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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 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.)

The text of the Communication from His Excellency, The Governor, whereby he *vetoed* and returned unsigned **Senate Bill No. S. 79** to the Senate is as follows:

Text of Communication from Governor

"July 2, 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.79, *An Act Relating to Improving Rental Housing and Safety*, without my signature because I believe this bill would reduce the number of housing options for Vermonters at a time when we are grappling with a critical housing shortage. While we all want safe housing and lodging options for Vermonters and visitors, in my opinion this bill does not accomplish this shared goal.

As you well know, I have repeatedly advocated for improving Vermont's aging long-term rental housing stock, which is why we used pandemic

emergency housing relief and other funds to initiate innovative housing programs like the Vermont Rental Housing Investment Program and the Vermont Homeownership Revolving Loan Fund. Fortunately, these programs can move forward despite this veto with the dedicated funding included in the Fiscal Year 2022 appropriations bill.

Most agree we suffer from a critical housing shortage for middle income, low income and homeless Vermonters, but the solution is not more regulation. Instead, we need to invest in new and rehabilitated housing in every corner of our state. We need to lower costs to make housing more affordable and we need to ease complicated and duplicative permitting requirements while we have the funding to grow and improve our housing stock. This is what I have proposed since my first year as governor and I will continue to do so.

S.79 targets all rental units in all types of buildings and dwellings with few exceptions. I believe this will discourage everyday Vermonters from offering their homes, rooms or summer cabins for rent, not as a primary business but as a means to supplement their income so they can pay their mortgage as well as their property taxes.

Adding additional restrictions, costs and hoops to jump through will not only reduce the number of long-term rentals, but also short-term lodging options when we have a surge in tourists, including foliage and ski seasons. Tourists and visitors having more lodging options when deciding where to stay makes Vermont more competitive and helps our economy.

I am willing to work with the Legislature to modernize our statewide life safety inspection model and initiate a long-term rental registry if we include the following provisions:

- First, I would support a rental housing registry for only those buildings which exceed two dwelling units available for rental for more than 120 days per year. This will ensure we are differentiating between those renting a unit merely to support household expenses, and more professional landlords operating a rental business.
- Second, the health safety inspection obligations transferred in S.79 to the Division of Fire Safety are an expansion of DFS fire safety inspection obligations to include health inspections. This also expands the responsibility for health code inspections from a local “complaint-based” system to the mandatory statewide inspection authority of DFS. Further, S.79 takes away the existing discretion of DFS to determine if a violation merits shutting a residence down for rental. Under S.79, one uncorrected health or safety violation will make a unit unavailable. There must be a commonsense risk consideration added.

I also believe we need more thorough consideration of timelines, resource needs, regulatory flexibility for DFS, training needs for local health officials and impacts on rental housing resources before transferring total oversight to DFS. The bill currently includes five new positions to carry out much of this work. Truly fulfilling the bill's mandate would require an even more costly expansion of the bureaucracy in the future, which I could not support. Perhaps Senator Brock's amendment could be considered a bridge to longer-term modernization.

- Third, I ask the Legislature to continue to support the Vermont Rental Housing Investment Program and the Vermont Homeownership Revolving Loan Fund, which, again, will move forward with funding from the FY22 budget.
- Finally, I also believe we must work together on Act 250 reforms and permitting, especially in light of our unprecedented housing investments. My Administration will make themselves available at any time over the summer and fall to discuss potential paths forward.

Based on the objections outlined above, I am returning this legislation without my signature pursuant to Chapter II, Section 11 of the Vermont Constitution.

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.79 An act relating to improving rental housing health and safety

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

* * * Department of Public Safety; Authority for Rental Housing Health and Safety * * *

Sec. 1. 20 V.S.A. chapter 173 is amended to read:

CHAPTER 173. PREVENTION AND INVESTIGATION OF FIRES; PUBLIC BUILDINGS; HEALTH AND SAFETY; ENERGY STANDARDS

* * *

Subchapter 2. Division of Fire Safety; Public Buildings; Building Codes; Rental Housing Health and Safety; Building Energy Standards

* * *

§ 2729. GENERAL PROVISIONS; FIRE SAFETY; CARBON MONOXIDE

(a) A person shall not build or cause to be built any structure that is unsafe or likely to be unsafe to other persons or property in case of fire or generation and leakage of carbon monoxide.

(b) A person shall not maintain, keep or operate any premises or any part thereof, or cause or permit to be maintained, kept, or operated, any premises or part thereof, under his or her control or ownership in a manner that causes or is likely to cause harm to other persons or property in case of fire or generation and leakage of carbon monoxide.

(c) On premises under a person's control, excluding single family owner-occupied houses and premises, that person shall observe rules adopted under this subchapter for the prevention of fires and carbon monoxide leakage that may cause harm to other persons or property.

(d) Any condominium or multiple unit dwelling using a common roof, or row houses so-called, or other residential buildings in which people sleep, including hotels, motels, and tourist homes, excluding single family owner-occupied houses and premises, whether the units are owned or leased or rented, shall be subject to the rules adopted under this subchapter and shall be provided with one or more carbon monoxide detectors, as defined in 9 V.S.A. § 2881(3), properly installed according to the manufacturer's requirements.

§ 2730. DEFINITIONS

(a) As used in this subchapter, "public building" means:

* * *

(D) a building in which people rent accommodations, whether overnight or for a longer term, including "rental housing" as defined in subsection (f) of this section;

* * *

(2) Use of any portion of a building in a manner described in this subsection shall make the entire building a "public building" for purposes of this subsection. For purposes of this subsection, a "person" does not include an individual who is directly related to the employer and who resides in the employment-related building.

(b) The term "public building" does not include:

(1) An owner-occupied single family residence, unless used for a purpose described in subsection (a) of this section.

* * *

(4) ~~A single family residence with an accessory dwelling unit as permitted under 24 V.S.A. § 4406(4)(D).~~ [Repealed.]

* * *

(f) "Rental housing" means housing that is leased or offered for lease and includes a "dwelling unit" as defined in 9 V.S.A. § 4451 and a "short-term rental" as defined in 18 V.S.A. § 4301.

§ 2731. RULES; INSPECTIONS; VARIANCES

(a) Rules.

(1) The Commissioner is authorized to adopt rules regarding the construction, health, safety, sanitation, and fitness for habitation of buildings, maintenance and operation of premises, and prevention of fires and removal of fire hazards, and to prescribe standards necessary to protect the public, employees, and property against harm arising out of or likely to arise out of fire.

* * *

(b) Inspections.

(1) The Commissioner shall conduct inspections of premises to ensure that the rules adopted under this subchapter are being observed and may establish priorities for enforcing these rules and standards based on the relative risks to persons and property ~~from fire~~ of particular types of premises.

(2) The Commissioner may also conduct inspections to ensure that buildings are constructed in accordance with approved plans and drawings.

(3) When conducting an inspection of rental housing, the Commissioner shall:

(A) issue a written inspection report on the unit or building that:

(i) contains findings of fact that serve as the basis of one or more violations;

(ii) specifies the requirements and timelines necessary to correct a violation;

(iii) provides notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and

(iv) provides notice in plain language that the landlord or agents of the landlord must have access to the rental unit to make repairs as ordered by the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

(B) provide a copy of the inspection report to the landlord, to the person who requested the inspection, and to any tenants who are affected by a violation:

(i) electronically, if the Department has an electronic mailing address for the person; or

(ii) by first-class mail, if the Department does not have an electronic mailing address for the person;

(C) if an entire building is affected by a violation, provide a notice of inspection directly to the individual tenants, and may also post the notice in a common area, that specifies:

(i) the date of the inspection;

(ii) that violations were found and must be corrected by a certain date;

(iii) how to obtain a copy of the inspection electronically or by first-class mail; and

(iv) if the notice is posted in a common area, that the notice shall not be removed until authorized by the Commissioner;

(D) make the inspection report available as a public record.

* * *

§ 2733. ORDERS TO REPAIR, REHABILITATE, OR REMOVE STRUCTURE

(a)(1) Whenever the ~~commissioner~~ Commissioner finds that premises or any part of them does not meet the standards adopted under this subchapter, the ~~commissioner~~ Commissioner may order it repaired or rehabilitated.

