

Senate Calendar

THURSDAY, MARCH 31, 2022

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ACTION CALENDAR

CONSIDERATION POSTPONED UNTIL APRIL 20, 2022

GOVERNOR'S VETO

S. 79.

An act relating to improving rental housing health and safety.

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

(For text of the Governor's Veto Message, see Senate Journal for June 24, 2021, page 1454)

UNFINISHED BUSINESS OF JANUARY 4, 2022

GOVERNOR'S VETO

S. 107.

An act relating to confidential information concerning the initial arrest and charge of a juvenile.

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

The text of the Communication from His Excellency, The Governor, whereby he *vetoed* and returned unsigned **Senate Bill No. S. 107** to the Senate is as follows:

Text of Communication from Governor

"May 20, 2021

The Honorable John Bloomer, Jr.
Secretary of the Senate
115 State House
Montpelier, VT 05633-5401

Dear Mr. Bloomer:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning S.107, *An act relating to confidential information concerning the initial arrest and charge of a juvenile*, without my signature, because of concerns with the policy to automatically raise the age of accountability for

crimes, and afford young adults protections meant for juveniles, without adequate tools or systems in place.

Three years ago, I signed legislation intended to give young adults who had become involved in the criminal justice system certain protections meant for juveniles. At the time, I was assured that, prior to the automatic increases in age prescribed in the bill, plans would be in place to provide access to the rehabilitation, services, housing and other supports needed to both hold these young adults accountable and help them stay out of the criminal justice system in the future.

This has not yet been the case. In addition to ongoing housing challenges, programs designed and implemented for children under 18 are often not appropriate for those over 18. Disturbingly, there are also reports of some young adults being used – and actively recruited – by older criminals, like drug traffickers, to commit crimes because of reduced risk of incarceration, potentially putting the young people we are trying to protect deeper into the criminal culture and at greater risk.

I want to be clear: I’m not blaming the Legislature or the Judiciary for these gaps. All three branches of government need to bring more focus to this issue if we are going to provide the combination of accountability, tools and services needed to ensure justice and give young offenders a second chance.

For these reasons, I believe we need to take a step back and assess Vermont’s “raise the age” policy, the gaps that exist in our systems and the unintended consequences of a piecemeal approach on the health and safety of our communities, victims and the offenders we are attempting to help. I see S.107 as deepening this piecemeal approach.

I also remain concerned with the lack of clarity in S.107 regarding the disparity in the public records law between the Department of Public Safety and the Department of Motor Vehicles.

Based on the objections outlined above, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution. I believe this presents an opportunity to start a much-needed conversation about the status of our juvenile justice initiatives and make course corrections where necessary, in the interest of public safety and the young Vermonters we all agree need an opportunity to get back on the right path.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”

Text of bill as passed by Senate and House

The text of the bill as passed by the Senate and House of Representatives is as follows:

S.107 An act relating to confidential information concerning the initial arrest and charge of a juvenile

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

* * * Exemption; records of arrest or charge of a juvenile * * *

Sec. 1. 1 V.S.A. § 317 is amended to read:

§ 317. DEFINITIONS; PUBLIC AGENCY; PUBLIC RECORDS AND DOCUMENTS; EXEMPTIONS

* * *

(c) The following public records are exempt from public inspection and copying:

* * *

(5)(A) Records dealing with the detection and investigation of crime, but only to the extent that the production of such records:

* * *

(B)(i) Notwithstanding subdivision (A) of this subdivision (5), records relating to management and direction of a law enforcement agency; records reflecting the initial arrest of a person, including any ticket, citation, or complaint issued for a traffic violation, as that term is defined in 23 V.S.A. § 2302; and records reflecting the charge of a person shall be public.

(ii) A public agency shall not release any information within a record reflecting the initial arrest or charge of a person under 19 years of age that would reveal the identity of the person. However, a public agency may disclose identifying information relating to the initial arrest of a person under 19 years of age in order to protect the health and safety of any person.

* * *

* * * Effective July 1, 2022 * * *

Sec. 2. 1 V.S.A. § 317 is amended to read:

§ 317. DEFINITIONS; PUBLIC AGENCY; PUBLIC RECORDS AND DOCUMENTS; EXEMPTIONS

* * *

(c) The following public records are exempt from public inspection and copying:

* * *

(5)(A) Records dealing with the detection and investigation of crime, but only to the extent that the production of such records:

* * *

(B)(i) Notwithstanding subdivision (A) of this subdivision (5), records relating to management and direction of a law enforcement agency; records reflecting the initial arrest of a person, including any ticket, citation, or complaint issued for a traffic violation, as that term is defined in 23 V.S.A. § 2302; and records reflecting the charge of a person shall be public.

(ii) A public agency shall not release any information within a record reflecting the initial arrest or charge of a person under ~~19~~ 20 years of age that would reveal the identity of the person. However, a public agency may disclose identifying information relating to the initial arrest of a person under ~~19~~ 20 years of age in order to protect the health and safety of any person.

* * *

Sec. 3. APPLICATION OF PUBLIC RECORDS ACT EXEMPTION REVIEW

Notwithstanding 1 V.S.A. § 317(e), the Public Records Act exemption amended in Sec. 1 shall continue in effect and shall not be reviewed for repeal.

* * * Custodian of records relating to a person
under court jurisdiction * * *

Sec. 4. 33 V.S.A. § 5117 is amended to read:

§ 5117. RECORDS OF JUVENILE JUDICIAL PROCEEDINGS

(a)(1) Except as otherwise provided, court and law enforcement reports and files concerning a person subject to the jurisdiction of the court shall be maintained separate from the records and files of other persons. Unless a charge of delinquency is transferred for criminal prosecution under chapter 52 of this title or the court otherwise orders in the interests of the child, such records and files shall not be open to public inspection nor their contents disclosed to the public by any person. However, upon a finding that a child is a delinquent child by reason of commission of a delinquent act ~~which~~ that would have been a felony if committed by an adult, the court, upon request of the victim, shall make the child's name available to the victim of the

delinquent act. If the victim is incompetent or deceased, the child's name shall be released, upon request, to the victim's guardian or next of kin.

(2) When a person is subject to the jurisdiction of the court, the court shall become the sole records custodian for purposes of responding to any request for court or law enforcement records concerning the person. A public agency shall direct any request for these records to the courts for response.

(3) When a person is subject to the jurisdiction of the Criminal Division of the Superior Court pursuant to chapter 52 or 52A of this title, the Criminal Division of the Superior Court shall become the sole records custodian for purposes of responding to any request for court or law enforcement records concerning the person. A public agency shall direct any request for these records to the courts for response.

* * *

* * * Effective Dates * * *

Sec. 5. EFFECTIVE DATES

This act shall take effect on July 1, 2021, except that Sec. 2 (2022 amendment to 1 V.S.A. § 317(c)(5)(B)(ii) (public records; exemptions; records relating to the initial arrest and charge of a person)) shall take effect on July 1, 2022.

UNFINISHED BUSINESS OF MARCH 17, 2022

GOVERNOR'S VETO

H. 361.

An act relating to approval of amendments to the charter of the Town of Brattleboro.

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

The text of the Communication from His Excellency, The Governor, whereby he *vetoed* and returned unsigned **House Bill No. H. 361** to the House is as follows:

Text of Communication from Governor

“February 28, 2022

The Honorable BetsyAnn Wrask
Clerk of the Vermont House of Representatives
115 State Street
Montpelier, VT 05633

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I am returning H.361, *An Act Relating to Approval of Amendments to the Charter of the Town of Brattleboro*, without my signature.

While I applaud 16- and 17-year-old Vermonters who take an interest in the issues affecting their communities, their state and their country, I do not support lowering the voting age in Brattleboro.

First, given how inconsistent Vermont law already is on the age of adulthood, this proposal will only worsen the problem. For example, the Legislature has repeatedly raised the age of accountability to reduce the consequences when young adults commit criminal offenses. They have argued this approach is justified because these offenders are not mature enough to contemplate the full range of risks and impacts of their actions.

Testimony given by leaders from Columbia University's Justice Lab, who said Vermont should raise the upper age of juvenile jurisdiction for most crimes, (including some violent crimes) described adolescents and what they called "emerging adults" as more volatile; more susceptible to peer influence; greater risk-takers; and less future-oriented than adults. This view was cited by the Legislature as justification to expand the definition of "child" to those 18 to 22 for purposes of criminal accountability. "Youthful offenders" up to age 22 may now avoid criminal responsibility for their crimes.

Second, if the Legislature is interested in expanding voting access to school-aged children, they should debate this policy change on a statewide basis. I do not support creating a patchwork of core election laws and policies that are different from town to town. The fundamentals of voting should be universal and implemented statewide.

For these reasons, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

I understand this is a well-intended local issue. I urge the Legislature to take up a thorough and meaningful debate on Vermont's age of majority and come up with consistent, statewide policy for both voting and criminal justice.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp"

Text of bill as passed by Senate and House

The text of the bill as passed by the Senate and House of Representatives is as follows:

H.361 An act relating to approval of amendments to the charter of the Town of Brattleboro

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

Sec. 1. CHARTER AMENDMENT APPROVAL

The General Assembly approves the amendments to the charter of the Town of Brattleboro as set forth in this act. Voters approved proposals of amendment on March 5, 2019.

