

House Calendar

Wednesday, April 14, 2021

99th DAY OF THE BIENNIAL SESSION

House Convenes at 1:15 PM

TABLE OF CONTENTS

Page No.

Action Postponed Until April 14, 2021

Senate Proposal of Amendment

H. 20 Pretrial risk assessments and pretrial services	
Senate Proposal of Amendment	966

ACTION CALENDAR

Third Reading

S. 60 An act relating to allowing municipal and cooperative utilities to offer innovative rates and services.....	968
--	-----

NOTICE CALENDAR

Favorable with Amendment

H. 175 The beverage container redemption system	
Rep. Morris for Natural Resources, Fish, and Wildlife.....	969
Rep. Ode for Ways and Means	969
Rep. Squirrell for Appropriations	970
S. 53 An act relating to exempting feminine hygiene products from the Vermont Sales and Use Tax	
Rep. Kornheiser for Ways and Means	970
S. 114 An act relating to improving prekindergarten through grade 12 literacy within the State	
Rep. Webb for Education	977

ORDERS OF THE DAY

Action Postponed Until April 14, 2021

Senate Proposal of Amendment

H. 20

An act relating to pretrial risk assessments and pretrial services

The Senate proposes to the House to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 7554c is amended to read:

§ 7554c. PRETRIAL RISK ASSESSMENTS; NEEDS SCREENINGS

~~(a)(1) The objective of a pretrial risk assessment is to provide information to the court for the purpose of determining whether a person presents a risk of nonappearance or a risk of re-offense so the court can make an appropriate order concerning bail and conditions of pretrial release. The assessment shall not assess victim safety or risk of lethality in domestic assaults.~~

(2) The objective of a pretrial needs screening is to obtain a preliminary indication of whether a person has a substantial substance abuse or mental health issue that would warrant a subsequent court order for a more detailed clinical assessment.

~~(3)(2) Participation in a risk assessment or needs screening pursuant to this section does not create any entitlement for the assessed or screened person.~~

(b)(1) Except as provided in subdivision (2) of this subsection, a judge may request that a pretrial services coordinator perform a risk assessment that assesses risk of flight for a person who is arrested, lodged, and unable to post bail within 24 hours of lodging shall be offered a risk assessment and, if deemed appropriate by the pretrial services coordinator, a needs screening prior to arraignment.

(2) A person charged with an offense for which registration as a sex offender is required pursuant to chapter 167, subchapter 3 of this title or an offense punishable by a term of life imprisonment shall not be eligible under this section.

(3) Participation in risk assessment or needs screening shall be voluntary and a person's refusal to participate shall not result in any criminal legal liability to the person.

(4) In the event ~~an assessment or a~~ screening cannot be obtained prior to arraignment, the ~~risk assessment and~~ needs screening shall be conducted as soon as practicable.

(5) A person who qualifies pursuant to subdivision (1) of this subsection and who has an additional pending charge or a violation of probation shall not be excluded from being offered a ~~risk assessment or~~ needs screening unless the other charge is a listed crime.

(6) Any person charged with a criminal offense ~~or~~, a person who is the subject of a youthful offender petition pursuant to 33 V.S.A. § 5280, or a person 18 years of age or older who is the subject of a delinquency petition pursuant to 33 V.S.A. § 5201, except those persons identified in subdivision (2) of this subsection, may choose to engage with a pretrial services coordinator.

(c) The results of the risk assessment and needs screening shall be provided to the person and his or her attorney, the prosecutor, and the court. Pretrial services coordinators may share information only within the limitations of subsection (e) of this section.

(d)(1) At arraignment, the court may order a person who is eligible to engage with a pretrial services coordinator under subdivision (b)(6) of this section to do the following:

(A) meet with a pretrial services coordinator on a schedule set by the court;

(B) participate in a needs screening with a pretrial services coordinator; and

(C) participate in a clinical assessment by a substance abuse or mental health treatment provider and follow the recommendations of the provider.

(2) The court may order the person to engage in pretrial services. Pretrial services may include the pretrial services coordinator:

(A) supporting the person in meeting conditions of release imposed by the court, including the condition to appear for judicial proceedings; and

(B) connecting the person with community-based treatment programs, rehabilitative services, recovery supports, and restorative justice programs.

(3) If possible, the court shall set the date and time for the clinical assessment at arraignment. In the alternative, the pretrial services coordinator

shall coordinate the date, time, and location of the clinical assessment and advise the court, the person and his or her attorney, and the prosecutor.