(2) If ~~it~~ the premises is not repaired or rehabilitated within a reasonable time as specified by the ~~commissioner~~ Commissioner in his or her order, the ~~commissioner~~ Commissioner may order the premises or part of them closed, if by doing so the public safety will not be imperiled; otherwise he or she shall order demolition and removal of the structure, or fencing of the premises.

(3) Whenever a violation of the rules is deemed to be imminently hazardous to persons or property, the ~~commissioner~~ Commissioner shall order the violation corrected immediately.

(4) If the violation is not corrected, the ~~commissioner~~ Commissioner may ~~then~~ order the premises or part of them immediately closed and to remain closed until the violation is corrected.

(b) Whenever a structure, by reason of age, neglect, want of repair, action of the elements, destruction, either partial or total by fire or other casualty or other cause, is so dilapidated, ruinous, decayed, filthy, unstable, or dangerous as to constitute a material menace or damage in any way to adjacent property, or to the public, and has so remained for a period of not less than one week, the ~~commissioner~~ Commissioner may order such structure demolished and removed.

(c) Orders issued under this section shall be served by certified mail with return receipt requested or in the discretion of the ~~commissioner~~ Commissioner, shall be served in the same manner as summonses are served under the Vermont Rules of Civil Procedure promulgated by the ~~supreme court~~ Supreme Court, to all persons who have a recorded interest in the property recorded in the place where land records for the property are recorded, and to all persons who will be temporarily or permanently displaced by the order, including owners, tenants, mortgagees, attaching creditors, lien holders, and public utilities or water companies serving the premises.

§ 2734. PENALTIES

(a)(1) A person who violates any provision of this subchapter or any order or rule issued pursuant thereto shall be fined not more than $10,000.00.

(2) The ~~state's attorney~~ State's Attorney of the county in which such violation occurs shall prosecute the violation and may commence a proceeding in the ~~superior court~~ Superior Court to compel compliance with such order or rule, and such court may make orders and decrees therein by way of writ of injunction or otherwise.

(b)(1) A person who fails to comply with a lawful order issued under authority of this subchapter in case of sudden emergency shall be fined not more than $20,000.00.

(2) A person who fails to comply with an order requiring notice shall be fined $200.00 for each day's neglect commencing with the effective date of such order or the date such order is finally determined if an appeal has been filed.

(c)(1) The ~~commissioner~~ Commissioner may, after notice and opportunity for hearing, assess an administrative penalty of not more than $1,000.00 for each violation of this subchapter or any rule adopted under this subchapter.

(2) Penalties assessed pursuant to this subsection shall be based on the severity of the violation.

(3) An election by the ~~commissioner~~ Commissioner to proceed under this subsection shall not limit or restrict the ~~commissioner's~~ Commissioner's authority under subsection (a) of this section.

(d) Violation of any rule adopted under this subchapter shall be prima facie evidence of negligence in any civil action for damage or injury ~~which~~ that is the result of the violation.

* * *

§ 2736. MUNICIPAL ENFORCEMENT

(a)(1) The legislative body of a municipality may appoint one or more trained and qualified officials and may establish procedures to enforce rules and standards adopted under subsection 2731(a) of this title.

(2) After considering the type of buildings within the municipality, if the ~~commissioner~~ Commissioner determines that the training, qualifications, and procedures are sufficient, he or she may assign responsibility to the municipality for enforcement of some or all of these rules and standards.

(3) The ~~commissioner~~ Commissioner may also assign responsibility for enforcement of the rules of the access board adopted under section 2902 of this title.

(4) The ~~commissioner~~ Commissioner shall provide continuing review, consultation, and assistance as may be necessary.

(5) The assignment of responsibility may be revoked by the ~~commissioner~~ Commissioner after notice and an opportunity for hearing if the ~~commissioner~~ Commissioner determines that the training, qualifications, or procedures are insufficient.

(6) The assignment of responsibility shall not affect the ~~commissioner's~~ Commissioner's authority under this subchapter.

(b) If a municipality assumes responsibility under subsection (a) of this section for performing any functions that would be subject to a fee established under subsection 2731(a) of this title, the municipality may establish and collect reasonable fees for its own use, and no fee shall be charged for the benefit of the ~~state~~ State.

(c)(1) Subject to rules adopted under section 2731 of this title, municipal officials appointed under this section may enter any premises in order to carry out the responsibilities of this section.

(2) The officials may order the repair, rehabilitation, closing, demolition, or removal of any premises to the same extent as the ~~commissioner~~ Commissioner may under section 2732 of this title.

(d) Upon a determination by the ~~commissioner~~ Commissioner that a municipality has established sufficient procedures for granting variances and exemptions, such variances and exemptions may be granted to the same extent authorized under subsection 2731(b) of this title.

(e) The results of all activities conducted by municipal officials under this section shall be reported to the ~~commissioner~~ Commissioner periodically upon request.

(f) Nothing in this section shall be interpreted to decrease the authority of municipal officials under other laws, including laws concerning building codes and laws concerning housing codes.

* * *

§ 2738. FIRE PREVENTION AND BUILDING INSPECTION SPECIAL FUND

(a) The fire prevention and building inspection special fund revenues shall be from the following sources:

(1) fees relating to construction and inspection of public building and fire prevention inspections under section 2731 of this title;

(2) fees relating to boilers and pressure vessels under section 2883 of this title;

(3) fees relating to electrical installations and inspections and the licensing of electricians under 26 V.S.A. §§ 891-915;

(4) fees relating to cigarette certification under section 2757 of this title; and

(5) fees relating to plumbing installations and inspections and the licensing of plumbers under 26 V.S.A. §§ 2171-2199.

(b) Fees collected under subsection (a) of this section shall be available to the ~~department of public safety~~ Department of Public Safety to offset the costs of the ~~division of fire safety~~ Division of Fire Safety.

(c) The ~~commissioner of finance and management~~ Commissioner of Finance and Management may anticipate receipts to this fund and issue warrants based thereon.

* * *

* * * State Rental Housing Registry; Registration Requirement * * *

Sec. 2. 3 V.S.A. § 2478 is added to read:

§ 2478. STATE RENTAL HOUSING REGISTRY; HOUSING DATA

(a) The Department of Housing and Community Development, in coordination with the Division of Fire Safety, the Department of Health, the Enhanced 911 Board, and the Department of Taxes, shall create and maintain a registry of the rental housing in this State, which includes a "dwelling unit" as defined in 9 V.S.A. § 4451 and a "short-term rental" as defined in 18 V.S.A. § 4301.

(b) The Department of Housing and Community Development shall require for each unit that is registered the following data:

(1) the name and mailing address of the owner, landlord, and property manager of the unit, as applicable;

(2) the phone number and electronic mail address of the owner, landlord, and property manager of the unit, as available;

(3) location of the unit;

(4) year built;

(5) type of rental unit;

(6) number of units in the building;

(7) school property account number;

(8) accessibility of the unit; and

(9) any other information the Department deems appropriate.

(c) Upon request of the Department of Housing and Community Development, and at least annually, a municipal, district, or other local government entity that operates a rental housing health and safety program that requires registration of a rental housing unit and a fee for inclusion on the registry shall provide to the Department the data for each unit that is required pursuant to subsection (b) of this section.

(d)(1) The data the Department collects pursuant to this section is exempt from public inspection and copying pursuant to 1 V.S.A. § 317(c)(1), and the Department shall not disclose such data except as provided in subdivision (2) of this subsection.

(2) The Department:

(A) may disclose data it collects pursuant to this section to other State, municipal, or regional government entities; to nonprofit organizations; or to other persons for the purposes of protecting public health and safety;

(B) shall not disclose data it collects pursuant to this section for a commercial purpose; and

(C) shall require, as a condition of receiving data collected pursuant to this section, that a person to whom the Department discloses the data takes necessary steps to protect the privacy of persons whom the data concerns, to protect the data from further disclosure and to comply with subdivision (B) of this subsection (d).

