that appropriations in this act are made from federal funds provided by the American Rescue Plan Act of 2021, Pub. L. No. 117-2 (ARPA), including State holding funds that are established as a result of the ARPA, the Commissioner of Finance and Management is authorized to make expenditures in anticipation of receipts as necessary. In the event monies received by the State under ARPA cannot be used for their designated purpose, appropriations shall instead be made from the General Fund.

(b) The appropriations in this act from funds provided by ARPA shall carry forward from fiscal year 2021 until expended.

* * * Effective Dates * * *

Sec. 16. EFFECTIVE DATES

(a) This section and Secs. 10 (recommendations; American Rescue Plan Act of 2021; Child Care Development Block Grant) and 11 (recommendations; American Rescue Plan Act of 2021; Child Care Stabilization Grants) shall take effect on passage.

(b) All other sections shall take effect on July 1, 2021, except that Secs. 2 (Child Care Financial Assistance Program; eligibility) and 3 (payment to providers) shall take effect on October 1, 2021.

(Committee Vote: 10-0-1)

H. 183

An act relating to sexual violence

Rep. Colburn of Burlington, for the Committee on Judiciary, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 3251 is amended to read:

§ 3251. DEFINITIONS

As used in this chapter:

* * *

(3) “Consent” means words or actions by a person indicating a knowing or voluntary agreement to engage in a sexual act.

* * *

(10) “Incapable of consenting” means the person is:

(A) incapable of appraising the nature of the conduct at issue; or

(B) physically incapable of declining participation in, or communicating unwillingness to engage in, the conduct at issue.

(11) “Developmental disability” has the same meaning as in 18 V.S.A. § 9302.

(12) “Psychiatric disability” has the same meaning as in 1 V.S.A. § 147.

Sec. 2. 13 V.S.A. § 3252 is amended to read:

§ 3252. SEXUAL ASSAULT

(a) No person shall engage in a sexual act with another person ~~and compel the other person to participate in a sexual act:~~

(1) without the consent of the other person; ~~or~~

(2) by threatening or coercing the other person; or

(3) by placing the other person in fear that any person will suffer imminent bodily injury; or

(4) when the person knows or reasonably should know that the other person is asleep, unconscious, or otherwise unaware that the sexual act is occurring.

~~(b)(1) No person shall engage in a sexual act with another person and impair substantially the ability of the other person to appraise or control conduct by administering or employing drugs or intoxicants without the knowledge or against the will of the other person administer any alcohol, drugs, or other intoxicants to another person without the person's knowledge or against the person's will and, while the person is impaired by the alcohol, drugs, or intoxicants, engage in a sexual act with that person.~~

(2) No person shall engage in a sexual act with another person when the other person is incapable of consenting to the sexual act due to substantial impairment by alcohol, drugs, or other intoxicants and that condition is known or reasonably should be known by the person.

* * *

(f)(1) A person who violates subsection (a), (b), (d), or (e) of this section shall be imprisoned not less than three years and for a maximum term of life, and, in addition, may be fined not more than \$25,000.00.

* * *

(g) A person convicted of violating subsection (a), (b), (d), or (e) of this section shall be sentenced under section 3271 of this title.

Sec. 3. 13 V.S.A. § 3254 is amended to read:

§ 3254. TRIAL PROCEDURE; CONSENT

In a prosecution for a crime defined in this chapter or section 2601 of this title:

~~(1) lack of consent may be shown without proof of resistance; Lack of verbal or physical resistance does not constitute consent.~~

(2) An expression of lack of consent through words or conduct means there is no consent.

(3) Submission resulting from the use of force, threat of force, or placing another person in fear does not constitute consent.

(4) Consent shall not be demonstrated by evidence prohibited under section 3255 of this title.

(5) A sleeping or unconscious person cannot consent.

(6) a A person shall be deemed to have acted without the consent of the other person where the actor:

(A) ~~knows~~ knew or reasonably should have known that the other person is was mentally incapable of understanding the nature of the sexual act or lewd and lascivious conduct; or

(B) ~~knows~~ knew or reasonably should have known that the other person is was not physically capable of resisting, or declining consent to, the sexual act or lewd and lascivious conduct; or

(C) ~~knows~~ knew or reasonably should have known that the other person is was unaware that a sexual act or lewd and lascivious conduct is was being committed; or

(D) ~~knows~~ knew or reasonably should have known that the other person is was mentally incapable of resisting, or declining consent to, consenting to the sexual act or lewd and lascivious conduct, due to a mental condition or a psychiatric or developmental disability as defined in 14 V.S.A. § 3061; or

(E) knew or reasonably should have known that the other person was incapable of consenting to the sexual act or lewd and lascivious conduct with the actor because the person was substantially impaired by alcohol, drugs, or other intoxicants.