Sec. 2. 24 App. V.S.A. chapter 107 is amended to read:

CHAPTER 107. TOWN OF BRATTLEBORO

* * *

§ 2.1. DEFINITIONS

* * *

(c) “Youth voter” means any person who is 16 to 18 years of age and is otherwise qualified to vote in Town elections pursuant to 17 V.S.A. chapter 43, subchapter 1.

§ 2.2. ELECTED OFFICERS

On the first Tuesday in March, the voters and youth voters of the Town shall elect by Australian ballot the following:

* * *

~~(3) A Board of five school directors, elected at large, of whom two shall serve for one year and three shall serve for three years. [Repealed.]~~

~~(4) Union High School directors, who shall be elected for terms and in numbers as required by State law. [Repealed.]~~

* * *

§ 2.3. MANNER OF ELECTION

(a) Representative Town Meeting members: Representative Town Meeting members shall be elected by Australian ballot on the first Tuesday in March of each year. Voters and youth voters in each district shall elect, for staggered terms, three members for every 180 voters or major fraction thereof. Members shall serve for three years, except that a member elected to fill a vacancy shall

serve for the remainder of the term. The manner of elections is fully prescribed in 1959 Acts and Resolves No. 302 of the Acts of 1959.

* * *

§ 2.3a. EARLY VOTING

(a)(1) A voter choosing to vote early by Australian ballot in the Town Clerk's office shall vote in the same manner as those voting on election day provided that the voter completes a "Request for Early Voter Absentee Ballot and Certification" form stating the following:

* * *

(4) As authorized for certain Town elections pursuant to this charter, a youth voter who will be at least 16 years of age on the day of the Town election and chooses to vote early shall vote in the same manner as a youth voter on election day, provided that the youth voter completes an early voting form required by the Town Clerk.

* * *

§ 2.4. REPRESENTATIVE TOWN MEETING

(a) Description:

* * *

(2) The Representative Town Meeting consists of up to 140 elected voters and youth voters. It is a guiding body for the Town and a source of ideas, proposals, and comments, elected by district as defined by the Board of Civil Authority. It exercises exclusively all powers vested in the voters of the Town. In addition to the elected members, the following shall be members ex officio: the members of the Selectboard, the School Directors, the Treasurer, the Clerk, the Moderator, and those State Senators and State Representatives who reside in Brattleboro. Representative Town Meeting shall act upon all articles on the Town meeting warning except those ~~which~~ that relate to the election of officers, referenda, and other matters voted upon by Australian ballot.

* * *

§ 2.5. SELECTBOARD

The Selectboard is a legislative body of five persons elected at large by the voters and youth voters of the Town. The Selectboard directs the affairs of the Town within areas specified in subchapter 4 of this charter.

* * *

§ 4.1. COMPOSITION; ELIGIBILITY; ELECTIONS; TERMS

(a) The Selectboard shall be elected at large by the voters and youth voters of the Town from among their number, and newly elected Selectboard members' terms shall begin on the first Monday following the final adjournment of the annual Representative Town Meeting.

* * *

§ 10.3. ELECTION OF TOWN MEETING MEMBERS; CERTIFICATION OF VOTERS; TOWN MEETING MEMBERSHIP; NOTICE; QUALIFICATION; RESPONSIBILITIES

(a)(1) At the first election of Town Meeting members to be held on the first Tuesday in March after the acceptance of this subchapter, the qualified voters of each district shall elect three Town Meeting members for every 180 voters or major fraction thereof, subject to the provisions of subsection (c) of this section. The first one-third elected in each district, in order of the number of votes received, shall serve for three years; the second one-third in ~~such~~ the order of election shall serve for two years; and the remaining one-third in ~~such~~ the order of election shall be elected to serve for one year. In the event of a tie vote the term of such members shall be designated by lot, and the presiding officer of the district shall certify ~~such~~ the designation. All Town Meeting members shall serve for terms commencing on the day of their election.

(2) Annually thereafter, on the first Tuesday in March, the voters and youth voters of each district shall in like manner elect for the term of three years one Town Meeting member for every 180 voters or major fraction thereof, and shall also in like manner fill for the unexpired term or terms any vacancy or vacancies then existing in the number of Town Meeting members in such district, subject to the provisions of subsection (c) of this section.

* * *

(e) Every Town Meeting member shall be a qualified voter or youth voter in the Town and living in the district from which he or she is chosen at the time of his or her election.

* * *

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

UNFINISHED BUSINESS OF MARCH 23, 2022

Committee Bill for Second Reading

Favorable with Recommendation of Amendment

S. 286.

An act relating to amending various public pension and other postemployment benefits.

By the Committee on Government Operations (Senator White for the Committee)

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

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

Sec. 1. 32 V.S.A. § 311a is added to read:

* * *

§ 311a. PUBLIC RETIREMENT BENEFITS; UNFUNDED LIABILITY;
FINDINGS; PURPOSE; INTENT

(a) Findings. The General Assembly finds that:

(1) The actuarially determined employer contribution (ADEC) for the Vermont State Employees' Retirement System (VSERS) has increased by an annual growth rate of 12.1 percent between FY 2009 and FY 2023, and the funded ratio of the VSERS has declined from 94.1 percent from FY 2008 to 67.6 percent by year-end FY 2021.

(2) The ADEC for the Vermont State Teachers' Retirement System (VSTRS) has increased by an annual growth rate of 13 percent between FY 2009 and FY 2023, and the funded ratio of the VSTRS has declined from 80.9 percent from FY 2008 to 52.9 percent by year-end FY 2021.

(3) The General Assembly has appropriated sufficient funds to fully pay the ADEC for both VSERS and VSTRS at the recommended amounts since FY 2007 and throughout the current amortization period.

(4) Since FY 2009, the accrued liabilities of VSERS and VSTRS have grown faster than the assets of each plan, resulting in a gap between the expected payout of future benefits and the assets VSERS and VSTRS have to pay out those benefits to retired State employees and teachers. This gap is also known as the unfunded liabilities for VSERS and VSTRS.

(5) In FY 2015, the General Assembly created the Retired Teachers' Health and Medical Benefits Fund, and health care premiums are paid for on a pay-as-you go basis from this Fund.

(6) The FY 2022 State budget expense for retiree healthcare benefits, known as other postemployment benefits (OPEB), for State employees was approximately \$37.2 million and \$35.1 million for teachers.

(7) As of the beginning of FY 2022, the State's unfunded liabilities for healthcare benefits for retired State employees and teachers is \$2.75 billion.

(b) Purpose. The purpose of this section is to provide economic stability for retired State employees and teachers by maintaining the financial health of VSERS and VSTRS, while also addressing the unfunded liabilities in the State's pension and OPEB plans and the decline in the funded ratios of those retirement systems.

(c) Intent.

(1) It is the intent of the General Assembly to address the unfunded liabilities and decline in funded ratios of VSERS and VSTRS by implementing several measures, including:

(A) continuing the General Assembly's policy since FY 2007 to fully fund the actuarially determined employer contributions rates for the VSERS and VSTRS at the amounts recommended by the respective boards of each retirement system to the General Assembly each year; and

(B) beginning in FY 2024, annually funding an additional payment to the actuarially recommended unfunded liability amortization payments for VSERS and VSTRS that will increase to not more than \$15,000,000.00 each year to each retirement system and remain until the VSERS plan and the VSTRS plan respectively reach a 90 percent funded ratio.

(2) It is also the intent of the General Assembly to prefund other postemployment benefits to create more security and predictability in health care benefits for retired State employees and teachers.

(3)(A) Nothing in this subdivision (3) shall be construed as a commitment by the General Assembly to enacting a specific level of future benefit enhancements that would require prefunding.

(B)(i) It is the intent of the General Assembly that VSTRS members who paid additional contributions in active service as part of a broader effort to improve the health of the retirement system should receive postretirement adjustment allowances that will more fully reflect the net percentage increase in the Consumer Price Index once the retirement system is in a healthier financial position.

(ii) The General Assembly recognizes that a discrepancy exists between members of other State retirement systems who receive postretirement adjustment allowances equal to 100 percent of the net percentage increase in the Consumer Price Index and VSTRS members who receive postretirement adjustment allowances equal to 50 percent of the net percentage increase.

(iii) It is the intent of the General Assembly that, once the VSTRS system is at least 80 percent funded, or in conjunction with proposed modifications to the unfunded liability amortization schedule or policy, there should be consideration of establishing a path to incrementally increase the postretirement adjustment allowance formula to an ultimate goal of 100 percent of the net percentage increase in the Consumer Price Index to create parity amount retirement systems to the benefit of VSTRS Group C members who paid higher contribution rates in active service to help improve the health of the VSTRS system.

(iv) It is the intent of the General Assembly that, prior to enacting any statutory changes to the postretirement adjustment allowance formula, the General Assembly, in consultation with the Retirement Board and employee groups, should evaluate the impact of any proposed changes on the normal cost, unfunded actuarial accrued liability, funded ratio, and actuarially determined employer contribution.

(v) It is the intent of the General Assembly that the evaluation of any future changes to the postretirement adjustment allowance formula should also include developing a strategy for amortizing any anticipated growth in the unfunded actuarial accrued liability attributed to any potential increases in the formula.

(vi) It is the intent of the General Assembly that no future modifications should be made to the postretirement adjustment allowance formula if those changes are projected to result in the funded ratio of the retirement system decreasing below 80 percent funded on an actuarial value basis.