Sec. 3. 3 V.S.A. § 2479 is added to read:

§ 2479. RENTAL HOUSING REGISTRATION

(a) Registration. Except as otherwise provided in subsection (b) of this section, annually, on or before March 1, the owner of each unit of rental housing that in the previous year was leased or offered for lease as a dwelling unit, as defined in 9 V.S.A. § 4451, or was a "short-term rental," as defined in 18 V.S.A. § 4301, shall:

(1) register with the Department of Housing and Community Development and provide the information required by subsection 2478(b) of this title; and

(2) pay to the Department an annual registration fee of $35.00 per unit.

(b) Exceptions.

(1) Unit registered with another program.

(A) The registration requirement imposed in subdivision (a)(1) of this section does not apply to a unit that is currently registered with a municipal, district, or other local government rental housing health and safety program that requires the owner to register the unit and provide the data required in subsection 2478(b) of this title.

(B) The fee requirement imposed in subdivision (a)(2) of this section does not apply to a unit that is currently registered with a municipal, district, or other local government rental housing health and safety program that requires the owner to register the unit and provide the data required in subsection 2478(b) of this title and for which program the owner is required to pay a registration fee.

(2) Mobile homes.

(A) The registration requirement imposed in subdivision (a)(1) of this section does not apply to a mobile home lot within a mobile home park if:

(i) the owner has registered the lot with the Department of Housing and Community Development; and

(ii) the owner does not own a mobile home on the lot.

(B) An owner of a mobile home lot within a mobile home park who has registered the lot with the Department and who owns a mobile home on the lot that is available for rent or rented shall register the property with the Department pursuant to subdivision (a)(1) of this section and pay a fee equal to the fee required by subdivision (a)(2) of this section less any fee paid within the previous 12 months pursuant to 10 V.S.A. § 6254(c).

(C) An owner of a mobile home who rents the mobile home, whether or not located in a mobile home park, shall register pursuant to this section.

(3) Unit not offered to general public. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit that an owner provides to another person, whether or not for consideration, if, and only to the extent that, the owner does not otherwise make the unit available for lease to the general public, and includes:

(A) housing provided to a member of the owner's family or personal acquaintances;

(B) housing provided to a person who is not related to a member of the owner's household and who occupies the housing as part of a nonprofit homesharing program; and

(C) housing provided to a person who provides personal care to the owner or a member of the owner's household.

(4) Housing provided as a benefit of farm employment. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit of housing that is provided as a benefit of farm employment, as defined in 9 V.S.A. § 4469a(a)(3).

(c) Rental Housing Safety Special Fund. The Department of Housing and Community Development shall maintain the fees collected pursuant to this section in a special fund entitled the Rental Housing Safety Special Fund, the proceeds of which the Department shall use:

(1) to hire authorized staff to administer the registry and registration requirements imposed in this section and in section 2478 of this title; and

(2) to provide funding to the Department of Public Safety to hire authorized staff to conduct inspections and regulate rental housing pursuant to 20 V.S.A. chapter 173, subchapter 2.

* * * Penalty for Failure to Register * * *

Sec. 3a. 3 V.S.A. § 2479(d) is added to read:

(d) Penalty. The Department shall impose an administrative penalty of not more than $200.00 per unit for an owner of rental housing who knowingly fails to register or pay the fee required pursuant to this section.

* * * Registration; Prospective Repeal * * *

Sec. 3b. REPEAL

3 V.S.A. § 2479(b)(4) (exemption for housing provided as a benefit of farm employment) is repealed.

* * * Positions Authorized * * *

Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

(a) The Department of Public Safety is authorized to create five full-time, classified Inspector positions in order to conduct rental housing health and safety inspections and enforcement pursuant to 20 V.S.A. chapter 173, subchapter 2.

(b) In fiscal year 2022, the amount of $100,000.00 is appropriated from the General Fund to the Department of Public Safety as one-time startup funding to hire one or more Inspector positions authorized pursuant to subsection (a) of this section.

(c) The Department may hire additional Inspectors authorized by this section to the extent funds become available from the Rental Housing Safety Special Fund created and maintained pursuant to 3 V.S.A. § 2479.

Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; POSITIONS

(a) The Department of Housing and Community Development is authorized to create one full-time classified position and one half-time classified position to administer and enforce the registry requirements created in 3 V.S.A. § 2478.

(b) In fiscal year 2022, the amount of $300,000.00 is appropriated from the General Fund to the Department of Housing and Community Development as one-time startup funding to hire one or more of the positions authorized pursuant to subsection (a) of this section.

(c) The Department may hire additional staff authorized by this section to the extent funds become available from the Rental Housing Safety Special Fund created and maintained pursuant to 3 V.S.A. § 2479.

* * * Conforming Changes to Current Law Governing the Department of Health, State Board of Health, and Local Health Officials * * *

Sec. 6. 18 V.S.A. chapter 11 is amended to read:

CHAPTER 11. LOCAL HEALTH OFFICIALS

* * *

§ 602a. DUTIES OF LOCAL HEALTH OFFICERS

(a) A local health officer, within his or her jurisdiction, shall:

(1) ~~upon request of a landlord or tenant, or~~ upon receipt of information regarding a condition that may be a public health hazard, conduct an investigation;

(2) enforce the provisions of this title, the rules promulgated, and permits issued thereunder;

(3) prevent, remove, or destroy any public health hazard~~,~~ or mitigate any significant public health risk in accordance with the provisions of this title;

(4) in consultation with the Department, take the steps necessary to enforce all orders issued pursuant to chapter 3 of this title; and

(5) have the authority to assist the Division of Fire Safety in inspecting rental housing pursuant to 20 V.S.A. chapter 173, subchapter 2, provided that if the local health officer inspects a rental property without an inspector from the Division, the officer shall issue an inspection report in compliance with 20 V.S.A § 2731(b).

(b) Upon discovery of violation or a public health hazard or public health risk that involves a public water system, a food or lodging establishment, or any other matter regulated by Department rule, the local health officer shall immediately notify the Division of Environmental Health. Upon discovery of any other violation, public health hazard, or public health risk, the local health officer shall notify the Division of Environmental Health within 48 hours of discovery of such violation or hazard and of any action taken by the officer.

§ 603. ~~RENTAL HOUSING SAFETY; INSPECTION REPORTS~~

~~(a)(1) When conducting an investigation of rental housing, a local health officer shall issue a written inspection report on the rental property using the protocols for implementing the Rental Housing Health Code of the Department~~

~~or the municipality, in the case of a municipality that has established a code enforcement office.~~

~~(2) A written inspection report shall:~~

~~(A) contain findings of fact that serve as the basis of one or more violations;~~

~~(B) specify the requirements and timelines necessary to correct a violation;~~

~~(C) provide notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and~~

~~(D) provide notice in plain language that the landlord and agents of the landlord must have access to the rental unit to make repairs as ordered by the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

~~(3) A local health officer shall:~~

~~(A) provide a copy of the inspection report to the landlord and any tenants affected by a violation by delivering the report electronically, in person, by first class mail, or by leaving a copy at each unit affected by the deficiency; and~~

~~(B)(i) if a municipality has established a code enforcement office, provide information on each inspection according to a schedule and in a format adopted by the Department in consultation with municipalities that have established code enforcement offices; or~~

~~(ii) if a municipality has not established a code enforcement office, provide information on each inspection to the Department within seven days of issuing the report using an electronic system designed for that purpose, or within 14 days by mail if the municipality is unable to utilize the electronic system.~~

~~(4) If an entire property is affected by a violation, the local health officer shall post a copy of the inspection report in a common area of the property and include a prominent notice that the report shall not be removed until authorized by the local health officer.~~

~~(5) A municipality shall make an inspection report available as a public record.~~

~~(b)(1) A local health officer may impose a civil penalty of not more than $200.00 per day for each violation that is not corrected by the date provided in the written inspection report, or when a unit is re-rented to a new tenant prior to the correction of a violation.~~

~~(2)(A) If the cumulative amount of penalties imposed pursuant to this subsection is $800.00 or less, the local health officer, Department of Health, or State's Attorney may bring a civil enforcement action in the Judicial Bureau pursuant to 4 V.S.A. chapter 29.~~

~~(B) The waiver penalty for a violation in an action brought pursuant to this subsection is 50 percent of the full penalty amount.~~

~~(3) If the cumulative amount of penalties imposed pursuant to this subsection is more than $800.00, or if injunctive relief is sought, the local health officer, Department of Health, or State's Attorney may commence an action in the Civil Division of the Superior Court for the county in which a violation occurred.~~

~~(c) If a local health officer fails to conduct an investigation pursuant to section 602a of this title or fails to issue an inspection report pursuant to this section, a landlord or tenant may request that the Department, at its discretion, conduct an investigation or contact the local board of health to take action.~~

[Repealed.]