Sec. 4. DATA COLLECTION AND REPORTING

(a)(1) On or before September 1, 2024 and bi-annually thereafter, the Department of Public Safety shall provide a statistical report to the General Assembly based on data from the National Incident Based Reporting System and the Vermont Judiciary on the following:

(A) the number of sexual violence cases reported to State, county, and municipal law enforcement agencies and every constable who exercises law enforcement authority pursuant to 24 V.S.A. § 1936a and who is trained in compliance with 5 20 V.S.A. § 2358;

(B) the number of civil sexual assault or stalking orders granted;

(C) the number of sexual violence cases referred by law enforcement to a State's Attorney or the Attorney General for potential charges; and

(D) the number of sexual violence cases charged, the nature of the charge, and the disposition of the charges.

(2) The data identified in subdivision (a)(1) of this section shall be organized and reported to the General Assembly by county.

(b) The Department of Public Safety shall make a reasonable effort to protect victim confidentiality when statistical information may be identifying.

(c) The Department of Public Safety shall post the data collected pursuant to subsection (a) of this section on its website in a manner that is clear, understandable, and accessible to the public.

Sec. 5. 16 V.S.A. § 2187 is added to read:

§ 2187. INTERCOLLEGIATE SEXUAL VIOLENCE PREVENTION

COUNCIL

(a) Creation. There is created the Intercollegiate Sexual Violence Prevention Council to create a coordinated response to campus sexual harm, including across institutions of higher learning in Vermont.

(b) Membership. The Council shall be composed of the following members:

(1) a Title IX coordinator and a campus-based prevention/education coordinator from an institution of higher learning appointed by the chancellor of the Vermont State Colleges;

(2) a Title IX coordinator and a campus-based prevention/education coordinator from an institution of higher learning appointed by the President of the University of Vermont;

(3) a Title IX coordinator and a campus-based prevention/education coordinator from an institution of higher learning appointed by the President of the Association of Vermont Independent Colleges;

(4) two community-based sexual violence advocates appointed by the Network Against Domestic and Sexual Violence;

(5) two law enforcement or public safety representatives with experience responding to and investigating campus sexual violence appointed by the Commissioner of Public Safety;

(6) two college students, at least one of whom has lived experience as a sexual violence survivor and one who represents a campus-based racial justice organization, appointed by the Center for Crime Victim Services;

(7) a person with expertise in sexual violence responses within the lesbian, gay, bisexual, transgender, queer community appointed by the Vermont Center for Crime Victim Services;

(8) a sexual assault nurse examiner appointed by the Network Against Domestic and Sexual Violence;

(9) a prosecutor with experience in prosecuting sexual violence cases from either the Department of State's Attorneys and Sheriffs or the Office of the Attorney General appointed by the Attorney General; and

(10) an attorney with experience in sexual violence cases appointed by the Defender General.

(c) Duties. The Council shall be responsible for the following:

(1) interdisciplinary planning and information sharing to support sexual violence prevention programs on every college campus in Vermont;

(2) annual review of trends in aggregate data collected by institutions of higher learning regarding sexual violence on college campuses in Vermont; and

(3) development and distribution of best practices and recommendations on violence prevention, sexual health education, and strategies for mitigating sexual violence and tertiary violence on college campuses in Vermont.

(d) Assistance. The Council shall have the administrative and technical assistance of the Network Against Domestic and Sexual Violence.

(e) Report. On or before December 2022 and annually thereafter, the Council shall submit a written report to the General Assembly with a summary of activities and any recommendations for legislative action.

(f) Meetings.

(1) The Network Against Domestic and Sexual Violence shall call the first meeting of the Council to occur on or before September 15, 2021.

(2) The Council shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Council shall meet quarterly.

(5) Members who are not otherwise compensated by the member's employer for attendance at meetings shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. §

1010. These payments shall be made from monies appropriated to the Network Against Domestic and Sexual Violence for such purposes.