* * * Vermont State Employees' Retirement System * * *

* * * Pension Benefits * * *

Sec. 2. 3 V.S.A. § 455 is amended to read:

§ 455. DEFINITIONS

(a) As used in this subchapter:

* * *

(4) “Average final compensation” shall mean:

* * *

(F) For a Group D member:

(i) Who retires on or before June 30, 2022, the member’s final salary.

(ii) Who retires on or after July 1, 2022, but who, on or before June 30, 2022, has five years or more of service as a Supreme Court Justice, a Superior judge, an Environmental judge, a District judge, or a Probate judge or any combination thereof and has attained 57 years of age or older, or is a Group D member on or before June 30, 2022 and has 15 years or more of creditable service, the member’s final salary.

(iii) Who retires on or after July 1, 2022 and who does not meet the requirements set forth in subdivisions (i) and (ii) of this subdivision (F), the average annual earnable compensation of a member during the two consecutive fiscal years beginning on July 1 and ending on June 30 of creditable service affording the highest such average, or during all of the years in the member’s creditable service if fewer than two years. If the member separates prior to the end of a fiscal year, average final compensation shall be determined by adding:

(I) The actual earnable compensation earned in the fiscal year of separation through the date of separation and the service credit to correspond with the last pay date.

(II) The earnable compensation and service credit earned in the preceding fiscal year.

(III) The remaining service credit that is needed to complete the two full years, which shall be factored from the fiscal year preceding the fiscal year described in subdivision (II) of this subdivision (F)(iii). The earnable compensation associated with this remaining service credit shall be calculated by multiplying the annual earnable compensation reported by the remaining service credit that is needed.

* * *

(13) “Normal retirement date” shall mean:

(A) with respect to a Group A member, the first day of the calendar month next following (i) attainment of age 65, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or (ii) attainment of age 62 and completion of 20 years of creditable service, whichever is earlier;

(B) with respect to a Group C member, the first day of the calendar month next following attainment of age 55 years of age, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or completion of 30 years of service, whichever is earlier;

(C) with respect to a Group D member,;

(i) for those members first appointed or elected on or before June 30, 2022, the first day of the calendar month next following attainment of age 62 years of age and completion of five years of creditable service; or

(ii) for those members first appointed or elected on or after July 1, 2022, the first day of the calendar month next following attainment of 65 years of age and completion of five years of creditable service; and

(D) with respect to a Group F member, the first day of the calendar month next following attainment of age 62, and following completion of five years of creditable service for those members hired on or after July 1, 2004, or completion of 30 years of creditable service, whichever is earlier; and with respect to a Group F member first included in the membership of the system on or after July 1, 2008, the first day of the calendar month next following attainment of age 65 and following completion of five years of creditable service, or attainment of 87 points reflecting a combination of the age of the member and number of years of service, whichever is earlier.

* * *

Sec. 3. 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

(a) Normal retirement.

* * *

(2) Group C members. Any ~~group~~ Group C member who is an officer or employee of the Department of Public Safety assigned to police and law enforcement duties, including the Commissioner of Public Safety appointed before July 1, 2000, and who has reached his or her normal retirement date may retire on a normal retirement allowance, on the first day of any month after he or she may have separated from service, by filing an application in the manner outlined in subdivision (3) of this subsection. Any ~~group~~ Group C member in service shall be retired on a normal retirement allowance on the first day of the calendar month next following attainment of ~~age 55~~ 57 years of age. Notwithstanding, it is provided that any such member who is an official appointed for a term of years may remain in service until the end of ~~his or her~~ the member's term of office or any extension thereto, resulting from reappointment.

* * *

(b) Normal retirement allowance.

(1) Upon normal retirement, a ~~group~~ Group A member shall receive a normal retirement allowance which shall be equal to 50 percent of ~~his or her~~ the member's average final compensation; provided, however, that if the member has not completed 30 years of creditable service at retirement, or, if earlier, the date of attainment of such age as may be applicable under the provisions of subdivision (a)(4) of this section, his or her allowance shall be multiplied by the ratio that the number of his or her years of creditable service at retirement, or such earlier date, bears to 30.

(2)(A) Upon normal retirement, a ~~group~~ Group C member shall receive a normal retirement allowance which shall be equal to 50 percent of ~~his or her~~ the member's average final compensation; provided, however, that if the member has not completed 20 years of creditable service at retirement, or, if earlier, the date of attainment of such age as may be applicable under the provisions of subdivision (a)(4) of this section, the member's allowance shall be multiplied by the ratio that the number of ~~his or her~~ the member's years of creditable service at retirement, or such earlier date, bears to 20.

(B) For a Group C member, for each year of service that is completed on or after July 1, 2022 after attaining the later of 50 years of age or completing 20 years of service, a member's maximum normal retirement allowance shall increase by an amount equal to one and one-half percent of the member's average final compensation.

(3)(A) ~~Group D members who are Justices of the Supreme Court, Superior judges, Environmental judges, and District judges; additional retirement allowance. — Justices of the Supreme Court, Superior judges, Environmental judges, and District judges, upon normal retirement under this section, shall receive a normal retirement allowance equal to one and two-thirds percent of the member's average final compensation times the years of Group D membership service up to 12 years. Group D members shall receive an additional retirement allowance according to years of service as a Supreme Court Justice, a Superior judge, an Environmental judge, or a District judge, or a Probate judge or any combination thereof as follows:~~

(i) ~~After 12 years of service, an additional retirement allowance of an amount which that, together with the normal service retirement allowance for the first 12 years, will make the total equal to two-fifths of their salary at retirement~~ average final compensation.

~~(ii) For each year of service in excess of 12 years, an amount equal to $3\frac{1}{3}$ three and one-third percent of their salary at retirement average final compensation shall be added to the retirement allowance as computed in ~~subsection (a) subdivision (b)(3)(A)(i) of this section~~ subdivision (b)(3)(A). However, at no time shall the total retirement allowance exceed their salary at retirement. ~~Such~~ In addition to the normal retirement allowance, such additional retirement allowance shall be treated as the normal retirement allowance for all purposes of the retirement act.~~

~~(B) In order to qualify for the benefits provided by this title each Justice or judge shall have the maximum employee contribution in accordance with the requirements of the State Employees' Retirement System. These provisions shall apply to surviving Justices and judges retired before its enactment, but only from the effective date of its enactment, and not retroactively. The total retirement allowance for Group D members shall be as follows:~~

~~(i) For a Group D member who retires on or before June 30, 2022, the total retirement allowance shall not exceed the member's salary at retirement.~~

~~(ii) For a Group D member who, on or before June 30, 2022, has five years or more of service as a Supreme Court Justice, a Superior judge, an Environmental judge, a District judge, or a Probate judge, or any combination thereof, and has attained 57 years of age or older, or is a Group D member on or before June 30, 2022 and has 15 years or more of creditable service, the total retirement allowance shall not exceed the member's salary at retirement.~~

~~(iii) For a Group D member who retires on or after July 1, 2022, and who does not meet the requirements set forth in subdivision (i) or (ii) of this subdivision (B), the member's total retirement allowance shall not exceed 80 percent of the member's average final compensation.~~

~~(C) For the purposes of this section, years of service as a municipal judge are to be counted as years of service in determining the additional retirement allowance, insofar as they represent years of membership service. [Repealed.]~~

~~(4) Group D members who are Probate judges; additional retirement allowance. Probate judges, having retired under this section, shall be entitled to an additional retirement allowance according to their years in service as follows:~~

~~(A) Upon completion of 12 years of service an amount which with service retirement allowance will equal two-fifths of the salary at retirement.~~

~~(B) For each additional year of service, an amount equal to 3 1/3 percent of the salary at retirement shall be added to the retirement allowance as computed in subsection (a) of this section. Such additional retirement allowance shall be treated as the normal retirement allowance for all purposes of the retirement act. [Repealed.]~~

* * *

Sec. 4. 3 V.S.A. § 459a is amended to read:

§ 459a RESTORATION OF SERVICE

* * *

(b)(1) Upon the subsequent retirement of an employee who once again became a member under subsection (a) of this section, the employee shall once again become a beneficiary whose former retirement allowance shall be restored under the same plan provisions applicable at the time of the initial retirement, but the beneficiary shall not be entitled to cost of living adjustments for the period during which he or she was restored to service. In addition to the former retirement allowance, a beneficiary shall be entitled to a retirement allowance separately computed for the period beginning with his or her last restoration to service for which the member has made a contribution. If the beneficiary is not vested in the system since he or she was last restored to service, the member's contributions plus accumulated interest shall be returned to him or her.

(2) Notwithstanding subdivision (1) of this subsection, for a Group C member who has attained the later of 50 years of age and has completed 20 years or more of service, in no event shall the member's separately computed retirement allowance increase by an amount equal to more than one and one-half percent of the member's average final compensation per year of restored service actually performed.