* * *

* * * Transition Provisions * * *

Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION PROVISIONS

(a) Notwithstanding any provision of law to the contrary:

(1) Until the Commissioner of Public Safety adopts rules governing rental housing health and safety pursuant to 20 V.S.A. § 2731, the Department of Health, local officials authorized by law, and the Department of Public Safety have concurrent authority to enforce the Vermont Rental Housing Health Code adopted by the Department of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

(2) The Commissioner of Public Safety may immediately adopt a rule incorporating the Rental Housing Health Code without following the procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

(3) Except as provided in subdivision (2) of this subsection, the Commissioner of Public Safety shall comply with the requirements for general rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental housing health and safety.

(b) Upon the adoption of rules governing rental housing health and safety pursuant to the authority in 20 V.S.A. § 2731:

(1) the Department of Public Safety is the State government entity with primary authority to enforce State laws governing rental housing health and safety;

(2) the Department of Public Safety and local officials have concurrent authority to enforce State and local laws governing rental housing health and safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 173, subchapter 2; 24 V.S.A. chapters 83 and 123; and applicable municipal law; and

(3) the Department of Health, the State Board of Health, and local health officials have concurrent authority to enforce State and local laws governing public health hazards and public health risks, as those terms are defined in 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

* * * Vermont Housing Investments * * *

Sec. 8. VERMONT RENTAL HOUSING INVESTMENT PROGRAM; PURPOSE

(a) Recognizing that Vermont's rental housing stock is some of the oldest in the country and that much of it needs to be updated to meet code requirements and other standards, the Vermont Rental Housing Investment Program is intended to incentivize private apartment owners to make significant improvements to both housing quality and weatherization by providing grants and forgivable loans that are matched in part by the property owner.

(b) The Program seeks to take the lessons learned from the successful Re-housing Recovery Program established with funds provided by the Federal CARES Act and implement them in a State-funded program.

Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING INVESTMENT PROGRAM

(a) Creation of program.

(1) The Department of Housing and Community Development shall design and implement the Vermont Rental Housing Investment Program through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) New accessory dwelling. The unit will be a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed $30,000.00 per unit.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least monthly on its website.

(e) Program requirements applicable to grants. For a grant awarded under the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under the Program, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 10. REPORT

On or before February 15, 2022, the Department of Housing and Community Development shall report to the General Assembly concerning the design, implementation, and outcomes of the Vermont Housing Investment Program, including findings and any recommendations related to the amount of grant awards.

Sec. 11. VERMONT HOMEOWNERSHIP REVOLVING LOAN FUND; PURPOSE

(a) The purpose of the Vermont Homeownership Revolving Loan Fund created in Sec. 12 of this act is to provide no-interest loans to increase access to homeownership.

(b) The Program is intended to assist Vermonters who otherwise may be unable to purchase a home or who may be unable to afford the costs to rehabilitate, weatherize, or otherwise make necessary improvements to a home they purchase.

(c) The Program is also intended to place a special focus on increasing the homeownership rates of households identifying as Black, Indigenous, or Persons of Color, who are systematically disenfranchised from financing real estate through traditional banking and have therefore been generationally dispossessed of the ability to develop lasting wealth.

Sec. 12. 10 V.S.A. § 699a is added to read:

§ 699a. VERMONT HOMEOWNERSHIP REVOLVING LOAN FUND

(a) Creation of Program. The Department of Housing and Community Development shall design and implement the Vermont Homeownership Revolving Loan Fund, through which the Department shall provide funding to statewide or regional nonprofit housing organizations, or both, to issue no-interest loans to first-time homebuyers.

(b) Eligible housing units. The following units are eligible for a loan through the Program:

(1) Existing structure. The unit is an existing single-family dwelling, a multifamily dwelling with not more than four units, a mobile home, or a condominium.

(2) Accessory dwelling. The unit is an accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(c) Eligible applicants; priorities.

(1) To be eligible for a loan through the Program, an applicant shall:

(A) be a first-time homebuyer in Vermont;

(B) have a household income of not more than 120 percent of the area median income; and

(C) occupy the dwelling, or a unit within the dwelling, as his or her full-time residence.

(2) A housing organization may give priority to an applicant whose employer provides down payment assistance or funding for rehabilitation costs.

(d) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help homebuyers apply;

(2) an award process that ensures equitable selection of homebuyers; and

(3) a loan management system that ensures accountability for funds awarded.

(e) Outreach. Recognizing that Black, Indigenous, and Persons of Color have historically not had access to capital for homeownership purchases and have been systemically discriminated against in the housing market, the Department, working with Vermont chapters of the NAACP, AALV, USCRI, the Executive Director of Racial Equity, the Vermont Commission on Native American Affairs, local racial justice organizations, the Vermont Housing Finance Agency, and the nonprofit homeownership centers, shall develop a plan of active outreach and implementation to ensure that program opportunities are effectively communicated, and that funds are equitably awarded, to communities of Vermonters who have historically suffered housing discrimination.

(f) Program requirements.

(1) A loan issued through the Program:

(A) shall not exceed a standard limit set by the Department, which shall not exceed $50,000.00;

(B) shall be zero interest, and payments shall be suspended while the homebuyer occupies the home; and

(C) shall become due in full upon the sale or transfer of the home or upon refinancing with approval by the Department and the housing organization that issued the loan.

(2) A rehabilitation project that is funded by a loan through the Program may include a weatherization component and shall comply with applicable building, housing, and health laws.

(3) A homebuyer may use not more than 25 percent of a loan for down payment and closing costs and fees.

(4) A homebuyer shall repay a loan.

(g) Revolving loan fund. The Department shall use the amounts from loans that are repaid to provide additional funding through the Program.

(h) Lien priority. A lien for a loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for the loan is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for the loan is filed in the land records.

Sec. 13. DUTIES CONTINGENT ON FUNDING

The duties of the Department of Housing and Community Development specified in Secs. 10 and 12 of this act are contingent upon available funding.

Sec. 14. REPORT

On or before February 15, 2022, the Department of Housing and Community Development shall report to the General Assembly concerning the design, implementation, and outcomes of the Vermont Homeownership Revolving Loan Fund created in Sec. 12 of this act, including findings and any recommendations related to the amount of loans.

* * * Allocation of Appropriations * * *

Sec. 15. ALLOCATION OF APPROPRIATIONS

(a) Of the amounts appropriated from the General Fund to the Department of Housing and Community Development in H.439, the Department shall allocate $1,000,000.00 to provide loans through the Vermont Homeownership Revolving Loan Fund created in 10 V.S.A. § 699a.

(b) The Agency of Commerce and Community Development shall use the $5,000,000.00 appropriated to it in Sec. G.400(a)(2) of H.439 to provide grants and loans through the Vermont Rental Housing Investment Program created in 10 V.S.A. § 699.

* * * Eviction Moratorium * * *

Sec. 16. 2020 Acts and Resolves No. 101, Sec. 1(b)(4) is amended to read:

(4) limit a court's ability to act in an emergency pursuant to Administrative Order 49, issued by the Vermont Supreme Court, as amended, ~~which may include an action that involves criminal activity, illegal drug activity, or acts of violence, or other circumstances that seriously threaten the health or safety of other residents~~ including in response to an action for ejectment on an emergency basis pursuant to subsection (i) of this section.