Sec. 6. REPEAL

16 V.S.A. § 2187 (Intercollegiate Sexual Violence Prevention Council) is repealed on July 1, 2028.

Sec. 7. APPROPRIATIONS

(a) In fiscal year 2022, \$13,000.00 is appropriated to the Network Against Domestic and Sexual Violence for the purpose of staffing the Intercollegiate Sexual Violence Prevention Council and per diem compensation and reimbursement of expenses for members who are not otherwise compensated by the member's employer for attendance at meetings.

(b) In fiscal year 2022, \$40,000.00 is appropriated to the Vermont Center for Crime Victim Services for use in the Vermont Forensic Nursing Program for the purpose of providing forensic medical care for sexual assault patients within primary care and reproductive health care settings.

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

(Committee Vote: 11-0-0)

Rep. Squirrell of Underhill, for the Committee on Appropriations, recommends the bill ought to pass when amended as recommended by the Committee on Judiciary and when further amended as follows:

By striking out Sec. 7, appropriations, in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. APPROPRIATIONS

(a)(1) In fiscal year 2022, \$11,990.00 is appropriated to the Center for Crime Victim Services to provide a grant for the purpose of staffing the Intercollegiate Sexual Violence Prevention Council.

(2) In fiscal year 2022, \$1,010.00 is appropriated to the Center for Crime Victim Services to provide for per diem compensation and reimbursement of expenses for members who are not otherwise compensated by the member's employer for attendance at meetings.

(b)(1) In fiscal year 2022, \$40,000.00 is appropriated to the Vermont Center for Crime Victim Services to provide a grant for the Vermont Forensic Nursing Program. The funds shall be used to recruit, train, and credential nurses to provide forensic medical care for sexual assault patients within

primary care, reproductive health, or campus health care settings in order to expand medical care for sexual assault patients beyond hospital emergency departments.

(2) On or before January 15, 2022, the Vermont Center for Crime Victim Services shall report to the House and Senate Committees on Judiciary on the progress of the pilot program identified in subdivision (1) of this subsection and November 1, 2022 regarding the implementation and results of the pilot program.

(Committee Vote: 11-0-0)

H. 210

An act relating to addressing disparities and promoting equity in the health care system

Rep. Lippert of Hinesburg, for the Committee on Health Care, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FINDINGS

The General Assembly finds that:

(1) The Department of Health's 2018 State Health Assessment indicates that Vermont residents experience barriers to the equal enjoyment of good health based on race and ethnicity, sexual orientation, gender identity, and disability status.

(2) According to the 2018 Department of Health's Behavioral Risk Factor Surveillance System report, non-White Vermonters are:

(A) statistically less likely to have a personal doctor;

(B) statistically more likely to report poor mental health;

(C) more than twice as likely to report rarely or never getting the necessary emotional support;

(D) significantly more likely to have depression;

(E) significantly more likely to have been worried about having enough food in the past year; and

(F) significantly more likely to report no physical activity during leisure time.

(3) According to the Department of Mental Health's analysis entitled "Race Data VPCH Admissions," which reviewed patients admitted from May 1, 2019 to April 30, 2020, Non-White Vermonters are disproportionately

represented in the highest level of involuntary hospitalization. At the Vermont Psychiatric Care Hospital, 15 percent of the patients are non-White.

(4)(A) Non-White Vermonters have also been disproportionately affected by COVID-19. According to a data brief published on the Department of Health's website in December 2020, entitled "COVID-19 among Vermonters who are Black, Indigenous, and People of Color (BIPOC)," nearly one in every five COVID-19 cases in Vermont are among Black, Indigenous, and Persons of Color even though these Vermonters make up approximately six percent of Vermont's population. According to that same data brief, the incidence rate for non-White Vermonters is 74.2 versus 26.2 for White Vermonters. The incidence rate for Black Vermonters is 225.7; the incidence rate for Asian Vermonters is 61; the incidence rate for Hispanic Vermonters is 41.7; and the incidence rate for other races is 20.5. Non-White Vermonters are also at a higher risk for more serious outcomes, such as hospitalization.

(B) According to the Department of Health's December 2020 data brief, COVID-19 cases among non-White Vermonters tend to be younger than for White Vermonters. The average age of persons testing positive for COVID-19 is 33 among non-White Vermonters, whereas the average age is 46 among White Vermonters.