(4) An order authorized in subdivision (1) or (2) of this subsection shall be in addition to any conditions of release permitted by law and shall not limit the court in any way. Failure to comply with a court order authorized by subdivision (1) or (2) of this subsection shall not constitute a violation of section 7559 of this title.

(5) This section shall not be construed to limit a court's authority to impose conditions pursuant to section 7554 of this title.

* * *

Sec. 2. PILOT PROJECT; DEPARTMENT OF CORRECTIONS REPORT TO COURT; PROBATION CONDITIONS

(a) The Department of Corrections, in consultation with the Court Administrator, the Department of State's Attorneys and Sheriffs, the Office of the Attorney General, and the Office of the Defender General, shall establish a pilot project to provide the court with a report prior to the sentencing of any defendant to a term of probation for a felony pursuant to 28 V.S.A. § 205. The report shall be designed to assist the court in setting probation conditions and shall include the defendant's risk and needs assessment results, mental health and substance use disorder screening results, and criminal history.

(b) The Department, the Court Administrator, the Department of State's Attorneys and Sheriffs, the Office of the Attorney General, and the Office of the Defender General shall jointly select one or two units in the Criminal Division for participation in the pilot project established by this section. On or before December 1, 2022, the Department shall report the results of the pilot project to the Joint Legislative Justice Oversight Committee. The report shall recommend whether the pilot project should be made permanent throughout the State.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

(For text see House Journal February 5, 2021)

ACTION CALENDAR

Third Reading

S. 60

An act relating to allowing municipal and cooperative utilities to offer innovative rates and services

NOTICE CALENDAR
Favorable with Amendment

H. 175

An act relating to the beverage container redemption system

Rep. Morris of Springfield, for the Committee on Natural Resources, Fish, and Wildlife, recommends the bill be amended as follows:

In Sec. 3, effective date, by striking out “2021” and inserting in lieu thereof “2022”

(Committee Vote: 8-3-0)

Rep. Ode of Burlington, for the Committee on Ways and Means, recommends the bill be amended as follows:

In Sec. 1, 10 V.S.A. chapter 53, as follows:

First: In section 1521, in subdivision (1), after “intended for human consumption, except for milk,” and before the period by striking out “rice milk, soy milk, almond milk, hemp seed milk, and dairy products” and inserting in lieu thereof “dairy products, and plant-based milk”

Second: In section 1521, by striking out subdivision (3) in its entirety and inserting in lieu thereof the following:

(3) “Container” means the individual, separate, bottle, can, jar, or carton composed of glass, metal, paper, plastic, or any combination of those materials and containing a consumer product. This definition ~~shall~~ does not include:

(A) containers made of biodegradable material; or

(B) containers made of material that is not readily recyclable in the State as determined by the Secretary of Natural Resources.

Third: In section 1521, by adding a subdivision (11) to read as follows:

(11) “Plant-based milk” means a liquid intended for human consumption that consists of plant material suspended in water that imitates dairy milk and designates the plant-based milk as the first ingredient in the ingredient list on the container’s label.

Fourth: In section 1522, in subdivision (a), in the first sentence, after “of not less than” and before “cents shall be paid,” by striking out “five ten” and inserting in lieu thereof “five”

(Committee Vote: 7-4-0)

Rep. Squirrell of Underhill, for the Committee on Appropriations, recommends the bill be amended as follows:

By adding a Sec. 2a to read:

Sec. 2a. APPROPRIATIONS; ANR TRANSITION; EXPANDED
BEVERAGE CONTAINER REDEMPTION

(a) Prior to deposit of the abandoned beverage container deposits into the Clean Water Fund under 10 V.S.A. § 1388 in fiscal year 2022, the Commissioner of Taxes shall deposit into the General Fund the first \$18,000.00 of the abandoned beverage container deposits remitted to the State under 10 V.S.A. § 1530.

(b) In fiscal year 2022, \$18,000.00 is appropriated to the Agency of Natural Resources from the General Fund for the purposes of conducting information technology upgrades in order to implement expansion of the beverage container redemption system under Sec. 1 of this act.