Sec. 17. 2020 Acts and Resolves No. 101, Sec. 1(i) is added to read:

(i) Action for ejectment on an emergency basis.

(1) Notwithstanding any provision of this section to the contrary, a court may allow an ejectment action to proceed on an emergency basis pursuant to Vermont Rule of Civil Procedure 65, which may include an action that involves the following circumstances:

(A) criminal activity, illegal drug activity, acts of violence, or other circumstances that seriously threaten the health or safety of other residents, including a tenant tampering with, disabling, or removing smoke or carbon monoxide detectors;

(B) the landlord needs to occupy the rental premises;

(C) the tenant is not participating or does not qualify for the Vermont Emergency Rental Assistance Program; or

(D) continuation of the tenancy would cause other immediate or irreparable injury, loss, or damage to the property, the landlord, or other residents.

(2) Upon a plaintiff's motion to proceed under this subsection (i) supported by an affidavit, the court shall determine whether the plaintiff has alleged sufficient facts to warrant a hearing concerning emergency circumstances as provided in subdivision (1) of this subsection (i), and if so, the court shall:

(A) issue any necessary preliminary orders;

(B) schedule a hearing;

(C) allow the plaintiff to serve the defendant with the motion, affidavit, complaint, any preliminary orders, and a notice of hearing; and

(D) after hearing, issue any necessary orders, which may include issuance of a writ of possession.

* * * Effective Dates * * *

Sec. 18. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (DPS authority for rental housing health and safety).

(2) Sec. 2 (rental housing registry).

(3) Sec. 6 (conforming changes to Department of Health statutes).

(4) Sec. 7 (DPS rulemaking authority and transition provisions).

(5) Secs. 16–17 (amendment to eviction moratorium).

(b) The following sections take effect on July 1, 2021:

(1) Sec. 4 (DPS positions).

(2) Sec. 5 (DHCD positions).

(3) Secs. 8–10 (Vermont Housing Investment Program).

(4) Secs. 11–14 (Vermont Homeownership Revolving Loan Fund).

(5) Sec. 15 (allocation of appropriations).

(c) Sec. 3 (rental housing registration) shall take effect on January 1, 2022.

(d) Sec. 3a (administrative penalty for failure to register) shall take effect on January 1, 2023.

(e) Sec. 3b (repeal of registration exemption for housing provided as a benefit of farm employment) shall take effect on January 1, 2024.

UNFINISHED BUSINESS OF APRIL 29, 2022

House Proposal of Amendment

S. 210

An act relating to rental housing health and safety and affordable housing.

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

* * * Department of Public Safety; Authority for Rental Housing Health and Safety * * *

Sec. 1. 20 V.S.A. chapter 172 is added to read:

CHAPTER 172. RENTAL HOUSING HEALTH AND SAFETY; INSPECTION; REGISTRATION

§ 2676. DEFINITION

As used in this chapter, "rental housing" means:

(1) a "premises" as defined in 9 V.S.A. § 4451 that is subject to 9 V.S.A. chapter 137 (residential rental agreements); and

(2) a "short-term rental" as defined in 18 V.S.A. § 4301 and subject to 18 V.S.A. chapter 85, subchapter 7.

§ 2677. RENTAL HOUSING; RULES; INSPECTIONS; PENALTY

(a) Rules. The Commissioner of Public Safety may adopt rules to prescribe standards for the health, safety, sanitation, and fitness for habitation of rental housing that the Commissioner determines are necessary to protect the public, property owners, and property against harm.

(b) Inspections.

(1) After adopting rules pursuant to subsection (a) of this section, the Commissioner shall design and implement a complaint-driven system to conduct inspections of rental housing.

(2) When conducting an inspection, the Commissioner shall:

(A) issue a written inspection report on the unit or building that:

(i) contains findings of fact that serve as the basis of one or more violations;

(ii) specifies the requirements and timelines necessary to correct a violation;

(iii) provides notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and

(iv) provides notice in plain language that the landlord or agents of the landlord must have access to the rental unit to make repairs as ordered by the Commissioner consistent with the access provisions in 9 V.S.A. § 4460;

(B) provide a copy of the inspection report to the landlord, to the person who requested the inspection, and to any tenants who are affected by a violation:

(i) electronically, if the Department has an electronic mailing address for the person; or

(ii) by first-class mail, if the Department does not have an electronic mailing address for the person;

(C) if an entire building is affected by a violation, provide a notice of inspection directly to the individual tenants, and may also post the notice in a common area, that specifies:

(i) the date of the inspection;

(ii) that violations were found and must be corrected by a certain date;

(iii) how to obtain a copy of the inspection electronically or by first-class mail; and

(iv) if the notice is posted in a common area, that the notice shall not be removed until authorized by the Commissioner; and

(D) make the inspection report available as a public record.

(c) Penalties. If the person responsible for a violation does not comply with the requirements and timelines specified in an inspection report issued pursuant to subsection (b) of this section, the Commissioner may impose an administrative penalty that is reasonably related to the severity of the violation, not to exceed $1,000.00 per violation.

§ 2678. RENTAL HOUSING REGISTRATION

(a) Registration. Except as otherwise provided in subsection (b) of this section, annually on or before March 1, the owner of each unit of rental housing that in the previous year was leased or offered for lease shall pay to the Department of Housing and Community Development an annual registration fee of $35.00 per unit and provide the following information:

(1) the name and mailing address of the owner, landlord, and property manager of the unit, as applicable;

(2) the phone number and electronic mail address of the owner, landlord, and property manager of the unit, as available;

(3) the location of the unit;

(4) the year built;

(5) the type of rental unit;

(6) the number of units in the building;

(7) the school property account number;

(8) the accessibility of the unit; and

(9) any other information the Department deems appropriate.

(b) Exceptions.

(1) Unit registered with another program.

(A) The registration requirement imposed in subsection (a) of this section does not apply to a unit that is currently registered with a municipal, district, or other local government rental housing health and safety program that requires the owner to register the unit and provide the data required in subsection (a) of this section.

(B) The fee requirement imposed in subsection (a) of this section does not apply to a unit that is currently registered with a municipal, district, or other local government rental housing health and safety program that requires the owner to register the unit and provide the data required in subsection (a) of this section and for which program the owner is required to pay a registration fee.

(2) Mobile homes.

(A) The registration requirement imposed in subsection (a) of this section does not apply to a mobile home lot within a mobile home park if:

(i) the owner has registered the lot with the Department of Housing and Community Development; and

(ii) the owner does not own a mobile home on the lot.

(B) An owner of a mobile home lot within a mobile home park who has registered the lot with the Department and who owns a mobile home on the lot that is available for rent or rented shall register the property with the Department pursuant to subsection (a) of this section and pay a fee equal to the fee required, less any fee paid within the previous 12 months pursuant to 10 V.S.A. § 6254(c).

(C) An owner of a mobile home who rents the mobile home, whether or not located in a mobile home park, shall register pursuant to this section.

(3) Unit not offered to general public. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit that an owner provides to another person, whether or not for consideration, if, and only to the extent that, the owner does not otherwise make the unit available for lease to the general public, and includes:

(A) housing provided to a member of the owner's family or personal acquaintances;

(B) housing provided to a person who is not related to a member of the owner's household and who occupies the housing as part of a nonprofit home-sharing program; and

(C) housing provided to a person who provides personal care to the owner or a member of the owner's household.

(4) Licensed lodging establishment. The registration and fee requirements imposed in subsection (a) of this section do not apply to a lodging establishment, as defined in 18 V.S.A. § 4301, that is required to be licensed by the Department of Health.

(5) Units accessory to an owner-occupied residence. The registration and fee requirements imposed in subsection (a) of this section do not apply to a property if:

(A) the property has four or fewer units; and

(B) the owner of the property occupies one of the units as a primary residence.

(6) Nonwinterized, seasonal units. The registration and fee requirements imposed in subsection (a) of this section do not apply to a seasonal unit that is unheated and unavailable for rent during the winter months.

(7) Units rented for fewer than 90 days. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit that is rented for fewer than 90 days per calendar year.