(C) While, according to the Department of Health's 2018 Behavior Risk Factor Surveillance System, there are not statistically significant differences in the rates of preexisting conditions, such as diabetes, lung disease, and cardiovascular disease, among White and non-White Vermonters, the Vermont Department of Health's December 2020 data brief indicates that there are disparities in the rates of preexisting conditions among Vermonters testing positive for COVID-19. As stated in that data brief, the preexisting conditions rate among COVID-19 cases is 19.4 percent for non-White Vermonters and 12.1 percent for White Vermonters. According to the same December 2020 data brief, this suggests that non-White Vermonters are at higher risk of exposure to COVID-19 due to their type of employment and living arrangements. Thirty-six percent of non-White Vermonters had household contact with a confirmed case of COVID-19, as compared to only 20 percent of White Vermonters as stated in the Department of Health's December 2020 data brief.

(5) According to the 2018 Vermont Behavioral Risk Factor Surveillance System Report, adults with a disability are:

(A) five times as likely to consider suicide than adults with no disability;

(B) eight times more likely to report fair or poor health than adults with no disability;

(C) statistically more likely to delay care due to cost than adults with no disability;

(D) seven times more likely to report poor physical health than adults with no disability;

(E) statistically more likely to report poor mental health in the past month than adults with no disability;

(F) more than twice as likely to report rarely or never getting the necessary emotional support as compared to White adults with no disability;

(G) statistically more likely to report having arthritis than adults with no disability;

(H) statistically more likely to have asthma than adults with no disability;

(I) nearly twice as likely to have ever had cancer than adults without a disability;

(J) statistically more likely to have had skin cancer than adults with no disability;

(K) three times more likely to report having cardiovascular disease than adults with no disability;

(L) five times more likely to report having chronic obstructive pulmonary disease than Vermonters with no disability;

(M) significantly more likely to have depression than adults with no disability;

(N) three times as likely to report having diabetes than those with no disability;

(O) significantly more likely to report having hypertension than those with no disability;

(P) statistically more likely to report having kidney disease than adults with no disability;

(Q) significantly more likely to have been worried about having enough food in the past year when compared to adults with no disability;

(R) more than three times as likely to report housing insecurity in the past year than adults with no disability; and

(S) significantly more likely to report no physical activity during leisure time than adults with no disability.

(6) According to the 2018 Vermont Behavior Risk Factor Surveillance System Report, adults who are LGBTQ are:

(A) three times as likely to report seriously considering suicide compared to non-LGBTQ adults;

(B) statistically more likely to delay care due to cost than non-LGBTQ adults;

(C) statistically more likely to report poor mental health in the past month than non-LGBTQ adults;

(D) statistically more likely to report a disability than non-LGBTQ adults;

(E) statistically more likely to have asthma than non-LGBTQ adults;

(F) significantly more likely to have depression than non-LGBTQ adults; and

(G) significantly more likely to have been worried about having enough food in the past year when compared to non-LGBTQ adults.

(7) LGBTQ youths, according to Vermont's 2019 Youth Risk Behavior Survey, are:

(A) four times more likely to purposefully hurt themselves in the preceding 12 months and four times more likely to make a suicide plan in the preceding 12 months than cisgender, heterosexual peers;

(B) five times more likely to have attempted suicide in the preceding 12 months than cisgender, heterosexual peers;

(C) over three times more likely to experience unwanted sexual contact as compared to cisgender, heterosexual peers;

(D) twice as likely to experience bullying during the preceding month and significantly more likely to skip school due to safety concerns at or on their way to or from school as compared to cisgender, heterosexual peers;

(E) nearly three times more likely to experience housing insecurity as compared to cisgender, heterosexual peers;

(F) twice as likely to face food insecurity as compared to cisgender, heterosexual peers; and

(G) twice as likely to report having a physical disability, long-term health problem, emotional problem, or learning disability as compared to cisgender, heterosexual peers.

(8) According to Preliminary Data from the 2018 State Health Assessment presented to the House Committee on Health Care by the Department of Health in January 2018, Vermonters who experience health inequities report that they:

(A) face discrimination, prejudice, and racism that is often invisible to others;

(B) do not trust and feel misunderstood by “the system”;

(C) do not feel valued, included, or safe;

(D) feel like services are not designed to support them;

(E) feel a lack of agency over their health and their own lives; and

(F) believe this takes place because our society has been structured to maintain a status quo that provides them with unequal opportunities.