Sec. 5. 3 V.S.A. § 470 is amended to read:

§ 470. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

~~(a) For Group A, Group C, and Group D members, as of June 30th in each year, commencing June 30, 1972, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the ratio of the average of the Consumer Price Index for the month ending on that date to the average of said index for the month ending on June 30, 1971, or the month ending on June 30th of the most recent year subsequent thereto. In the event of an increase, and provided that the net increase following the application of any offset as provided in this subsection equals or exceeds one percent, the~~

~~retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31st shall be increased by an equal percentage. Such increase shall commence on the January 1st immediately following such December 31st. Such percentage increase shall also be made in the retirement allowance payable to a beneficiary in receipt of an allowance under an optional election, provided the member on whose account the allowance is payable and such other person shall have received a total of at least 12 monthly payments by such December 31st. In the event of a decrease of the Consumer Price Index as of June 30th for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1st; provided, however, that:~~

~~(1) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and~~

~~(2) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Postretirement adjustments to retirement allowance. On January 1 of each year, the retirement allowance of each beneficiary of the System who is in receipt of a retirement allowance and who meets the eligibility criteria set forth in this section shall be adjusted by the amount described in subsection (d) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary's retirement allowance.~~

~~(b) For Group F members, as of June 30th in each year, commencing January 1, 1991, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent of the Consumer Price Index for the preceding fiscal year. In the event of an increase, and provided that there exists a net increase following the application of any offset as provided in this subsection, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31st shall be increased by an amount equal to one-half of the net percentage increase. Commencing January 1, 2014, the retirement allowance of each beneficiary who was an active contributing member of the Group F plan on or after June 30, 2008, and who retires on or after July 1, 2008, shall be increased by an amount equal to the net percentage increase. The increase shall commence on the January 1st immediately following such December 31st. The increase shall apply to Group F members receiving an early retirement allowance only in the year following attainment of normal retirement age, provided the member has received benefits for at least 12 months as of December 31st of~~

~~the year preceding any January adjustment. In the event of a decrease of the Consumer Price Index as of June 30th for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1st; provided, however, that:~~

~~(1) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index, up to the full amount of such increase; and~~

~~(2) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Calculation of Net Percentage Increase.~~

(1) Consumer Price Index; maximum and minimum amounts. Prior to October 1 of each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of said index for the month ending on June 30 of the previous year. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:

(A) For Group A members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(B) For Group C members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(C) For Group C members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(D) For Group D members, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent.

(E) For Group F members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022, or who are vested deferred members as of June 30, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be five percent, and any increase or decrease of less than one percent shall be assigned a value of one percent.

(F) For Group F members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, the maximum amount of any increase or decrease used to determine the net percentage increase shall be four percent.

(2) Consumer Price Index; decreases. In the event of a decrease in the Consumer Price Index, there shall be no adjustment to retirement allowances for the subsequent year beginning January 1; provided, however, that:

(A) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index, up to the full amount of such increase; and

(B) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.

(3) Consumer Price Index; increases. In the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members' postretirement adjustment as described herein.

(c) For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease of less than one percent shall be assigned a value of one percent. Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment to the beneficiary's retirement allowance, the beneficiary must meet the following eligibility requirements:

(1) For all members who are retired or vested deferred on or before June 30, 2022; for Group A, C, and F members who are first eligible for normal retirement or unreduced early retirement on or before June 30, 2022; and for Group D members first appointed or elected on or before June 30, 2022, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment.

(2) For all Group A, C, and F members who are first eligible for normal retirement or unreduced early retirement on or after July 1, 2022, and for Group D members first appointed or elected on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(3) Special rule for Group F early retirement. A Group F member in receipt of an early retirement allowance shall not receive a postretirement adjustment to the member's retirement allowance until such time as the member has reached normal retirement age, provided the member has also met the other eligibility criteria set forth in this subsection.

~~(d) For purposes of this section, Consumer Price Index shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as "CPI-U," in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics. Amount of postretirement adjustment. The postretirement adjustment for each member who meets the eligibility criteria set forth in subsection (c) of this section shall be as follows:~~

(1) The full amount of the net percentage increase calculated in subsection (b) of this section for the following:

(A) Group A and C members;

(B) Group D members first appointed or elected on or before June 30, 2022; and

(C) Commencing January 1, 2014, any active contributing member of the Group F plan on or after June 30, 2008, and who retires as a Group F member on or after July 1, 2008.

(2) One-half of the net percentage increase calculated in subsection (b) of this section for Group F members who retired on or before June 30, 2008.

(3) For Group D members first appointed or elected on or after July 1, 2022, the full amount of the net percentage increase calculated in subsection (b) of this section for amounts equal to or less than \$75,000.00 of annual retirement allowance and one-half the net percentage increase calculated in subsection (b) of this section for amounts \$75,000.01 or greater of annual retirement allowance.

(e) Definition. For purposes of this section:

(1) "Consumer Price Index" means the Northeast Region Consumer Price Index for all urban consumers, designated as "CPI-U," in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

(2) “Vested deferred” means a member who receives a vested deferred allowance payable pursuant to subsection 465(a) of this title.

(f) Deferred vested allowance. No increase shall be made pursuant to this section in a deferred vested allowance payable pursuant to subsection 465(a) of this title prior to its commencement.

Sec. 6. 3 V.S.A. § 473 is amended to read:

§ 473. FUNDS

(a) Assets. All of the assets of the Retirement System shall be credited to the Vermont State Retirement Fund.

(b) Member contributions.

(1)(A) Allocations. Contributions deducted from the compensation of members together with any member contributions transferred thereto from the predecessor systems shall be accumulated in the Fund and separately recorded for each member. The amounts so transferred on account of Group A members shall be allocated between regular and additional contributions. The amounts so allocated as regular contributions shall be determined as if the rate of contribution of four percent has been continuously in effect in the predecessor system from which such amounts were transferred and the balance of any amount so transferred on account of any Group A member shall be deemed additional contributions. In the case of Group C members who were members as of the date of establishment and Group D members, all contributions transferred from predecessor systems shall be deemed regular contributions. Those members who, prior to the date of establishment of this system, had been contributing at a rate less than four percent shall have any benefit otherwise payable on their behalf actuarially reduced to reflect such prior contribution rate of less than four percent. Upon a member's retirement or other withdrawal from service on the basis of which a retirement allowance is payable, the member's additional contributions, with interest thereon, shall be paid as an additional allowance equal to an annuity which is the actuarial equivalent of such amount, in the same manner as the benefit otherwise payable under the System.

(B) Periodic review. When the State Employees' Retirement System has been determined by the actuary to have assets at least equal to its accrued liability, contribution rates will be reevaluated by the actuary with a subsequent recommendation to the General Assembly. In determining the amount earnable by a member in a payroll period, the Retirement Board may consider the annual or other periodic rate of earnable compensation payable to such member on the first day of the payroll period as continuing throughout

such payroll period, and it may omit deduction from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as, on an annual basis, shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is to be made. Each of the amounts shall be deducted until the member retires or otherwise withdraws from service, and when deducted shall be paid into the Annuity Savings Fund, and shall be credited to the individual account of the member from whose compensation the deduction was made.

(2)(A) Group A members. Commencing on July 1, 2016, contributions shall be 6.55 percent of compensation for Group A, D, and F members and 8.43 percent of compensation for Group C members. When the State Employees' Retirement System has been determined by the actuary to have assets at least equal to its accrued liability, contribution rates will be reevaluated by the actuary with a subsequent recommendation to the General Assembly. In determining the amount earnable by a member in a payroll period, the Retirement Board may consider the annual or other periodic rate of earnable compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deduction from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as, on an annual basis, shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is to be made. Each of the amounts shall be deducted until the member retires or otherwise withdraws from service, and when deducted shall be paid into the Annuity Savings Fund, and shall be credited to the individual account of the member from whose compensation the deduction was made.

(B) Group C members.

(i) Commencing the first full pay period in fiscal year 2023, the contribution rate for Group C members shall be 9.03 percent of compensation;

(ii) Commencing the first full pay period in fiscal year 2024, the contribution rate for Group C members shall be 9.53 percent of compensation.

(iii) Commencing the first full pay period in fiscal year 2025 and annually thereafter, the contribution rate for Group C members shall be 10.03 percent of compensation.

(C) Group D members. Commencing on July 1, 2022, the contribution rate for Group D members shall be based on the quartile in which a member's hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year by the Department of Human Resources based on the hourly rate of pay by all Group D members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period, below the 25th percentile of Group D member hourly rates of pay, the contribution rate shall be 6.65 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.15 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation;

(III) commencing in fiscal year 2025, 8.15 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.65 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for

members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group D member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation;

(III) commencing in fiscal year 2025, 8.15 percent of compensation;

(IV) commencing in fiscal year 2026, 8.65 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.15 percent of compensation.

(D) Group F members. Commencing on July 1, 2022, the contribution rate for Group F members shall be based on the quartile in which a member's hourly rate of pay falls. Quartiles shall be determined annually in the first full pay period of each fiscal year, by the Department of Human Resources based on the hourly rate of pay of all Group F members. The contribution rates shall be based on the schedule set forth below:

(i) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period below the 25th percentile of Group F member hourly rate of pay, the contribution rate shall be 6.65 percent of compensation.

(ii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 25th percentile and below the 50th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.15 percent of compensation.

(iii) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at the 50th percentile and below the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation;

(III) commencing in fiscal year 2025, 8.15 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.65 percent of compensation.

(iv) Based on the quartiles for the first full pay period of each fiscal year and effective the first full pay period in that fiscal year, for members who have an hourly rate of pay in any pay period at or above the 75th percentile of Group F member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2023, 7.15 percent of compensation;

(II) commencing in fiscal year 2024, 7.65 percent of compensation;

(III) commencing in fiscal year 2025, 8.15 percent of compensation;

(IV) commencing in fiscal year 2026, 8.65 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.15 percent of compensation.