(Committee Vote: 7-4-0)

S. 53

An act relating to exempting feminine hygiene products from the Vermont Sales and Use Tax

Rep. Kornheiser of Brattleboro, for the Committee on Ways and Means, recommends that the House propose to the Senate that the bill be amended as follows:

House propose to the Senate that the bill be amended as follows:

First: Before Sec. 1, exemption statutory purpose, by inserting a reader assistance heading to read as follows:

* * * Sales and Use Tax; Feminine Hygiene Products * * *

Second: By striking out Sec. 3, effective date, in its entirety and inserting in lieu thereof:

* * * Corporate Income Tax * * *

Sec. 3. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

~~The following definitions shall apply throughout this chapter unless the context requires otherwise~~ As used in this chapter:

* * *

(22) “Affiliated group” means a group of two or more corporations in which more than 50 percent of the voting stock of each member corporation is directly or indirectly owned by a common owner or owners, either corporate or noncorporate, or by one or more of the member corporations, but shall exclude ~~overseas business organizations or~~ foreign corporations and corporations taxable under 8 V.S.A. § 6014.

(23) “Unitary business” means one or more related business organizations engaged in business activity both within and outside the State among which there exists a unity of ownership, operation, and use; or an interdependence in their functions.

(24) ~~“Overseas business organization” means a business organization that ordinarily has 80 percent or more of its payroll and property outside the 50 states and the District of Columbia. [Repealed.]~~

* * *

Sec. 4. 32 V.S.A. § 5832(2)(C)–(E) are amended to read:

(C) For C corporations with Vermont gross receipts from ~~\$0–\$2,000,000.00~~ \$100,000.00, the greater of the amount determined under subdivision (1) of this section or ~~\$300.00~~ \$250.00; or

(D) For C corporations with Vermont gross receipts from \$100,001.00–\$1,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$500.00; or

(E) For C corporations with Vermont gross receipts from \$1,000,001.00–\$5,000,000.00, the greater of the amount determined under subdivision (1) of this section or \$2,000.00; or

(F) For C corporations with Vermont gross receipts from ~~\$2,000,001.00–\$5,000,000.00~~ \$5,000,001.00–\$300,000,000.00, the greater of the amount determined under subdivision (1) of this section or ~~\$500.00~~ \$6,000.00; or

~~(E)~~(G) For C corporations with Vermont gross receipts greater than ~~\$5,000,000.00~~ \$300,000,000.00, the greater of the amount determined under subdivision (1) of this section or ~~\$750.00~~ \$100,000.00.

Sec. 5. 32 V.S.A. § 5833 is amended to read:

§ 5833. ALLOCATION AND APPORTIONMENT OF INCOME

(a) If the income of a taxable corporation is derived from any trade, business, or activity conducted entirely within this State, the Vermont net income of the corporation shall be allocated to this State in full. If the income

of a taxable corporation is derived from any trade, business, or activity conducted both within and outside this State, the amount of the corporation's Vermont net income that shall be apportioned to this State, so as to allocate to this State a fair and equitable portion of that income, shall be determined by multiplying that Vermont net income by the ~~arithmetic average of the following factors, with the sales factor described in subdivision (3) of this subsection double-weighted:~~

~~(1) The average of the value of all the real and tangible property within this State (A) at the beginning of the taxable year and (B) at the end of the taxable year (but the Commissioner may require the use of the average of such value on the 15th or other day of each month, in cases where he or she determines that such computation is necessary to more accurately reflect the average value of property within Vermont during the taxable year), expressed as a percentage of all such property both within and outside this State;~~

~~(2) The total wages, salaries, and other personal service compensation paid during the taxable year to employees within this State, expressed as a percentage of all such compensation paid whether within or outside this State;~~

~~(3) The the amount of gross sales, or charges for services performed, within this State, expressed as a percentage of such sales or charges whether within or outside this State.~~

~~(A)(1) Sales of tangible personal property are made in this State if;~~

~~(i) the property is delivered or shipped to a purchaser, other than the U.S. government, who takes possession within this State, regardless of f.o.b. point or other conditions of sale; or~~

~~(ii) the property is shipped from an office, store, warehouse, factory, or other place of storage in this State; and~~

~~(I) the purchaser is the U.S. government; or~~

~~(II) the corporation is not taxable in the State in which the purchaser takes possession.~~

~~(B)(2) Sales, other than the sale of tangible personal property, are in this State if the taxpayer's market for the sales is in this State. The taxpayer's market for sales is in this State:~~

~~(i)(A) in the case of sale, rental, lease, or license of real property, if and to the extent the property is located in this State;~~

~~(ii)(B) in the case of rental, lease, or license of tangible personal property, if and to the extent the property is located in this State;~~

~~(iii)~~(C) in the case of sale of a service, if and to the extent the service is delivered to a location in this State; and

~~(iv)~~(D) in the case of intangible property:

~~(H)~~(i) that is rented, leased, or licensed, if and to the extent the property is used in this State, provided that intangible property utilized in marketing a good or service to a consumer is “used in this State” if that good or service is purchased by a consumer who is in this State; and

~~(H)~~(ii) that is sold, if and to the extent the property is used in this State, provided that:

~~(aa)~~(I) a contract right, government license, or similar intangible property that authorizes the holder to conduct a business activity in a specific geographic area is “used in this State” if the geographic area includes all or part of this State;

~~(bb)~~(II) receipts from intangible property sales that are contingent on the productivity, use, or disposition of the intangible property shall be treated as receipts from the rental, lease, or licensing of such intangible property under subdivision ~~(iv)~~(H)(D)(i) of this subdivision ~~(B)~~(2); and

~~(ee)~~(III) all other receipts from a sale of intangible property shall be excluded from the numerator and denominator of the receipts factor.

~~(C)~~(3) If the state or states of assignment under subdivision ~~(B)~~(2) of this subsection cannot be determined, the state or states of assignment shall be reasonably approximated.

~~(D)~~(4) If the taxpayer is not taxable in a state to which a receipt is assigned under subdivision ~~(B)~~(2) or ~~(C)~~(3) of this subsection, or if the state of assignment cannot be determined under subdivision ~~(B)~~(2) of this subsection or reasonably approximated under subdivision ~~(C)~~(3) of this subsection, such receipt shall be excluded from the denominator of the receipts factor.

~~(E)~~(5) The Commissioner of Taxes shall adopt regulations as necessary to carry out the purposes of this section.

(6) A taxable corporation subject to apportionment under this section shall report to the Commissioner of Taxes:

(A) the average of the value of all the real and tangible property within this State at the beginning of the taxable year and at the end of the taxable year, provided the Commissioner may require the use of the average of such value on the 15th or other day of each month in cases where the Commissioner determines that such computation is necessary to more

accurately reflect the average value of property within Vermont during the taxable year, expressed as a percentage of all such property both within and outside this State; and

(B) the total wages, salaries, and other personal service compensation paid to employees within this State during the taxable year, expressed as a percentage of all such compensation paid, whether within or outside this State.

* * *

Sec. 6. 32 V.S.A. § 5862(d) is amended to read:

(d) A taxable corporation ~~which~~ ~~that~~ is part of an affiliated group engaged in a unitary business shall be treated as a single taxpayer and shall file a group return containing the combined net income of the affiliated group and such other informational returns as the Commissioner shall require by rule. A unitary combined return shall include the income and apportionment factors of any taxable corporation incorporated in the United States or formed under the laws of any state, the District of Columbia, or any territory or possession of the United States and in a unitary relationship with the taxpayer. The income, gain, or losses from members of a combined group shall be combined to the extent allowed under the Internal Revenue Code for consolidated filing as if the combined group was a consolidated filing group, provided that a state tax credit shall not be combined and shall be limited to the member to which the credit is attributed.

Sec. 7. TRANSITION FROM JOYCE TO FINNIGAN METHOD

(a) For taxable years beginning on and after January 1, 2022, for purposes of determining whether sales are in Vermont and are included in the numerator of the sales apportionment factor, if the activities of any member of a unitary group create nexus with this State, then sales of tangible personal property into Vermont from outside the State by all members of the unitary group shall be included in the Vermont sales factor numerator.

(b) For taxable years beginning on January 1, 2022 and before January 1, 2023:

(1) If any member of a unitary group is taxable in another state, then sales of tangible personal property from a Vermont location into that state by any member of the unitary group shall be excluded from the Vermont sales factor numerator.

(2) If no member of a unitary group is taxable in another state, then sales of tangible personal property from a Vermont location into that state by all members of the unitary group shall be included in the Vermont sales factor numerator.

Sec. 8. RULEMAKING; REPORT

The Department of Taxes shall adopt rules relating to the unitary combined reporting requirements imposed under this act. The rules required under this section shall include a change from the *Joyce* to the *Finnigan* approach to applying Vermont jurisdiction to corporations within a unitary group. The Department shall report to the House Committee on Ways and Means and the Senate Committee on Finance, on or before January 15, 2023, on the Department's proposed rules and any recommendations for legislation with respect to unitary combined reporting.