(9) Vermont’s 2018 State Health Assessment indicates that social determinants of health are underlying, contributing factors of the foregoing health inequities. That is, disparities in social determinants of health contribute to health inequities. Disparities in the social determinants of health exist in Vermont. For example:

(A) According to the Vermont Housing Finance Agency, just 21 percent of Black Vermonters own their own homes, whereas 72 percent of White Vermonters own their own home. Nationally, 41 percent of Black Americans own their own home.

(B) According to the Vermont Housing Finance Agency, the median household income of Black Vermonters is \$41,533.00, while the median household income of White Vermonters is \$58,244.00.

(C) According to the U.S. Census Bureau, in 2018, 23.8 percent of Black Vermonters were living in poverty, while 10.7 percent of White Vermonters lived in poverty. In addition, according to the Vermont Housing Finance Agency, 57 percent of Black Vermonters earned less than 80 percent of Vermont’s median income, while 43 percent of White Vermonters earned less than 80 percent of Vermont’s median income.

(D) According to the Vermont Housing Finance Agency, about one in two non-White Vermonters experience “housing problems,” which is defined by the U.S. Department of Housing and Urban Development as homes that

lack complete kitchen facilities or plumbing; overcrowded homes; or households paying more than 30 percent of income towards rent, mortgage payments, and utilities. One in three Vermonters experience “housing problems.”

(E) According to the Vermont Coalition to End Homelessness and Chittenden County Homeless Alliance’s 2020 Point-in-Time Count, Black Vermonters are overrepresented among Vermonters experiencing homelessness. While Black Vermonters make up about one percent of Vermont’s population, they make up six percent of Vermonters experiencing homelessness.

(10) Vermont’s role in the eugenics movement, including the State’s 1931 sterilization law, and its impacts on individuals who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities is an example of past injustice in the health care system that continues to impact members of these communities in the present day.

Sec. 2. LEGISLATIVE INTENT AND PURPOSE

(a) It is the intent of the General Assembly to promote health and achieve health equity by eliminating avoidable and unjust disparities in health through a systemic and comprehensive approach that addresses social, economic, and environmental factors that influence health. To this end, the General Assembly believes that:

(1) Equal opportunity is a fundamental principle of American democracy.

(2) Equal enjoyment of the highest attainable standard of health is a human right and a priority of the State.

(3) Structural racism, defined as the laws, policies, institutional practices, cultural representations, and other societal norms that often work together to deny equal opportunity, has resulted in health disparities among Vermonters. Great social costs arise from these inequities, including threats to economic development, democracy, and the social health of the State of Vermont.

(4) Health disparities are a function of not only access to health care, but also social determinants of health, including the environment, the physical structure of communities, nutrition and food options, educational attainment, employment, race, ethnicity, sex, geography, language preferences, immigrant or citizen status, sexual orientation, gender identity, and socioeconomic status,

that directly and indirectly affect the health, health care, and wellness of individuals and communities.

(5) Efforts to improve health in the United States have traditionally looked to the health care system as the key driver of health and health outcomes. However, there has been increased recognition that improving health and achieving health equity will require broader approaches that address factors that influence health.

(6) Health equity is the attainment of the highest level of health for all people. Health equity can be achieved only by eliminating the preventable differences in the health of one group over another as the result of factors such as race, sexual orientation, gender, disability, age, socioeconomic status, or geographic location.

(b) The purpose of this act is to eliminate disparities in health status based on race, ethnicity, disability, and LGBTQ status by:

(1) establishing better and more consistent collection and access to data;

(2) enhancing the full range of available and accessible culturally appropriate health care and public services across Vermont;

(3) ensuring the early and equitable inclusion of Vermonters who experience health inequities because of race, ethnicity, disability, and LGBTQ status in efforts to eliminate such inequities; and

(4) addressing social determinants of health, particularly social, economic, and environmental factors that influence health.

Sec. 3. 18 V.S.A. chapter 6 is added to read:

CHAPTER 6. HEALTH EQUITY

§ 251. DEFINITIONS

As used in this chapter:

(1) “Cultural competency” means a set of integrated attitudes, knowledge, and skills that enables a health care professional to care effectively for patients from cultures, groups, and communities other than that of the health care professional. At a minimum, cultural competency should include the following:

(A) awareness and acknowledgement of the health care professional’s own culture;

(B) utilization of cultural information to establish therapeutic relationships;

(C) eliciting and incorporating pertinent cultural data in diagnosis and treatment; and

(D) understanding and applying cultural and ethnic data to the process of clinical care.