(3) Deductions. The deductions provided for herein shall be made notwithstanding that the minimum compensation provided for by law for any member shall be reduced thereby. Every member shall be deemed to consent and agree to the deductions made and provided herein and shall receipt for full compensation, and payment of compensation less such deduction shall be a full and complete discharge and acquittance of all claims and demands whatsoever for the services rendered by such person during the period covered by such payment, except as to the benefits provided under this subchapter.

(4) Additional contributions. Subject to the approval of the Retirement Board, in addition to the contributions deducted from compensation as hereinbefore provided, any member may redeposit in the Fund by a single payment or by an increased rate of contribution an amount equal to the total amount which the member previously withdrew from this System or one of the predecessor systems; or any member may deposit therein by a single payment or by an increased rate of contribution an amount computed to be sufficient to purchase an additional annuity ~~which~~ that, together with prospective retirement allowance, will provide for the member a total retirement allowance not in excess of one-half of average final compensation at normal retirement date, with the exception of Group D members for whom creditable service shall be restored upon redeposits of amounts previously withdrawn from the System, or for whom creditable service shall be granted upon deposit of amounts equal to what would have been paid if payment had been made during any period of service during which such a member did not contribute. Such additional amounts so deposited shall become a part of the member's accumulated contributions as additional contributions.

(5) Beneficiaries. The contributions of a member and such interest as may be allowed thereon ~~which~~ that are withdrawn by the member or paid to the member estate or to a designated beneficiary in event of the member's death, shall be paid from the Fund.

(6) Scope. Contributions required under this subsection shall be limited to contributions from Group A, Group C, Group D, and Group F members.

(7) [Repealed.]

(c) Employer contributions, earnings, and payments.

* * *

(8) Annually, the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of \$9,000,000.00;

(B) in fiscal year 2025, the amount of \$12,000,000.00; and

(C) in fiscal year 2026 and in any year thereafter until the Fund is calculated to have a funded ratio of at least 90 percent, the amount of \$15,000,000.00.

* * * Other Postemployment Benefits * * *

Sec. 7. 3 V.S.A. § 479a is amended to read:

§ 479a. STATE EMPLOYEES' POSTEMPLOYMENT BENEFITS TRUST
FUND

* * *

(b) Into the Benefits Fund shall be deposited:

(1) all assets remitted to the State as a subsidy on behalf of the members of the Vermont State Employees' Retirement System for employer-sponsored qualified prescription drug plans pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, except that any subsidy received from an Employer Group Waiver Program is not subject to this requirement;

(2) any appropriations by the General Assembly for the purposes of paying current and future retiree postemployment benefits for members of the Vermont State Employees' Retirement System; ~~and~~

(3) amounts contributed or otherwise made available by members of the System or their beneficiaries for the purpose of paying current or future postemployment benefits costs; and

(4) any monies pursuant to subsection (e) of this section.

(c) The Benefits Fund shall be administered by the State Treasurer. The Treasurer may invest monies in the Benefits Fund in accordance with the provisions of 32 V.S.A. § 434 or, in the alternative, may enter into an agreement with the Commission to invest such monies in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902, in a manner similar to the ~~Committee's~~ Commission's investment of ~~retirements~~ retirement system monies. All balances in the Benefits Fund at the end of the fiscal year shall be carried forward. Interest earned shall remain in the Benefits Fund. The Treasurer's annual financial report to the Governor and the General Assembly shall contain an accounting of receipts, disbursements, and earnings of the Benefits Fund.

* * *

(e) State Contribution.

(1) Beginning on July 1, 2022 and annually thereafter, the State shall make annual contributions to the Benefits Fund known as the "normal contribution" and the "accrued liability contribution," each of which shall be fixed on the basis of the liabilities of the System as shown by the most recent actuarial valuation and made by the payroll assessment included in annual agency and department budgets:

(A) The “normal contribution” shall be the amount that, if contributed over each member’s prospective period of service, will be sufficient to provide for the payment of all future retiree postemployment benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The “normal contribution” shall be identified using the actuarial cost method known as “projected unit credit” and applying a rate of return equal to the most recently adopted actuarial rate of return pursuant to section 523 of this title.

(B) The “accrued liability contribution” shall be the annual payment set forth in the most recent actuarial valuation that is necessary to liquidate the unfunded accrued liability over a closed period of 26 years and determined based on the funding schedule set forth in this section.

(i) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability for the payment of retiree health and medical benefits.

(ii) Beginning on July 1, 2022, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 26 years ending on June 30, 2048, provided that the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 26-year period in installments.

(2) Any variation in the contribution of normal or accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 26-year period.

(3) The Board shall review annually the amount of State contributions recommended by the actuary. Based on this review, the Board shall determine the amount of State contribution necessary for the next fiscal year to achieve and preserve the financial integrity of the funds and certify a statement of the percentage of the payroll of all members sufficient to fund the normal cost and the accrued liability contribution. On or before December 15 of each year, the Board shall inform the Governor and the House and Senate Committees on Government Operations and on Appropriations in writing about the amount needed. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

* * * VSERS Actuarial Studies * * *

Sec. 8. 3 V.S.A. § 523 is amended to read:

§ 523. VERMONT PENSION INVESTMENT COMMISSION; DUTIES

* * *

(f) Asset and liability study. Beginning on July 1, ~~2022~~ 2023, and every three years thereafter, based on the most recent actuarial valuations of each Plan, the Commission shall study the assets and liabilities of each Plan over a 20-year period. The study shall:

(1) project the expected path of the key indicators of each Plan's financial health based on all current actuarial and investment assumptions; current contribution and benefit policies, including the Plans' mark-to-market funded ratio; actuarially required contributions by source; payout ratio; and related liquidity obligations; and

(2) project the effect on each Plan's financial health resulting from:

(A) possible material deviations from Plan assumptions in investment assumptions, including returns versus those expected and embedded in the actuary's estimate of actuarially required contributions and any material changes in capital markets volatility; and

(B) possible material deviations from key plan actuarial assumptions, including retiree longevity, potential benefit increases, and inflation.

* * *

Sec. 9. 3 V.S.A. § 471 is amended to read:

§ 471. RETIREMENT BOARD; MEDICAL BOARD; ACTUARY; RATES OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(j) The Retirement Board shall designate an actuary who shall be the technical advisor of the Board on matters regarding the operation of the Fund of the Retirement System, and shall perform such other duties as are required in connection therewith. Immediately after the establishment of the Retirement System, the Retirement Board shall adopt for the Retirement System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this subchapter. At Beginning July 1, 2023, at least once in each three-year period every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the Retirement

System, and taking into account the results of such investigation, the Retirement Board shall adopt for the Retirement System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this subchapter.

* * *

* * * Vermont State Teachers' Retirement System * * *

* * * VSTRS Actuarial Studies * * *

Sec. 10. 16 V.S.A. § 1942 is amended to read:

§ 1942. BOARD OF TRUSTEES; MEDICAL BOARD; ACTUARY; RATE OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(m) Immediately after the establishment of the System, the actuary shall make such investigation of the mortality, service, and compensation experience of the members of the System, as the actuary shall recommend and the Board shall authorize, for the purpose of determining the proper mortality and service tables to be prepared and submitted to the Board for adoption. Having regard to such investigation and recommendation, the Board shall adopt for the System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter. ~~At least once in each three-year period~~ Beginning July 1, 2023, at least once every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the System, and taking into account the results of such investigation, the Board shall adopt for the System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

* * *

* * * Pension Benefits * * *

Sec. 11. 16 V.S.A. § 1944 is amended to read:

§ 1944. VERMONT TEACHERS' RETIREMENT FUND

(a) Pension Fund. All of the assets of the System shall be credited to the Vermont Teachers' Retirement Fund.

(b) Member contributions.

(1) Contributions deducted from the compensation of members shall be accumulated in the Pension Fund and separately recorded for each member.

(2) The proper authority or officer responsible for making up each employer payroll shall cause to be deducted from the compensation:

(A) of each Group A member five and one-half percent of the member's total earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title; and

(B) from of each Group C member with at least five years of membership service as of July 1, 2014, five percent of the member's earnable compensation; and from each Group C member with less than five years of membership service as of July 1, 2014, six percent of the member's earnable compensation, an effective rate that is calculated based on the member's base salary as of July 1 each year. The effective rate shall be rounded to the nearest hundredth of a percent and levied on the member's total earnable compensation for the fiscal year, unless a teacher's full-time equivalency status changes during the fiscal year, in which case the teacher's effective rate will be recalculated and the new rate will be applied going forward. A member's total earnable compensation for the fiscal year shall also including include compensation paid for absence as provided by subsection 1933(d) of this title, and shall be calculated according to the following marginal rates and income brackets:

(i) Beginning on July 1, 2022:

(I) if a member's base salary is at or below \$40,000.00, the rate is 6.0 percent;

(II) if a member's base salary is \$40,000.01 or more but not more than \$60,000.00, the rate is the equivalent of \$2,400.00 on \$40,000.00 of the member's base salary and 6.50 percent of the member's salary that is \$40,000.01 or more;

(III) if a member's base salary of \$60,000.01 or more but not more than \$80,000.00, the rate is the equivalent of \$3,700.00 on \$60,000.00 and 6.75 percent of the member's salary that is \$60,000.01 or more;

(IV) if a member's base salary is \$80,000.01 or more but not more than \$100,000.00, the rate is the equivalent of \$5,050.00 on \$80,000.00 and 7.00 percent of the member's salary that is \$80,000.01 or more;

(V) if a member's base salary is \$100,000.01 or more, the rate is the equivalent of \$6,450.00 on \$100,000.00 and 7.25 percent of the member's salary that is \$100,000.01 or more.