* * * Sales and Use Tax; Prewritten Computer Software * * *

Sec. 9. 32 V.S.A. § 9701(60) is added to read:

(60) "Vendor-hosted prewritten computer software" means prewritten computer software that is accessed through the Internet or a vendor-hosted server or platform, including where possession of the software is maintained by the vendor or a third party, regardless of:

(A) the method of delivery or transfer, including whether any downloading occurs;

(B) whether the access is permanent or temporary; and

(C) whether the charge for the right of access and for the service is on a per use, per user, per license, subscription, or some other basis.

Sec. 10. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this State. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

* * *

(7) tangible personal property to an advertising agency for its use in providing advertising services or creating advertising materials for transfer in conjunction with the delivery of advertising service; or

(8) specified digital products transferred electronically to an end user regardless of whether for permanent use or less than permanent use and regardless of whether or not conditioned upon continued payment from the purchaser; or

(9) vendor-hosted prewritten computer software and the right to access and use vendor-hosted prewritten computer software to perform data processing services.

Sec. 11. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property or telecommunications service has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this State, except as otherwise exempted under this chapter:

* * *

(4) specified digital products transferred electronically to an end user; and

(5) telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service; and

(6) vendor-hosted prewritten computer software and the right to access and use vendor-hosted prewritten computer software to perform data processing services.

Sec. 12. REPEAL

2015 Acts and Resolves No. 51, Sec. G.8 (prewritten software accessed remotely) is repealed.

* * * Fees * * *

Sec. 13. 9 V.S.A. § 5302(f) is amended to read:

(f) Investment companies subject to 15 U.S.C. § 80a-1 et seq. shall pay to the Commissioner an initial notice filing fee of \$2,000.00 and an annual renewal fee of ~~\$1,500.00~~ \$1,750.00 for each portfolio or class of investment company securities for which a notice filing is submitted.

* * * Income Tax; Military Retirement Exclusion * * *

Sec. 14. 32 V.S.A. § 5811(21)(B) is amended to read:

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

* * *

(iii) recapture of State and local income tax deductions not taken against Vermont income tax; and

(iv) the portion of federally taxable benefits received under the federal Social Security Act that is required to be excluded under section 5830e of this chapter; and

(v) [Reserved.]

(vi) the first \$10,000.00 of federally taxable U.S. military retirement pay; and

* * *

Sec. 15. 32 V.S.A. § 5813(y) is added to read:

(y) The statutory purpose of the exclusion of the first \$10,000.00 of federally taxable U.S. military retirement pay in subdivision 5811(21)(B)(vi) of this title is to recognize the military service of Vermonters who derive part of their income from military retirement pay.

* * * Effective Dates * * *

Sec. 16. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except:

(1) Secs. 3 (80/20 rule definitions), 4 (minimum corporate income tax), 5 (single sales factor and repeal of throwback), and 6–7 (Finnigan method and 80/20 rule) shall take effect on January 1, 2022 and apply to taxable years beginning on and after January 1, 2022.

(2) Secs. 9–12 (prewritten computer software) shall take effect on June 1, 2022.

(3) Notwithstanding 1 V.S.A. § 214, Secs. 14–15 (military retirement exemption) shall take effect on January 1, 2021 and shall apply to taxable years beginning on and after January 1, 2021.

(Committee vote: 8-3-0)

(For text see Senate Journal February 26, 2021)

S. 114

An act relating to improving prekindergarten through grade 12 literacy within the State

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

* * * Purpose * * *

Sec. 1. PURPOSE

(a) The purpose of this act is to continue the ongoing work to improve literacy for all students in the State while recognizing that achieving this goal will require a multiyear and multidimensional effort requiring continued focus by the General Assembly, the Administration, and school leaders.

(b) The State has been awarded Elementary and Secondary School Emergency Relief (ESSER) funding under the American Rescue Plan Act of 2021 Section 2001(f) to carry out, directly or through grants or contracts, activities to address learning loss by supporting the implementation of evidence-based interventions, such as summer learning or summer enrichment programs, extended day programs, comprehensive afterschool programs, or extended school year programs, and ensure that such interventions respond to students' academic, social, and emotional needs and address the disproportionate impact of the coronavirus on at-risk student populations, students experiencing homelessness, and children and youths in foster care, including by providing additional support to local educational agencies to fully address such impacts.

(c) The purpose of the technical support for supervisory unions under Sec. 3 of this act and the contractor support for the Agency of Education under Sec. 4 of this act is to carry out activities to address learning loss and improve literacy outcomes.