(8) Housing provided as a benefit of farm employment. The registration and fee requirements imposed in subsection (a) of this section do not apply to a unit of housing that is provided as a benefit of farm employment, as defined in 9 V.S.A. § 4469a(a)(3).

(c) Administration.

(1) The Department of Housing and Community Development shall maintain the registry of rental housing data in coordination with the Department of Public Safety, the Department of Health, the Enhanced 911 Board, and the Department of Taxes.

(2) Upon request, and at least annually, a municipal, district, or other local government entity that operates a rental housing health and safety program that requires registration of a rental housing unit and a fee for inclusion on its registry shall provide to the Department of Housing and Community Development the data for each unit that is required pursuant to subsection (a) of this section.

(3)(A) The data the Department collects pursuant to this section is exempt from public inspection and copying pursuant to 1 V.S.A. § 317(c)(1).

(B) The Department:

(i) may disclose data it collects pursuant to this section only to other State, municipal, or regional government entities; nonprofit organizations; or other persons for the purposes of protecting public health and safety;

(ii) shall not disclose data it collects pursuant to this section for a commercial purpose; and

(iii) shall require, as a condition of receiving data collected pursuant to this section, that a person to whom the Department discloses the data takes steps necessary to protect the privacy of persons whom the data concerns and to prevent further disclosure.

(d) Rental Housing Safety Special Fund.

(1) The Rental Housing Safety Special Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5.

(2) The Department shall maintain the fees collected pursuant to this section in the Fund, the proceeds of which the Department shall use:

(A) to hire authorized staff to administer the registry and registration requirements imposed in this section; and

(B) to provide funding to the Department of Public Safety to hire authorized staff to conduct inspections and regulate rental housing pursuant to section 2677 of this title.

* * * Penalty for Failure to Register * * *

Sec. 2. 20 V.S.A. § 2678(e) is added to read:

(e) Failure to register; penalty. The Department of Housing and Community Development shall impose an administrative penalty of not more than $200.00 per unit for an owner of rental housing who knowingly fails to register or pay the fee required pursuant to this section.

* * * Registration; Prospective Repeal * * *

Sec. 3. REPEAL

20 V.S.A. § 2678(b)(8) (exemption for housing provided as a benefit of farm employment) is repealed.

* * * Positions Authorized * * *

Sec. 4. DEPARTMENT OF PUBLIC SAFETY; POSITIONS

(a) The Department of Public Safety is authorized to create five full-time classified Inspector positions in order to conduct rental housing health and safety inspections and enforcement pursuant to 20 V.S.A. chapter 172.

(b) The Department may hire the Inspectors authorized by this section with funds appropriated for that purpose and to the extent additional funds become available from the Rental Housing Safety Special Fund created and maintained pursuant to 20 V.S.A. § 2678(d).

Sec. 5. DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT; POSITIONS

(a) The Department of Housing and Community Development is authorized to create one full-time classified position and one half-time classified position to design and implement the registry created in, and to administer and enforce the registry requirements of, 20 V.S.A. § 2678.

(b) The Department may hire staff authorized by this section with funds appropriated for that purpose and to the extent additional funds become available from the Rental Housing Safety Special Fund created and maintained pursuant to 20 V.S.A. § 2678(d).

* * * Conforming Changes to Current Law Governing the Department of Health, State Board of Health, and Local Health Officials * * *

Sec. 6. 18 V.S.A. chapter 11 is amended to read:

CHAPTER 11. LOCAL HEALTH OFFICIALS

* * *

§ 602a. DUTIES OF LOCAL HEALTH OFFICERS

(a) A local health officer, within his or her jurisdiction, shall:

(1) ~~upon request of a landlord or tenant, or~~ upon receipt of information regarding a condition that may be a public health hazard, conduct an investigation;

(2) enforce the provisions of this title, the rules promulgated, and permits issued thereunder;

(3) prevent, remove, or destroy any public health hazard~~,~~ or mitigate any significant public health risk in accordance with the provisions of this title;

(4) in consultation with the Department, take the steps necessary to enforce all orders issued pursuant to chapter 3 of this title; and

(5) have the authority to assist the Department of Public Safety in inspecting rental housing pursuant to 20 V.S.A. chapter 172, provided that if the local health officer inspects a rental property without an inspector from the Division, the officer shall issue an inspection report in compliance with 20 V.S.A § 2677(b)(2).

(b) Upon discovery of violation or a public health hazard or public health risk that involves a public water system, a food or lodging establishment, or any other matter regulated by Department rule, the local health officer shall immediately notify the Division of Environmental Health. Upon discovery of any other violation, public health hazard, or public health risk, the local health officer shall notify the Division of Environmental Health within 48 hours of discovery of such violation or hazard and of any action taken by the officer.

§ 603. ~~RENTAL HOUSING SAFETY; INSPECTION REPORTS~~

~~(a)(1) When conducting an investigation of rental housing, a local health officer shall issue a written inspection report on the rental property using the protocols for implementing the Rental Housing Health Code of the Department or the municipality, in the case of a municipality that has established a code enforcement office.~~

~~(2) A written inspection report shall:~~

~~(A) contain findings of fact that serve as the basis of one or more violations;~~

~~(B) specify the requirements and timelines necessary to correct a violation;~~

~~(C) provide notice that the landlord is prohibited from renting the affected unit to a new tenant until the violation is corrected; and~~

~~(D) provide notice in plain language that the landlord and agents of the landlord must have access to the rental unit to make repairs as ordered by the health officer consistent with the access provisions in 9 V.S.A. § 4460.~~

~~(3) A local health officer shall:~~

~~(A) provide a copy of the inspection report to the landlord and any tenants affected by a violation by delivering the report electronically, in person, by first class mail, or by leaving a copy at each unit affected by the deficiency; and~~

~~(B)(i) if a municipality has established a code enforcement office, provide information on each inspection according to a schedule and in a format adopted by the Department in consultation with municipalities that have established code enforcement offices; or~~

~~(ii) if a municipality has not established a code enforcement office, provide information on each inspection to the Department within seven days of issuing the report using an electronic system designed for that purpose, or within 14 days by mail if the municipality is unable to utilize the electronic system.~~

~~(4) If an entire property is affected by a violation, the local health officer shall post a copy of the inspection report in a common area of the property and include a prominent notice that the report shall not be removed until authorized by the local health officer.~~

~~(5) A municipality shall make an inspection report available as a public record.~~

~~(b)(1) A local health officer may impose a civil penalty of not more than $200.00 per day for each violation that is not corrected by the date provided in the written inspection report, or when a unit is re-rented to a new tenant prior to the correction of a violation.~~

~~(2)(A) If the cumulative amount of penalties imposed pursuant to this subsection is $800.00 or less, the local health officer, Department of Health, or State's Attorney may bring a civil enforcement action in the Judicial Bureau pursuant to 4 V.S.A. chapter 29.~~

~~(B) The waiver penalty for a violation in an action brought pursuant to this subsection is 50 percent of the full penalty amount.~~

~~(3) If the cumulative amount of penalties imposed pursuant to this subsection is more than $800.00, or if injunctive relief is sought, the local health officer, Department of Health, or State's Attorney may commence an action in the Civil Division of the Superior Court for the county in which a violation occurred.~~

~~(c) If a local health officer fails to conduct an investigation pursuant to section 602a of this title or fails to issue an inspection report pursuant to this section, a landlord or tenant may request that the Department, at its discretion, conduct an investigation or contact the local board of health to take action.~~

[Repealed.]

* * *

* * * Transition Provisions * * *

Sec. 7. RENTAL HOUSING HEALTH AND SAFETY; TRANSITION PROVISIONS

(a) Notwithstanding any provision of law to the contrary:

(1) Until the Commissioner of Public Safety adopts rules governing rental housing health and safety pursuant to 20 V.S.A. § 2677, the Department of Health, local officials authorized by law, and the Department of Public Safety have concurrent authority to enforce the Vermont Rental Housing Health Code adopted by the Department of Health pursuant to 18 V.S.A. § 102, 3 V.S.A. § 3003(a), and 3 V.S.A. § 801(b)(11).