(ii) Beginning on July 1, 2023:

(I) if a member's base salary is at or below \$40,000.00, the rate is 6.25 percent;

(II) if a member's base salary is \$40,000.01 or more but not more than \$60,000.00, the rate is the equivalent of \$2,500.00 on \$40,000.00 and 6.75 percent of the member's salary that is \$40,000.01 or more;

(III) if a member's base salary of \$60,000.01 or more but not more than \$80,000.00, the rate is the equivalent of \$3,850.00 on \$60,000.00 and 7.0 percent of the member's salary that is \$60,000.01 or more;

(IV) if a member's base salary is \$80,000.01 or more but not more than \$100,000.00, the rate is the equivalent of \$5,250.00 on \$80,000.00 and 7.50 percent of the member's salary that is \$80,000.01 or more;

(V) if a member's base salary is \$100,000.01 or more, the rate is the equivalent of \$6,750.00 on \$100,000.00 and 8.0 percent of the member's salary that is \$100,000.01 or more.

(iii) Beginning on July 1, 2024 and annually thereafter:

(I) if a member's base salary is at or below \$40,000.00, the rate is 6.25 percent;

(II) if a member's base salary is \$40,000.01 or more but not more than \$60,000.00, the rate is the equivalent of \$2,900.00 on \$40,000.00 and 6.75 percent of the member's salary that is \$40,000.01 or more;

(III) if a member's base salary of \$60,000.01 or more but not more than \$80,000.00, the rate is the equivalent of \$3,850.00 on \$60,000.00 and 7.5 percent of the member's salary that is \$60,000.01 or more;

(IV) if a member's base salary is \$80,000.01 or more but not more than \$100,000.00, the rate is the equivalent of \$5,350.00 on \$80,000.00 and 8.25 percent of the member's salary that is \$80,000.01 or more;

(V) if a member's base salary is \$100,000.01 or more, the rate is the equivalent of \$7,000.00 on \$100,000.00 and 9.0 percent of the member's salary that is \$100,000.01 or more.

(C) In determining the amount earnable by a member set forth in this subdivision (2) in a payroll period, the Board may consider the rate of compensation payable to such member on the first day of a payroll period as continuing throughout the payroll period, and it may omit deduction from compensation for any period less than a full payroll period if a teacher was not a member on the first day of the payroll period, and to facilitate the making of

deductions it may modify the deduction required of any member by such an amount as shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is made. The actuary shall make annual valuations of the reduction to the recommended State contribution attributable to the increase from five to six percent, and the Board shall include the amount of this reduction in its written report pursuant to subsection 1942(r) of this title.

* * *

(c) State contributions, earnings, and payments.

(1) All State appropriations and all reserves for the payment for all pensions including all interest and dividends earned on the assets of the Retirement System shall be accumulated in the Pension Fund. All benefits payable under the System, except for retired teacher health and medical benefits, shall be paid from the Pension Fund. Annually, the Retirement Board shall allow regular interest on the individual accounts of members in the Pension Fund ~~which~~ that shall be credited to each member's account.

(2) Beginning with the actuarial valuation as of June 30, 2006, the contributions to be made to the Pension Fund by the State shall be determined on the basis of the actuarial cost method known as "entry age normal." On account of each member, there shall be paid annually by the State into the Pension Fund a percentage of the earnable compensation of each member to be known as the "normal contribution" and an additional percentage of the member's earnable compensation to be known as the "accrued liability contribution." The percentage rate of such contributions shall be fixed on the basis of the liabilities of the System as shown by actuarial valuation. "Normal contributions" and "accrued liability contributions" shall be by separate appropriation in the annual budget enacted by the General Assembly.

(3) The normal contribution shall be the uniform percentage of the total compensation of members that, if contributed over each member's prospective period of service and added to such member's prospective contributions, if any, will be sufficient to provide for the payment of all future pension benefits after subtracting the sum of the unfunded accrued liability and the total assets of the Pension Fund.

(4) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability to the System. Beginning on July 1, 2008, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 30 years ending on June 30, 2038, provided that:

(A) From July 1, 2009 to June 30, 2019, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of five percent per year.

(B) Beginning on July 1, 2019 and annually thereafter, the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 30-year period in installments increasing at a rate of three percent per year.

(C) Any variation in the contribution of normal or unfunded accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 30-year period.

* * *

(13) Annually, the Board shall certify an amount to pay the annual actuarially determined employer contribution, as calculated in this subsection, and additional amounts as follows:

(A) in fiscal year 2024, the amount of \$9,000,000.00;

(B) in fiscal year 2025, the amount of \$12,000,000.00; and

(C) in fiscal year 2026 and in any year thereafter until the Fund is calculated to have a funded ratio of at least 90 percent, the amount of \$15,000,000.00.

* * *

Sec. 12. 16 V.S.A. § 1949 is amended to read:

§ 1949. POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

~~(a) For all Group A members, as of June 30 in each year, beginning June 30, 1972, the Board shall determine any increase or decrease, to the nearest one-tenth of one percent, in the ratio of the average of the Consumer Price Index for the month ending on that date to the average of the Index for the month ending on June 30, 1971, or the month ending on June 30 of the most recent year thereafter. In the event of an increase, and provided that the net increase following the application of any offset as provided in this subsection equals or exceeds one percent, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31 shall be increased by an equal percentage. Such increase shall begin on the January 1 immediately following that December 31. An equivalent percentage increase shall also be made in the retirement~~

~~allowance payable to a beneficiary in receipt of an allowance under an optional election, provided the member on whose account the allowance is payable and such other person shall have received a total of at least 12 monthly payments by such December 31. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, the retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:~~

~~(1) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index when such increase equals or exceeds one percent, up to the full amount of such increase; and~~

~~(2) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Postretirement Adjustments to Retirement allowance. On January 1 of each year, the retirement allowance of each beneficiary of the System who is in receipt of a retirement allowance for at least a one-year period as of December 31 in the previous year, and who meets the eligibility criteria set forth in this section, shall be adjusted by the amount described in subsection (b) of this section. In no event shall a beneficiary receive a negative adjustment to the beneficiary's retirement allowance.~~

~~(b) For Group C members, as of June 30 in each year, commencing June 30, 1981, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent of the Consumer Price Index for the preceding fiscal year. In the event of an increase, and provided that there exists a net increase following the application of any offset as provided in this subsection, the retirement allowance of each beneficiary in receipt of an allowance for at least one year on the next following December 31 shall be increased by an amount equal to one-half of the net percentage increase. The increase shall commence on the January 1 immediately following that December 31. The increase shall apply to Group C members having attained 57 years of age or completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following attainment of age 62, and shall apply to Group C members not having attained 57 years of age or having completed at least 25 years of creditable service as of June 30, 2010, and receiving an early retirement allowance only in the year following the member's attainment of 65 years of age, provided the member has received benefits for at least 12 months as of December 31 of the year preceding any January adjustment. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, the~~

~~retirement allowance of a beneficiary shall not be subject to any adjustment on the next following January 1; provided, however, that:~~

~~(1) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index, up to the full amount of such increase; and~~

~~(2) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset. Calculation of Net Percentage Increase. Each year, a determination shall be made of any increase or decrease, to the nearest one-tenth of a percent, in the Consumer Price Index for the month ending on June 30 of that year to the average of the Consumer Price Index for the month ending on June 30 of the previous year.~~

~~(1) Consumer Price Index; maximum and minimum amounts. Any increase or decrease in the Consumer Price Index shall be subject to adjustment so as to remain within the following maximum and minimum amounts:~~

~~(A) For Group A members and Group C members who are eligible for normal retirement or unreduced early retirement on or before June 30, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent.~~

~~(B) For Group C members who are eligible for retirement and leave active service on or after July 1, 2022, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be four percent.~~

~~(2) Consumer Price Index; decreases. In the event of a decrease of the Consumer Price Index as of June 30 for the preceding year, there shall be no adjustment to the retirement allowance of a beneficiary for the subsequent year beginning January 1; provided, however, that:~~

~~(A) such decrease shall be applied as an offset against the first subsequent year's increase of the Consumer Price Index up to the full amount of such increase; and~~

~~(B) to the extent that such decrease is greater than such subsequent year's increase, such decrease shall be offset in the same manner against two or more years of such increases, for up to but not exceeding five subsequent years of such increases, until fully offset.~~

(3) Consumer Price Index; increases. Subject to the maximum and minimum amounts set forth in subdivision (1) of this subsection, in the event of an increase in the Consumer Price Index, and provided there remains an increase following the application of any offset as in subdivision (2) of this subsection, that amount shall be identified as the net percentage increase and used to determine the members' postretirement adjustment as set forth in subsection (d) of this section.