* * * Findings * * *

Sec. 2. FINDINGS

(a) Addressing literacy outcomes is a key strategy for the successful implementation of 2018 Acts and Resolves No. 173. The following findings from the report entitled "Expanding and Strengthening Best-Practice Supports for Students who Struggle" issued by the District Management Group in November 2017, which informed the development of Act 173, support the urgency to improve Vermont's literacy outcomes relative to special education reform:

(1) "Investing in the effectiveness of core reading instruction is critical for students in general education and students with disabilities."

(2) "Students with mild-to-moderate disabilities who struggle with reading may not be supported by teachers skilled in the teaching of reading."

(3) "While some special education teachers across the supervisory unions had a strong background in the teaching of reading, others indicated that they did not have the training or background to be effective supporting students struggling in reading."

(b) The following data indicate Vermont needs to improve its literacy outcomes at the early grades:

(1) Smarter Balanced Assessment Consortium results from 2016 to 2018 indicate that only about 50 percent of students in grade three were proficient in English Language Arts in each of these years.

(2) From 2015 to 2019, Vermont's average scale in grade four reading on the National Assessment of Educational Progress dropped every year from a high of 230 to a low score of 222.

(c) The COVID-19 emergency has adversely affected student academic and developmental progress. Failure to address literacy outcomes now could significantly impact student development for many years to come, since literacy is foundational to the success of each student.

(d) The General Assembly recognizes that improving literacy outcomes is a significant challenge for school systems and their constituencies, and that they will require time and assistance in making necessary changes.

* * * Assistance to Support Improved Literacy Outcomes * * *

Sec. 3. ASSISTANCE TO SUPPORT IMPROVED LITERACY

OUTCOMES

(a) In recognition that literacy proficiency is a foundational learning skill, the technical support provided in this section is designed to assist supervisory unions improve literacy outcomes as part of their implementation of 2018 Acts and Resolves No. 173.

(b) The Agency of Education shall retain a contractor to provide the following technical assistance to supervisory unions:

(1) recommend how federal funds can be used to implement Act 173 in the context of improving literacy outcomes;

(2) recommend evidence-based best practices in teaching literacy instruction to students in prekindergarten through grade 3;

(3) recommend how to provide professional development for teachers and school leaders in methods of teaching literacy; and

(4) recommend policies, procedures, and other methods to ensure that improvements in literacy outcomes are sustained.

(c) State educational leaders shall advise the Agency of Education on the request for proposal to retain the contractor and on the selection of the contractor.

* * * Agency of Education; Literacy Staffing; Appropriations * * *

Sec. 4. AGENCY OF EDUCATION; CONTRACTOR; APPROPRIATIONS

(a) There is appropriated to the Agency of Education from the American Rescue Plan Act of 2021 pursuant to Section 2001(f)(4), Pub. L. No. 117-2 in fiscal year 2022 the amount of \$450,000.00 for the costs of the contractor under Sec. 3 of this act for fiscal years 2022, 2023, and 2024.

(b) The sum of \$3,060,000.00 is appropriated from the American Rescue Plan Act of 2021 pursuant to Section 2001(f)(1), Pub. L. No. 117-2 to the Agency of Education in fiscal year 2022 for assisting supervisory unions in implementing the recommendations of the contractor under Sec. 3 of this act for fiscal years 2022, 2023, and 2024. The Agency of Education may set aside not more than two percent of the funds appropriated under this subsection to cover the costs of retaining and overseeing the work of the contractor.

Sec. 5. AGENCY OF EDUCATION; STAFFING

As of July 1, 2022, the following position is created in the Agency of Education: one full-time position to serve as the Statewide Literacy Coordinator. The Agency may fill this permanent position with the contractor, if qualified, retained under Sec. 4 of this act. The General Assembly intends that the salary and benefits for this position be funded from a fiscal year 2023 appropriation.

* * * Advisory Council on Literacy * * *

Sec. 6. 16 V.S.A. § 2903a is added to read:

§ 2903a. ADVISORY COUNCIL ON LITERACY

(a) Creation. There is created the Advisory Council on Literacy. The Council shall advise the Agency of Education, the State Board of Education, and the General Assembly on how to improve proficiency outcomes in literacy for students in prekindergarten through grade 12 and how to sustain those outcomes.