(2) “Health disparity” means differences that exist among specific population groups in the United States in attaining individuals’ full health potential that can be measured by differences in incidence, prevalence, mortality, burden of disease, and other adverse health conditions.

(3) “Health equity” means all people have a fair and just opportunity to be healthy, especially those who have experienced socioeconomic disadvantage, historical injustice, and other avoidable systemic inequalities that are often associated with the social categories of race, gender, ethnicity, social position, sexual orientation, and disability.

(4) “Health equity data” means demographic data, including, but not limited to, race, ethnicity, primary language, age, gender, socioeconomic position, sexual orientation, disability, homelessness, or geographic data that can be used to track health equity.

(5) “LGBTQ” means Vermonters who identify as lesbian, gay, bisexual, transgender, queer, or questioning.

(6) “Non-White” means Black, Indigenous, and Persons of Color. It is not intended to reflect self-identity, but rather how people are categorized in the racial system on which discrimination has been historically based in the United States and how Vermont typically disaggregates data solely by White and non-White.

(7) “Race and ethnicity” mean the categories for classifying individuals that have been created by prevailing social perceptions, historical policies, and practices. Race and ethnicity include how individuals perceive themselves and how individuals are perceived by others.

(8) “Social determinants of health” are the conditions in the environments where people are born, live, learn, work, play, worship, and age, such as poverty, income and wealth inequality, racism, and sex discrimination, that affect a wide range of health, functioning, and quality-of-life outcomes and risks. They can be grouped into five domains: economic stability; education access and quality; health care access and quality; neighborhood and built environment; and social and community context. Social determinants of health are systematic, interconnected, cumulative, and intergenerational conditions that are associated with lower capacity to fully participate in society.

§ 252. HEALTH EQUITY ADVISORY COMMISSION

(a) Creation. There is created the Health Equity Advisory Commission to promote health equity and eradicate health disparities among Vermonters, including particularly those who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities. The Advisory Commission shall amplify the voices of impacted communities regarding decisions made by the State that impact health equity, whether in the provision of health care services or as the result of social determinants of health. The Advisory Commission shall also provide strategic guidance on the development of an Office of Health Equity, including recommendations on the structure, responsibilities, and jurisdiction of such an office.

(b)(1) Membership. The Advisory Commission shall be composed of the following members:

(A) the Executive Director of Racial Equity established pursuant to 3 V.S.A. § 5001 or designee, who shall serve as chair;

(B) the Commissioner of Health or designee;

(C) the Commissioner of Mental Health or designee;

(D) the Commissioner of Disabilities, Aging, and Independent Living or designee;

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

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

(G) the Commissioner of Housing and Community Development or designee;

(H) the Commissioner of Economic Development or designee;

(I) the Chief Performance Officer or designee;

(J) a member, appointed by the Racial Justice Alliance;

(K) a member, appointed by the Rutland Area NAACP;

(L) a member, appointed by the Association of Africans Living in Vermont;

(M) a member, appointed by the Windham County Vermont NAACP;

(N) a member, appointed by the Pride Center of Vermont;

(O) a member, appointed by Outright Vermont;

(P) a member, appointed by Migrant Justice;

(Q) a member, appointed by Out in the Open;

(R) a member, appointed by Another Way Community Center;

(S) a member, appointed by Vermont Psychiatric Survivors;

(T) a member, appointed by the Vermont Center for Independent Living;

(U) a member, appointed by the Elnu Abenaki Tribe;

(V) a member, appointed by the Nulhegan Abenaki Tribe;

(W) a member, appointed by the Koasek Traditional Nation of Missiquoi;

(X) a member, appointed by the Abenaki Nation of Missiquoi;

(Y) a member, appointed by the Vermont Commission on Native American Affairs;

(Z) a member, appointed by Green Mountain Self-Advocates;

(AA) a member, appointed by Vermont Federation of Families for Children's Mental Health; and

(BB) any other members at large that the Advisory Commission deems necessary to appoint to carry out the functions of this section, including ensuring equitable representation and a balance between impacted communities, and that health care provider perspectives are represented, based on a majority vote of the members.

(2) The term of office of each appointed member shall be three years, with the exception that members at large shall each have a term of one year. Of the members first appointed, who are not designated as at-large members, four shall be appointed for a term of one year, four shall be appointed for a term of two years, and 10 shall be appointed for a term of three years. Members shall hold office for the term of their appointments and until their successors have been appointed. All vacancies shall be filled for the balance of the unexpired term in the same manner as the original appointment. Members are eligible for reappointment.