~~(c) For purposes of subsection (a) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent. For purposes of subsection (b) of this section, the maximum amount of any increase or decrease utilized to determine the net percentage increase shall be five percent, and any increase or decrease less than one percent shall be assigned a value of one percent. Eligibility for postretirement adjustment. In order for a beneficiary to receive a postretirement adjustment allowance, the beneficiary must meet the following eligibility requirements:~~

(1) for any Group A or Group C member eligible for retirement on or before June 30, 2022, the member must be in receipt of a retirement allowance for at least 12 months prior to the January 1 effective date of any postretirement adjustment; and

(2) for any Group C member who is eligible for retirement and leaves active service on or after July 1, 2022, the member must be in receipt of a retirement allowance for at least 24 months prior to the January 1 effective date of any postretirement adjustment.

(d) As used in this section, "Consumer Price Index" shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as "CPI-U," in the northeast region, as published by the U.S. Department of Labor, Bureau of Labor Statistics.

* * * Other Postemployment Benefits * * *

Sec. 13. 16 V.S.A. § 1944b is amended to read:

§ 1944b. RETIRED TEACHERS' HEALTH AND MEDICAL BENEFITS
FUND

(a) There is established the Retired Teachers' Health and Medical Benefits Fund (Benefits Fund) to pay ~~retired teacher health and medical retiree postemployment benefits, including prescription drug benefits,~~ when due in accordance with the terms established by the Board of Trustees of the State Teachers' Retirement System of Vermont pursuant to subsection 1942(p) and section 1944e of this title. The Benefits Fund is intended to comply with and be a tax exempt governmental trust under Section 115 of the Internal Revenue

Code of 1986, as amended. The Benefits Fund shall be administered by the Treasurer.

(b) The Benefits Fund shall consist of:

(1) all monies remitted to the State on behalf of the members of the State Teachers' Retirement System of Vermont for prescription drug plans, including manufacturer rebates, as well as monies pursuant to the Employer Group Waiver Plan with Wrap pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003;

(2) any monies appropriated by the General Assembly for the purpose of paying ~~the health and medical~~ postemployment benefits for retired members and their dependents provided by subsection 1942(p) and section 1944e of this title;

(3) any monies pursuant to subsection ~~(e)~~ (h) of this section; and

(4) [Repealed.]

(5) any monies pursuant to section 1944d of this title.

(c) No employee contributions shall be deposited in the Benefits Fund.

(d) The Treasurer may invest monies in the Benefits Fund in accordance with the provisions of 32 V.S.A. § 434 or, in the alternative, may enter into an agreement with the Vermont Pension Investment ~~Committee~~ Commission to invest such monies in accordance with the standards of care established by the prudent investor rule under 14A V.S.A. § 902, in a manner similar to the ~~Committee's~~ Commission's investment of retirement system monies. Interest earned shall remain in the Benefits Fund, and all balances remaining at the end of a fiscal year shall be carried over to the following year. The Treasurer's annual financial report to the Governor and the General Assembly shall contain an accounting of receipts, disbursements, and earnings of the Benefits Fund.

(e) [Repealed.]

(f) Contributions to the Benefits Fund shall be irrevocable and it shall be impossible at any time prior to the satisfaction of all liabilities, with respect to employees and their beneficiaries, for any part of the corpus or income of the Benefits Fund to be used for, or diverted to, purposes other than the payment of retiree postemployment benefits to members and their beneficiaries and reasonable expenses of administering the Benefits Fund and related benefit plans.

(g) [Repealed.]

(h) State contribution.

(1) Beginning on July 1, 2022, and annually thereafter, the State shall make annual contributions to the Benefits Fund known as the “normal contribution” and the “accrued liability contribution,” each of which shall be fixed on the basis of the liabilities of the System as shown by the most recent actuarial valuation and made by separate appropriation in the annual budget enacted by the General Assembly:

(A) The “normal contribution” shall be the amount that, if contributed over each member’s prospective period of service, will be sufficient to provide for the payment of all future retiree postemployment benefits after subtracting the unfunded actuarial liability and the total assets of the Benefits Fund. The “normal cost” shall be identified using the actuarial cost method known as “projected unit credit” and applying a rate of return equal to the most recently adopted actuarial rate of return pursuant to 3 V.S.A. § 523.

(B) The “accrued liability contribution” shall be the annual payment set forth in the most recent actuarial valuation that is necessary to liquidate the unfunded accrued liability over a closed period of 26 years and determined based on the funding schedule set forth in this section.

(i) It is the policy of the State of Vermont to liquidate fully the unfunded accrued liability for the payment of retiree postemployment benefits.

(ii) Beginning on July 1, 2022, until the unfunded accrued liability is liquidated, the accrued liability contribution shall be the annual payment required to liquidate the unfunded accrued liability over a closed period of 26 years ending on June 30, 2048, provided that the amount of each annual basic accrued liability contribution shall be determined by amortization of the unfunded liability over the remainder of the closed 26-year period in installments.

(2) Any variation in the contribution of normal or accrued liability contributions from those recommended by the actuary and any actuarial gains and losses shall be added or subtracted to the unfunded accrued liability and amortized over the remainder of the closed 26-year period.

(3) The Board shall review annually the amount of State contributions recommended by the actuary of the Retirement System. Based on this review, the Board shall determine the amount of State contribution necessary for the next fiscal year to achieve and preserve the financial integrity of the funds. On or before December 15 of each year, the Board shall inform the Governor and the House and Senate Committees on Government Operations and on

Appropriations in writing about the amount needed. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subsection.

Sec. 14. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

* * *

(b) Monies in the Education Fund shall be used for the following:

* * *

(4) To make payments to the Vermont Teachers' Retirement Fund and the Retired Teachers' Health and Medical Benefits Fund for the normal ~~contribution~~ contributions in accordance with ~~subsection~~ subsections 1944(c) ~~of this title~~ and 1994b(h) of this title.

* * *

Sec. 15. VERMONT TEACHERS' RETIREMENT SYSTEM; REPEAL OF PRIOR SUNSET AND REPORTING PROVISIONS

2018 (Sp. Sess.) Acts and Resolves No.11, Secs. E.515.3 and E.515.4 are hereby repealed.

* * * Vermont Municipal Employees' Retirement System * * *

Sec. 16. 24 V.S.A. § 5062 is amended to read:

§ 5062. RETIREMENT BOARD; MEDICAL BOARD; ACTUARY; RATES OF CONTRIBUTION; SAFEKEEPING OF SECURITIES

* * *

(k) Immediately after the establishment of the Retirement System, the Retirement Board shall adopt for the Retirement System such mortality and service tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter. ~~At least once in each three-year period~~ Beginning July 1, 2023, at least once every three fiscal years following the establishment of the System, the actuary shall make an actuarial investigation into the mortality, service, and compensation experience of the members and beneficiaries of the Retirement System, and taking into account the results of such investigation, the Retirement Board shall adopt for the Retirement System such mortality, service, and other tables as shall be deemed necessary and shall certify the rates of contribution payable under the provisions of this chapter.

* * *

* * * Funding * * *

Sec. 17. FY 2022; APPROPRIATION; STATE EMPLOYEES'
POSTEMPLOYMENT BENEFITS TRUST FUND; RETIRED
TEACHERS' HEALTH AND MEDICAL BENEFITS FUND

(a) In FY 2022, of the amount of General Funds reserved in 2021 Acts and Resolves No. 74, Sec. C.101(a) is unreserved as follows:

(1) the sum of \$75,000,000.00 is appropriated to the Vermont State Retirement Fund, established in 3 V.S.A. § 473, to address the unfunded accrued liability in pension benefits; and

(2) the sum of \$75,000,000.00 is appropriated to the Vermont Teachers' Retirement Fund, established in 16 V.S.A. § 1944, to address the unfunded accrued liability in pension benefits.

(b) In FY 2022, the amount of \$50,000,000.00 in General Funds shall be appropriated to the to the Vermont Teachers' Retirement Fund, established in 16 V.S.A. § 1944, to address the unfunded accrued liability in pension benefits.

(c) In FY 2022, of the amount of Education Funds reserved in 2021 Acts and Resolves No. 74, Sec. C.101(a) is unreserved and the sum of \$13,300,000.00 is appropriated to the Retired Teachers' Health and Medical Benefits Fund, established in 16 V.S.A. § 1944b, to support the normal cost of other postemployment benefits as set forth in 16 V.S.A. § 1944f.

(d) The appropriations in subsections (a) and (b) of this section shall not be included for the purposes of calculating the reserve total for fiscal year 2023 pursuant to 32 V.S.A. § 308 (General Fund budget stabilization reserve).

Sec. 18. 32 V.S.A. § 308c is amended to read:

§ 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE
RESERVES

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the "Rainy Day Reserve." After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

(1), (2) [Repealed.]

(3) Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, ~~50 percent of any such funds~~ the following amounts shall be reserved as necessary and transferred from the General Fund ~~to the Vermont State Employees' Postemployment Benefits Trust Fund established by 3 V.S.A. § 479a~~ as follows:

(A) 25 percent to the Vermont State Retirement Fund established by 3 V.S.A. § 473; and

(B) 25 percent to the Vermont Teachers' Retirement Fund established by 16 V.S.A. § 1944.

* * *

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 17 (FY 2022 appropriation) shall take effect on passage.

(Committee vote: 6-0-1)

Amendment to S. 286 to be offered by Senator Brock

Senator Brock moves to amend the bill by striking out Sec. 17 and all remaining sections of the bill and inserting in lieu thereof new Secs. 17 and 18 to read as follows:

Sec. 17. 3 V.S.A. § 500 is amended to read:

§ 500. DEFINED CONTRIBUTION RETIREMENT PLAN

(a) The State Treasurer shall offer a retirement plan ~~for State employees who are not members of the classified system. The Plan shall qualify that qualifies~~ as a defined contribution plan under the U.S. Internal Revenue Code, as amended, for eligible State employees as set forth in subsection (b) of this section. Participation in such plan shall be in lieu of the retirement plans established under chapter 16 of this title.