(b) Membership. The Council shall be composed of the following 16 members:

(1) eight members who shall serve as ex officio members:

(A) the Secretary of Education or designee;

(B) a member of the Standards Board for Professional Educators who is knowledgeable in licensing requirements for teaching literacy, appointed by the Standards Board;

(C) the Executive Director of the Vermont Superintendents Association or designee;

(D) the Executive Director of the Vermont School Boards Association or designee;

(E) the Executive Director of the Vermont Council of Special Education Administrators or designee;

(F) the Executive Director of the Vermont Principals' Association or designee;

(G) the Executive Director of the Vermont Independent Schools Association or designee; and

(H) the Executive Director of the Vermont-National Education Association or designee; and

(2) eight members who shall serve two-year terms:

(A) a representative appointed by the Vermont Curriculum Leaders Association;

(B) three teachers appointed by the Vermont-National Education Association who teach literacy, one of whom shall be a special education literacy teacher and two of whom shall teach literacy to students in prekindergarten through grade three;

(C) three community members who have struggled with literacy proficiency or supported others who have struggled with literacy proficiency, one of whom shall be a high school student, appointed by the Agency of Education in consultation with the Vermont Family Network; and

(D) one member appointed by the Agency of Education who has expertise in working with students with dyslexia.

(c) Members with two-year terms.

(1) A member with a term limit shall serve a term of two years and until a successor is appointed. A term shall begin on January 1 of the year of appointment and run through December 31 of the last year of the term. Terms of these members shall be staggered so that not all terms expire at the same time.

(2) A vacancy created before the expiration of a term shall be filled in the same manner as the original appointment for the unexpired portion of the term.

(3) A member with a term limit shall not serve more than two consecutive terms. A member appointed to fill a vacancy created before the expiration of a term shall not be deemed to have served a term for the purpose of this subdivision.

(d) Powers and duties. The Council shall advise the Agency of Education, the State Board of Education, and the General Assembly on how to improve proficiency outcomes in literacy for students in prekindergarten through grade 12 and how to sustain those outcomes and shall:

(1) advise the Agency of Education on how to:

(A) update section 2903 of this title;

(B) implement the statewide literacy plan required by section 2903 of this title and whether, based on its implementation, changes should be made to the plan; and

(C) maintain the statewide literacy plan;

(2) advise the Agency of Education on what services the Agency should provide to school districts to support implementation of the plan and on staffing levels and resources needed at the Agency to support the statewide effort to improve literacy;

(3) develop a plan for collecting literacy-related data that informs:

(A) literacy instructional practices;

(B) teacher professional development in the field of literacy;

(C) what proficiencies and other skills should be measured through literacy assessments and how those literacy assessments are incorporated into local assessment plans; and

(D) how to identify school progress in achieving literacy outcomes, including closing literacy gaps for students from historically underserved populations;

(4) recommend best practices for Tier 1, Tier 2, and Tier 3 literacy instruction within the multitiered system of supports required under section 2902 of this title to best improve and sustain literacy proficiency; and

(5) review literacy assessments and outcomes and provide ongoing advice as to how to continuously improve those outcomes and sustain that improvement.

(e) Report. Notwithstanding 2 V.S.A. § 20(d), annually on or before December 15, the Council shall submit a written report to the House and

Senate Committees on Education with its findings, any recommendations for legislative action, and progress toward outcomes identified in this section. The report shall contain an executive summary, which shall not exceed two pages.

(f) Meetings.

(1) The Secretary of Education shall call the first meeting of the Council to occur on or before August 1, 2021.

(2) The Council shall select a chair from among its members.

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

(4) The Council shall meet not more than eight times per year.

(g) Assistance. The Council shall have the administrative, technical, and legal assistance of the Agency of Education.

(h) Compensation and reimbursement. Members of the Council shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings of the Council per year.

Sec. 7. APPROPRIATION; ADVISORY COUNCIL ON LITERACY

The sum of \$24,000.00 is appropriated from the American Rescue Plan Act of 2021 pursuant to Section 2001(f)(4), Pub. L. No. 117-2 in fiscal year 2022 to the Agency of Education for per diem and reimbursement of expenses for members of the Advisory Council on Literacy created under Sec. 6 of this act for fiscal years 2022, 2023, and 2024.

Sec. 8. REPEAL; ADVISORY COUNCIL ON LITERACY

16 V.S.A. § 2903a (Advisory Council on Literacy) as added by this act is repealed on June 30, 2024.

Sec. 9. IMPLEMENTATION OF THE ADVISORY COUNCIL ON LITERACY

(a) The Advisory Council on Literacy, created in Sec. 6 of this act, is established on August 1, 2021.

(b) Members of the Council shall be appointed on or before August 1, 2021 and, for members with a term limit, their service on the Council from the date of appointment through December 31, 2021 shall not be counted toward their term limit.