(c) Powers and duties. The Advisory Commission shall:

(1) provide preliminary guidance on the development of an Office of Health Equity and make recommendations on the structure, responsibilities, and jurisdiction of such an office, including:

(A) whether the Office shall be independent, and if not, in which State agency or department is shall be situated;

- (B) how the Office shall be staffed;
 - (C) the populations served and specific issues addressed by the Office;
 - (D) the duties of the Office, including how grant funds shall be managed and distributed; and
 - (E) the time frame and necessary steps to establish the Office;
- (2) provide advice and make recommendations to the Office of Health Equity once established, including input on:
- (A) any rules or policies proposed by the Office;
 - (B) the awarding of grants and the development of programs and services;
 - (C) the needs, priorities, programs, and policies relating to the health of individuals who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities; and
 - (D) any other issue on which the Office of Health Equity requests assistance from the Advisory Commission;
- (3) review, monitor, and advise all State agencies regarding the impact of current and emerging State policies, procedures, practices, laws, and rules on the health of individuals who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities; and
- (4) identify and examine the limitations and problems associated with existing laws, rules, programs, and services related to the health status of individuals who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities; and
- (5) advise the General Assembly on efforts to improve cultural competency and antiracism in the health care system through training and continuing education requirements for health care providers and other clinical professionals.
- (d) Assistance. The Advisory Commission shall have the administrative, legal, and technical assistance of the Agency of Administration at the request of the Executive Director of Racial Equity.
- (e) Report. Annually, on or before January 15, the Advisory Commission shall submit a written report to the Senate Committee on Health and Welfare and to the House Committees on Health Care and on Human Services with its findings and any recommendations for legislative action. The Advisory

Commission is encouraged to base recommendations on the data collected and analysis completed pursuant to section 253 of this title.

(f) Meetings.

(1) The Executive Director of Racial Equity or designee shall call the first meeting of the Advisory Commission to occur on or before September 1, 2021.

(2) The Advisory Commission shall meet at least bimonthly and when requested by either the Chair or by any eight appointed members.

(3) Nine public members of the Advisory Commission shall constitute a quorum for the transaction of business.

(4) All meetings of the Advisory Commission and any subcommittees of the Advisory Commission shall be open to the public with opportunities for public comment provided on a regular basis.

(g) Acceptance of grants and other contributions. The Advisory Commission may accept from any governmental department or agency, public or private body, or any other source grants or contributions to be used in carrying out its responsibilities under this chapter.

(h) Compensation and reimbursement. Appointed members of the Advisory Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for meetings as deemed appropriate by the Advisory Commission within the appropriation provided. These payments shall be made from monies appropriated to the Agency of Administration.

§ 253. DATA RESPONSIVE TO HEALTH EQUITY INQUIRIES

(a) Each State agency, department, board, or commission that collects health-related, individual data shall include in its data collection health equity data disaggregated by race, ethnicity, gender identity, age, primary language, socioeconomic status, disability, and sexual orientation. Data related to race and ethnicity shall use separate collection categories and tabulations, disaggregated beyond non-White and White, in accordance with the recommendation made by the Executive Director of Racial Equity, in consultation with the Advisory Commission.

(b)(1) The Department of Health shall systematically analyze such health equity data using the smallest appropriate units of analysis feasible to detect racial and ethnic disparities, as well as disparities along the lines of primary language, sex, disability status, sexual orientation, gender identity, socioeconomic status, and report the results of such analysis on the

Department's website periodically, but not less than biannually. The Department's analysis shall be used to measure over time the impact of actions taken to reduce health disparities in Vermont. The data informing the Department's analysis shall be made available to the public in accordance with State and federal law.

(2) Annually, on or before January 15, the Department shall submit a report containing the results of the analysis conducted pursuant to subdivision (1) of this subsection to the Senate Committee on Health and Welfare and to the House Committees on Health Care and on Human Services.

Sec. 4. 3 V.S.A. § 5003 is amended to read:

§ 5003. DUTIES OF EXECUTIVE DIRECTOR OF RACIAL EQUITY

(a) The Executive Director of Racial Equity (Director) shall work with the agencies and departments to implement a program of continuing coordination and improvement of activities in State government in order to combat systemic racial disparities and measure progress toward fair and impartial governance, including:

(1) overseeing a comprehensive organizational review to identify systemic racism in each of the three branches of State government and inventory systems in place that engender racial disparities;

(2) managing and overseeing the statewide collection of race-based data to determine the nature and scope of racial discrimination within all systems of State government; ~~and~~

(3) developing a model fairness and diversity policy and reviewing and making recommendations regarding the fairness and diversity policies held by all State government systems; ~~and~~

(4) temporarily overseeing and chairing the Health Equity Advisory Commission established pursuant to 18 V.S.A. § 252 until an Office of Health Equity is established.