(b)(1) Employees who are not members of the classified system who are first employed by the State on and after January 1, 1999, and would otherwise be members of Group A, B, C, D, or F of the Vermont State Retirement System, shall be eligible to participate in the Defined Contribution Retirement Plan.

(2) Employees who are members of the classified system who are first employed by the State on and after January 1, 2023, and who would otherwise be members of Group A, B, C, D, or F of the Vermont State Retirement System, shall be eligible to participate in the Defined Contribution Retirement Plan.

* * *

(d) Election to participate in the Defined Contribution Retirement Plan is irrevocable, unless:

(1) the employee who is eligible for this plan under the conditions of subdivision (b)(1) of this section becomes a classified employee and elects to transfer his or her membership and the full actuarial value of the accrued benefit calculated on a cost neutral basis to the Vermont State Retirement System; or

(2) the employee is appointed to a position that is eligible for membership in the Group D plan. Within 60 days of after appointment, the employee may choose to participate in the Group D plan and cease participation in the defined contribution plan. Upon an election to participate in the Group D plan, the State Treasurer shall apply the funds accumulated in the employee's defined contribution account toward purchasing retirement credit in the Group D plan by first applying the funds toward purchasing any Group D eligible credit earned from the date of the judicial appointment and then applying the funds toward purchasing credit in the retirement group plan or plans for which the employee would have formerly been eligible.

* * *

Sec. 18. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 16 (FY 2022 appropriation) shall take effect on passage.

UNFINISHED BUSINESS OF MARCH 29, 2022

Third Reading

S. 181.

An act relating to authorizing miscellaneous regulatory authority for municipal governments.

**Amendment to S. 181 to be offered by Senators Clarkson, Collamore,
Pollina and White before Third Reading**

Senators Clarkson, Collamore, Pollina and White move to amend the bill as follows:

First: In Sec. 8, 24 V.S.A. § 4460, subdivision (f)(2), immediately following “If the number of members on a board is reduced,” by striking out all of the words before the period and inserting in lieu thereof the words the legislative body shall use a lottery system to determine the members that remain in office

Second: By adding a Sec. 8a to read as follows:

Sec. 8a. 24 V.S.A. § 4322 is amended to read:

§ 4322. PLANNING COMMISSION; MEMBERSHIP

(a) A planning commission shall have not less than three nor more than nine voting members. All members may be compensated and reimbursed by the municipality for necessary and reasonable expenses. At least a majority of the members of a planning commission shall be residents of the municipality.

(b) ~~The selectboard~~ legislative body of a rural town, or not more than two elected or appointed officials of an urban municipality who are chosen by the legislative body of the urban municipality, shall be nonvoting ex officio members of a planning commission. If a municipality has an energy coordinator under chapter 33, subchapter 12 of this title, the energy coordinator may be a nonvoting ex officio member of the planning commission.

(c) Notwithstanding subsection (a) of this section:

(1) for an appointed planning commission, the legislative body may change the number of members that may be appointed to the commission; and

(2) for an elected planning commission, a municipality may vote at an annual or special meeting to change the number of members that may be elected to the commission.

(d) Notwithstanding subsection 4323(c) of this subchapter, if the number of members on an appointed or elected planning commission is reduced, the legislative body shall use a lottery system to determine the members that remain in office.

Third: By striking out Sec. 12, 18 V.S.A. § 5361, in its entirety and inserting in lieu thereof a new Sec. 12 to read as follows:

Sec. 12. [Deleted.]

UNFINISHED BUSINESS OF MARCH 30, 2022

Second Reading

Favorable

H. 448.

An act relating to approval of amendments to the charter of the City of Burlington.

Reported favorably by Senator Ram Hinsdale for the Committee on Government Operations.

(Committee vote: 4-1-0)

(For House amendments, see House Journal of February 22, 2022, pages 404-405)

(Committee vote: 4-1-0)

H. 680.

An act relating to obtaining a marriage license in any town in Vermont.

Reported favorably by Senator Collamore for the Committee on Government Operations.

(Committee vote: 5-0-0)

(No House amendments)

NEW BUSINESS

Third Reading

S. 204.

An act relating to licensure of freestanding birth centers.

S. 226.

An act relating to expanding access to safe and affordable housing.

Amendment to S. 226 to be offered by Senators Perchlik and Pearson before Third Reading

Senators Perchlik and Pearson move to amend the bill as follows:

First: In Sec. 9, Vermont housing conservation board; large employer housing; commercial property conversion; community partnership for neighborhood development, subdivision (b)(1), by striking out “climate-sensitive,” and inserting the words that reduces greenhouse gas emissions after the words “smart growth development”

Second: In Sec. 11, 24 V.S.A. § 4307, by striking out subdivisions (f)(8) and (9) in their entireties and inserting in lieu thereof the following:

(8) comply with State and Federal Fair Housing Act, including the fair housing provisions of Vermont's Planning and Development Act;

(9) demonstrate how the bylaws support implementation of the housing element of its municipal plan as provided in subdivision 4282(a)(10) of this title related to addressing lower- and moderate-income housing needs; and

(10) update the bylaws to comply with its municipal energy plan.

Second Reading

Favorable

H. 556.

An act relating to exempting property owned by Vermont-recognized Native American tribes from property tax.

Reported favorably by Senator Hardy for the Committee on Finance.

(Committee vote: 7-0-0)

(For House amendments, see House Journal of February 16, 2022, page 312)

H. 627.

An act relating to the Vermont Economic Development Authority.

Reported favorably by Senator Cummings for the Committee on Finance.

(Committee vote: 7-0-0)

(For House amendments, see House Journal of January 19, 2022, page 116)

NOTICE CALENDAR

Second Reading

Favorable

H. 491.

An act relating to the creation of the City of Essex Junction and the adoption of the City charter.

Reported favorably by Senator Ram Hinsdale for the Committee on Government Operations.

(Committee vote: 5-0-0)

(For House amendments, see House Journal of February 18, 2022, pages 323-343)

CONCURRENT RESOLUTIONS FOR NOTICE

Concurrent Resolutions For Notice Under Joint Rule 16

The following joint concurrent resolutions have been introduced for approval by the Senate and House. They will be adopted by the Senate unless a Senator requests floor consideration before the end of the session of the next legislative day. Requests for floor consideration should be communicated to the Secretary's Office.

H.C.R. 128 - 134 (For text of Resolutions, see Addendum to House Calendar for March 31, 2022)

CONFIRMATIONS

The following appointments will be considered by the Senate, as a group, under suspension of the Rules, as moved by the President *pro tempore*, for confirmation together and without debate, by consent thereby given by the Senate. However, upon request of any senator, any appointment may be singled out and acted upon separately by the Senate, with consideration given to the report of the Committee to which the appointment was referred, and with full debate; and further, all appointments for the positions of Secretaries of Agencies, Commissioners of Departments, Judges, Magistrates, and members of the Public Utility Commission shall be fully and separately acted upon.

Monica L. White of Plainfield – Commissioner, Department of Disabilities, Aging and Independent Living – Sen. Lyons for the Committee on Health and Welfare. (3/30/22)

Patrick Brown of Burlington - Member, State Board of Education – By Sen. Campion for the Committee on Education. (3/18/22)

Tammy Kolbe of Burlington – Member, State Board of Education – By Sen. Campion for the Committee on Education. (3/18/22)

Gabrielle Lucci of Poultney – Member, State Board of Education – By Sen. Campion for the Committee on Education. (3/18/22)

Julia Brand of Dorset – Member, Children and Family Council for Prevention Programs – By Sen. Hooker for the Committee on Health and Welfare. (3/30/22)

Mary Skinner of Middlesex – Member, Human Services Board – By Sen. Cummings for the Committee on Health and Welfare. (3/31/22)

JFO 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 #3091 - \$60,528 to the VT Department of Public Safety from the National Governor's Association to fund the Agency of Digital Services staff to assist the Department of Public Safety with IT concerns specific to improving multi-agency information sharing and governance.

[Received February 17, 2022]

JFO #3092 - \$420,000 to the VT Agency of Natural Resources, Dept of Environmental Conservation from the Environmental Protection Agency. The grant is for improved drinking water in underserved areas and will support construction of replacement drinking water infrastructure for the town of Milton's Mobile Home Cooperative.

[Received March 23, 2022]

JFO #3093 - \$1,000,000.00 to the VT Agency of Commerce and Community Development from the U.S. Economic Development Administration. Funds for the use of Statewide Economic Recovery Planning.

[Received March 23, 2022]

JFO #3094 – 11 (eleven) limited-service positions to the VT Agency of Human Services, Dept for Children and Families, to administer and support emergency and transitional housing programs. Positions funded through previously approved grant [#3034](#) (U.S. Emergency Assistance Rental Program) and funded through 9/30/2025.

[Received 3/23/2022, expedited review approved on 3/29/2022]

JFO #3095 - \$1,859,890 to the VT Department of Public Safety from the Federal Emergency Management Agency. Funding for flooding that occurred in Bennington and Windham counties between 7/29/21 and 7/30/21.

[Received March 23, 2022]