(c)(1) In order to stagger the terms of the members of the Council, the initial terms of the following members shall be for one year:

(A) two of the teachers appointed under subdivision (b)(2)(B) of this section; and

(B) two of the community members appointed under subdivision (b)(2)(C) of this section.

(2) After the expiration of the initial term set forth in subdivision (1) of this subsection, Council member terms shall be as set forth in 16 V.S.A. § 2903a(c) in Sec. 6 of this act.

* * * Review of Teacher Preparation Programs * * *

Sec. 10. TEACHER PREPARATION PROGRAMS; REVIEW

(a) On or before October 1, 2022, the Agency of Education, in collaboration with the Standards Board for Professional Educators, shall review:

(1) teacher preparation programs to assess to what extent these programs prepare teacher candidates to use “evidence-based literacy instruction”; and

(2) licensing and re-licensing criteria as it pertains to literacy instruction.

(b) As used in this section, “evidence-based literacy instruction” means reading, writing, and spelling instruction that is supported by high-quality research that meets rigorous standards and is proven to translate effectively to classroom practices.

* * * Agency of Education Reports * * *

Sec. 11. AGENCY OF EDUCATION; REPORTS

On or before December 15 of each of 2021, 2022, and 2023, the Agency of Education shall report the statewide progress in achieving the purpose of this act to the General Assembly. The report shall contain an executive summary, which shall not exceed two pages.

* * * Census-based Funding Advisory Group * * *

Sec. 12. 2018 Acts and Resolves No. 173, Sec. 9 (Census-based Funding Advisory Group), as amended by 2020 Acts and Resolves No. 112, Sec. 4 is further amended to read:

Sec. 9. CENSUS-BASED FUNDING ADVISORY GROUP

* * *

(e) Meetings.

* * *

(4) The Advisory Group shall cease to exist on June 30, 2023.

(f) Reports. On or before January 15, 2019, the Advisory Group shall submit a written report to the House and Senate Committees on Education and the State Board of Education with its findings and recommendations on the development of proposed rules to implement this act and any recommendations for legislation. On or before January 15 of 2020, 2021, ~~and 2022,~~ and 2023, the Advisory Group shall submit a supplemental written report to the House and Senate Committees on Education and the State Board of Education with a status of implementation under this act and any recommendations for legislation.

(g) Reimbursement. Members of the Advisory Group who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings per year in fiscal years 2019 and 2020 and not more than 12 meetings per year in each of fiscal years 2021, 2022, and 2023.

(h) Appropriation. The sum of \$5,376.00 is appropriated for fiscal year 2018 from the General Fund to the Agency of Education to provide funding for per diem compensation and reimbursement under subsection (g) of this section. The sum of \$9,018.00 is appropriated for fiscal year 2021 from the General Fund to the Agency of Education to provide funding for per diem compensation and reimbursement under subsection (g) of this section. ~~The Agency shall include in its budget request to the General Assembly for each of fiscal years 2022 and 2023 the amount of \$9,018.00 to provide funding for per diem compensation and reimbursement under subsection (g) of this section.~~

* * * Effective Date * * *

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

(Committee Vote: 11-0-0)

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 #3043 - \$4,284,369 from the US Dept of Education to the VT Agency of Education for assistance to VT's approved and recognized non-profit independent schools to address educational disruptions caused by COVID-19. Funds will be managed by the VT Agency of Education. *[NOTE: Funds will be used with the GEER EANS program: Governor's Emergency Education*

Relief (GEER) Emergency Assistance to Non-public Schools (EANS). This program is replacing Equitable Services in ESSER II and III. Please see this [overview](#) of how the funds will be used by the AOE to support independent schools.*[JFO received 4/5/2021]*

JFO #3044 – One (1) limited service position to the VT Dept. of Disabilities, Aging and Independent Living to develop a Northeast Network of mental health counselors familiar with farmer related stressors. Total first year amount of \$146,766 from the U.S. Department of Agriculture. Position has been approved for 1 year and is expected to be approved for 2 additional years.
[JFO received 4/05/2021]

JFO #3045 - 48 (forty-eight) limited-service positions to carry out the ongoing work for an effective public health response to COVID-19. ***[NOTE: Positions to be funded through ongoing CDC grants #2254 (Immunization) and #2478 (Epidemiology and Laboratory Capacity) previously approved in 2006 and 2010, respectively.]*** *[JFO received 4/13/2021]*