* * *

Sec. 5. REPORT; CONTINUING EDUCATION

On or before October 1, 2022, the Health Equity Advisory Commission established pursuant to 18 V.S.A. § 252, in consultation with licensing boards, professional organizations, and providers of all health care and clinical professions, shall submit a written report to the House Committee on Health Care and to the Senate Committee on Health and Welfare with its recommendations for improving cultural competency and antiracism in

Vermont's health care system through initial training, continuing education requirements, and investments.

Sec. 6. APPROPRIATION

(a) In fiscal year 2022, \$180,000.00 is appropriated to the Agency of Administration from the General Fund for use by the Executive Director of Racial Equity in carrying out the provisions of this act.

(b) It is the intent of the General Assembly that similar appropriations be made in future fiscal years until an Office of Healthy Equity is established.

Sec. 7. EFFECTIVE DATE

This act shall take effect on July 1, 2021.

(Committee Vote: 9-1-1)

Rep. Yacovone of Morristown, for the Committee on Appropriations, recommends the bill ought to pass when amended as recommended by the Committee on Health Care and when further amended as follows:

First: In Sec. 3, 18 V.S.A. chapter 6, in section 251, in the section header, by striking out “DEFINTIONS” and inserting in lieu thereof “DEFINITIONS”

Second: By striking out Sec. 6, appropriation, in its entirety and inserting in lieu thereof a new Sec. 6 to read as follows:

Sec. 6. REPORT; FISCAL YEAR 2023 BUDGET RECOMMENDATIONS

As part of the annual report that shall be submitted by the Health Equity Advisory Commission pursuant to 18 V.S.A. § 252(e), the Advisory Commission shall include budget recommendations for continuation of its work in fiscal year 2023, if necessary.

(Committee Vote: 10-0-1)

Favorable

H. 435

An act relating to miscellaneous Department of Corrections-related amendments.

(Rep. Emmons of Springfield will speak for the Committee on Corrections and Institutions.)

Rep. Squirrell of Underhill, for the Committee on Appropriations, recommends the bill ought to pass.

(Committee Vote: 10-0-1)

Amendment to be offered by Rep. Emmons of Springfield to H.435

That the bill be amended in Sec. 7, Criminal Justice Council, in the last sentence after “Joint Legislative Justice Oversight Committee” by inserting: “, including any fiscal and programmatic impact of the proposal”

Information Notice

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3)

JFO #3039 - \$1,000,000 to the VT Dept of Public Safety from the U.S. Dept of Justice to develop and implement approaches to address a range of criminal justice system problems. The majority of funds will be awarded as sub-grants to organizations with expertise in this subject matter. *[JFO received 3/3/2021]*

JFO #3040 - Two (2) limited service positions, both Financial Manager I, to ensure financial record compliance for the anticipated \$200 million in COVID-19 related public assistance awards to the VT Agency of Human Services from the Federal Emergency Management Agency. Positions will be funded through previously approved JFO grant #3015. *[Note: Grant #3015 is a public assistance grant to reimburse eligible costs borne by state, local and non-profit entities in the COVID-19 emergency response – further info can be found here: https://lifo.vermont.gov/custom_reports/grants/default.html]* *[JFO received 3/8/2021, expedited review requested on 3/9/2021]*

JFO #3041 - \$100,000 to the VT Dept. of Fish and Wildlife from Ducks Unlimited to fund a 25-year stewardship of 136 acres in Addison County. The land was donated by Ducks Unlimited with the condition that the Department perform stewardship duties. The yearly projected cost in materials and staff time is \$4,000. *[JFO received 3/08/2021]*

JFO #3042 - \$50,000 to the VT Judiciary from the State Justice Institute to secure consulting services of the National Center for State Courts to advise on the creation of an Access and Resource Center (ARC) which would serve self-represented parties and others looking for support navigating the justice process. *[Note: The budget materials include a \$5,000 Judiciary cash match and \$20,000 of in-kind match.]* *[JFO received 3/08/2021]*