(2) The Commissioner of Public Safety may immediately adopt a rule incorporating the Rental Housing Health Code without following the procedures otherwise required for general rulemaking in 3 V.S.A. chapter 25.

(3) Except as provided in subdivision (2) of this subsection, the Commissioner of Public Safety shall comply with the requirements for general rulemaking in 3 V.S.A. chapter 25 when adopting rules governing rental housing health and safety.

(b) Upon the adoption of rules governing rental housing health and safety pursuant to the authority in 20 V.S.A. § 2677:

(1) the Department of Public Safety is the State government entity with primary authority to enforce State laws governing rental housing health and safety;

(2) the Department of Public Safety and local officials have concurrent authority to enforce State and local laws governing rental housing health and safety pursuant to 18 V.S.A. chapter 11; 20 V.S.A. chapter 172, subchapter 2; 24 V.S.A. chapters 83 and 123; and applicable municipal law; and

(3) the Department of Health, the State Board of Health, and local health officials have concurrent authority to enforce State and local laws governing public health hazards and public health risks, as those terms are defined in 18 V.S.A. § 2, pursuant to 18 V.S.A. chapters 1, 3, and 11.

* * * Vermont Housing Investments * * *

Sec. 8. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM; PURPOSE

(a) Recognizing that Vermont's rental housing stock is some of the oldest in the country and that much of it needs to be updated to meet code requirements and other standards, the Vermont Rental Housing Improvement Program is intended to incentivize private apartment owners to make significant improvements to both housing quality and weatherization by providing grants and forgivable loans that are matched in part by the property owner.

(b) The Program seeks to take the lessons learned from the successful Re-housing Recovery Program established with funds provided by the Federal CARES Act and implement them in a State-funded program.

Sec. 9. 10 V.S.A. chapter 29, subchapter 3 is added to read:

Subchapter 3. Housing; Investments

§ 699. VERMONT RENTAL HOUSING IMPROVEMENT PROGRAM

(a) Creation of program.

(1) The Department of Housing and Community Development shall design and implement a Vermont Rental Housing Improvement Program, through which the Department shall award funding to statewide or regional nonprofit housing organizations, or both, to provide competitive grants and forgivable loans to private landlords for the rehabilitation, including weatherization, of eligible rental housing units.

(2) The Department shall develop statewide standards for the Program, including factors that partner organizations shall use to evaluate applications and award grants and forgivable loans.

(b) Eligible rental housing units. The following units are eligible for a grant or forgivable loan through the Program:

(1) Non-code compliant. The unit does not comply with the requirements of applicable building, housing, or health laws.

(2) New accessory dwelling.

(A) The unit will be a newly created accessory dwelling unit that meets the requirements of 24 V.S.A. § 4412(1)(E).

(B) The unit will be newly created on a lot with an existing structure.

(c) Administration. The Department shall require a housing organization that receives funding under the Program to adopt:

(1) a standard application form that describes the application process and includes instructions and examples to help landlords apply;

(2) an award process that ensures equitable selection of landlords, subject to a housing organization's exercise of discretion based on the factors adopted by the Department pursuant to subsection (a) of this section; and

(3) a grant and loan management system that ensures accountability for funds awarded.

(d) Program requirements applicable to grants and forgivable loans.

(1) A grant or loan shall not exceed $50,000.00 per unit. In determining the amount of a grant or loan, a housing organization shall consider the number of bedrooms in the unit and whether the unit is being rehabilitated or newly created.

(2) A landlord shall contribute matching funds or in-kind services that equal or exceed 20 percent of the value of the grant or loan.

(3) A project may include a weatherization component.

(4) A project shall comply with applicable building, housing, and health laws.

(5) The terms and conditions of a grant or loan agreement apply to the original recipient and to a successor in interest for the period the grant or loan agreement is in effect.

(6) The identity of a recipient and the amount of a grant or forgivable loan are public records that shall be available for public copying and inspection and the Department shall publish this information at least quarterly on its website.

(e) Program requirements applicable to grants. For a grant awarded under the Program, the following requirements apply for a minimum period of five years:

(1) A landlord shall coordinate with nonprofit housing partners and local coordinated entry organizations to identify potential tenants.

(2)(A) Except as provided in subdivision (2)(B) of this subsection (e), a landlord shall lease the unit to a household that is exiting homelessness or actively working with an immigrant or refugee resettlement program.

(B) If, upon petition of the landlord, the Department or the housing organization that issued the grant determines that a household exiting homelessness is not available to lease the unit, then the landlord shall lease the unit:

(i) to a household with an income equal to or less than 80 percent of area median income; or

(ii) if such a household is unavailable, to another household with the approval of the Department or housing organization.

(3)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the total cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(4)(A) A landlord may convert a grant to a forgivable loan upon approval of the Department and the housing organization that approved the grant.

(B) A landlord who converts a grant to a forgivable loan shall receive a 10 percent credit for loan forgiveness for each year in which the landlord participates in the grant program.

(f) Requirements applicable to forgivable loans. For a forgivable loan awarded under the Program, the following requirements apply for a minimum period of 10 years:

(1)(A) A landlord shall accept any housing vouchers that are available to pay all, or a portion of, the tenant's rent and utilities.

(B) If no housing voucher or federal or State subsidy is available, the cost of rent for the unit, including utilities not covered by rent payments, shall not exceed the applicable fair market rent established by the Department of Housing and Urban Development.

(2) The Department shall forgive 10 percent of the amount of a forgivable loan for each year a landlord participates in the loan program.

(g) Lien priority. A lien for a grant converted to a loan or for a forgivable loan issued pursuant to this section is subordinate to:

(1) a lien on the property in existence at the time the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records; and

(2) a first mortgage on the property that is refinanced and recorded after the lien for rehabilitation and weatherization of the rental housing unit is filed in the land records.

Sec. 10. REPORT

On or before February 15, 2023, the Department of Housing and Community Development shall report to the General Assembly concerning the design, implementation, and outcomes of the Vermont Housing Improvement Program, including findings and any recommendations related to the amount of grant awards.

Sec. 11. APPROPRIATIONS

(a) Purpose. The purpose of the appropriations in this section are:

(1) to respond to the far-reaching public health and negative economic impacts of the COVID-19 pandemic; and

(2) to ensure that Vermonters and Vermont communities have an adequate supply of safe, affordable housing.

(b) In fiscal year 2022, the amount of $20,400,000.00 is appropriated from the America Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) $100,000.00 to the Department of Public Safety as one-time startup funding to hire one or more Inspector positions authorized pursuant to Sec. 4 of this act.

(2) $300,000.00 to the Department of Housing and Community Development as one-time startup funding to hire one or more of the positions authorized pursuant to Sec. 5 of this act.

(3) $20,000,000.00 to the Department of Housing and Community Development to implement the Vermont Rental Housing Improvement Program created in 10 V.S.A. § 699. The Department may use not more than $1,000,000.00 of the appropriation to facilitate a statewide education and navigation system to assist homeowners with designing, financing, permitting, and constructing accessory dwelling units.

Sec. 12. EFFECTIVE DATES

(a) This section and the following sections shall take effect on passage:

(1) Sec. 1 (DPS authority for rental housing health and safety; rental housing registration).

(2) Sec. 4 (DPS positions).

(3) Sec. 5 (DHCD positions).

(4) Sec. 6 (conforming changes to Department of Health statutes).

(5) Sec. 7 (DPS rulemaking authority and transition provisions).

(6) Secs. 8–10 (Vermont Rental Housing Improvement Program).

(8) Sec. 11 (FY 2022 ARPA appropriations).

(b) Sec. 2 (administrative penalty for failure to register rental housing) shall take effect on July 1, 2023.

(c) Sec. 3 (repeal of registration exemption for housing provided as a benefit of farm employment) shall take effect on July 1, 2025.

UNFINISHED BUSINESS OF MAY 2, 2022

Third Reading

H. 606.

An act relating to community resilience and biodiversity protection.

Second Reading

Favorable with Proposal of Amendment

H. 465.

An act relating to boards and commissions.

Reported favorably with recommendation of proposal of amendment by Senator Collamore for the Committee on Government Operations.

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 8, 32 V.S.A. § 1010, in subdivision (e)(1), following the last sentence of the subdivision, by inserting the following:

Prior to submitting this schedule, the Governor shall consult with each elective officer or State officer who administers per diems that are not funded by the General Fund.

Second: By adding a reader assistance heading and new section to be Sec. 7a to read as follows:

* * * Emergency Service Provider Wellness Commission * * *

Sec. 7a. 18 V.S.A. § 7257b is amended to read:

§ 7257b. EMERGENCY SERVICE PROVIDER WELLNESS COMMISSION

(a) As used in this section:

(1) "Chief executive of an emergency service provider organization" means a person in charge of an organization that employs or supervises emergency service providers in their official capacity.

(2) "Emergency service provider" means a person:

(A) currently or formerly recognized by a Vermont fire department as a firefighter;

(B) currently or formerly licensed by the Department of Health as an emergency medical technician, emergency medical responder, advanced emergency medical technician, or paramedic;

(C) currently or formerly certified as a law enforcement officer by the Vermont Criminal Justice Council, including constables and sheriffs;

(D) currently or formerly employed by the Department of Corrections as a probation, parole, or correctional facility officer; ~~or~~

(E) currently or formerly certified by the Vermont Enhanced 911 Board as a 911 call taker or employed as an emergency communications dispatcher providing service for an emergency service provider organization; or

(F) currently or formerly registered as a ski patroller at a Vermont ski resort with the National Ski Patrol or Professional Ski Patrol Association.

(3) "Licensing entity" means a State entity that licenses or certifies an emergency service provider.

(b) There is created the Emergency Service Provider Wellness Commission within the Agency of Human Services that, in addition to the purposes listed below, shall consider the diversity of emergency service providers on the basis of gender, race, age, ethnicity, sexual orientation, gender identity, disability status, and the unique needs that emergency service providers who have experienced trauma may have as a result of their identity status:

(1) to identify where increased or alternative supports or strategic investments within the emergency service provider community, designated or specialized service agencies, or other community service systems could improve the physical and mental health outcomes and overall wellness of emergency service providers;

(2) to identify how Vermont can increase capacity of qualified clinicians in the treatment of emergency service providers to ensure that the services of qualified clinicians are available throughout the State without undue delay;

(3) to create materials and information, in consultation with the Department of Health, including a list of qualified clinicians, for the purpose of populating an electronic emergency service provider wellness resource center on the Department of Health's website;

(4) to educate the public, emergency service providers, State and local governments, employee assistance programs, and policymakers about best practices, tools, personnel, resources, and strategies for the prevention and intervention of the effects of trauma experienced by emergency service providers;

(5) to identify gaps and strengths in Vermont's system of care for both emergency service providers who have experienced trauma and their immediate family members to ensure access to support and resources that address the impacts of primary and secondary trauma;

(6) to recommend how peer support services and qualified clinician services can be delivered regionally or statewide;

(7) to recommend how to support emergency service providers in communities that are resource challenged, remote, small, or rural;

(8) to recommend policies, practices, training, legislation, rules, and services that will increase successful interventions and support for emergency service providers to improve health outcomes, job performance, and personal well-being and reduce health risks, violations of employment, and violence associated with the impact of untreated trauma, including whether to amend Vermont's employment medical leave laws to assist volunteer emergency service providers in recovering from the effects of trauma experienced while on duty; and

(9) to consult with federal, State, and municipal agencies, organizations, entities, and individuals in order to make any other recommendations the Commission deems appropriate.

(c)(1) The Commission shall comprise the following members and, to the extent feasible, include representation among members that reflects the gender, gender identity, racial, age, ethnic, sexual orientation, social, and disability status of emergency service providers in the State:

* * *

(W) a representative, appointed by the Vermont Association for Hospitals and Health Systems; ~~and~~

(X) the Executive Director of the Enhanced 911 Board or designee; and

(Y) a member of the National Ski Patrol appointed by consensus agreement of the National Ski Patrol Northern Vermont and Southern Vermont Regional Directors.

* * *

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 17, 2022, pages 653-662)

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

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

First: In Sec. 8, 32 V.S.A. § 1010, in subdivision (e)(2), following the last sentence of the subdivision, by inserting the following:

The agency or department shall include within its annual budget documentation the justification for any current or projected per diem rate that is greater than $50.00, including the justification for authorizing a per diem rate of greater than $50.00 for a board, commission, council, or committee created by executive order pursuant to subsection (g) of this section.

Second: In Sec. 8, 32 V.S.A. § 1010, in subsection (e), by inserting a new subdivision to be subdivision (3) to read as follows:

(3) When the General Assembly is not in session, a department or agency may only increase the per diem rate above the level included in their budget submission if approved by the Commissioner of Finance and Management after review of written justification for the per diem rate adjustment.

Third: By striking out Sec. 9, effective date, and its reader assistance heading in their entireties and inserting in lieu thereof two new sections to be Secs. 9 and 10 and a reader assistance heading to read as follows:

Sec. 9. DEPARTMENT OF FINANCE AND MANAGEMENT; FISCAL YEAR 2024; PER DIEM MAXIMUM; REPORT

(a) Fiscal year 2024. The fiscal year 2024 annual budget report of the Governor and the fiscal year 2024 annual budget documentation submitted by agencies and departments shall include the documentation and information required in Sec. 8 of this act regarding current and proposed per diem rates for boards, commissions, councils, and committees.

(b) Report. On or before December 1, 2024, the Department of Finance and Management shall submit a written report to the House and Senate Committees on Appropriations and on Government Operations with a recommendation on whether to establish a maximum per diem rate for boards, commissions, councils, or committees and any legislative actions necessary to increase uniformity and equality of per diem rates across State government.

* * * Effective Dates * * *

Sec. 10. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 8 shall take effect on July 1, 2023.

(Committee vote: 6-0-1)

H. 489.

An act relating to miscellaneous provisions affecting health insurance regulation.

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

The Committee recommends that the Senate propose to the House to amend the bill as follows:

By adding a new section to be Sec. 9 to read as follows:

Sec. 9. SEPARATE INDIVIDUAL AND SMALL GROUP HEALTH INSURANCE MARKETS FOR PLAN YEAR 2023

(a) As used in this section, "health benefit plan," "registered carrier," and "small employer" have the same meanings as in 33 V.S.A. § 1811.

(b) Notwithstanding any provision of 33 V.S.A. § 1811 to the contrary, for plan year 2023, a registered carrier shall:

(1) offer separate health benefit plans to individuals and families in the individual market and to small employers in the small group market;

(2) apply community rating in accordance with 33 V.S.A. § 1811(f) to determine the premiums for the carrier's plan year 2023 individual market plans separately from the premiums for its small group market plans; and

(3) file premium rates with the Green Mountain Care Board pursuant to 8 V.S.A. § 4062 separately for the carrier's individual market and small group market plans.

And by renumbering the existing Sec. 9, effective dates, to be Sec. 10

(Committee vote: 6-1-0)

(For House amendments, see House Journal for February 22, 2022, pages 175-182)

H. 727.

An act relating to the exploration, formation, and organization of union school districts.

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

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 16 V.S.A. chapter 11, subchapter 1 is redesignated to be chapter 9, subchapter 6 to read:

Subchapter ~~1~~6. ~~GENERALLY;~~ CONTRACTS BETWEEN DISTRICTS TO OPERATE SCHOOLS JOINTLY

§ 571. CONTRACTS TO CONSTRUCT AND OPERATE JOINT SCHOOLS

* * *

§ 572. JOINT BOARDS FOR JOINT, CONTRACT, OR CONSOLIDATED SCHOOLS

* * *

Sec. 2. REPEAL

16 V.S.A. chapter 11 (union schools) is repealed on passage of this act.

Sec. 3. 16 V.S.A. chapter 11 is added to read:

CHAPTER 11. UNION SCHOOL DISTRICTS

Subchapter 1. General Provisions

§ 701. POLICY

It is the policy of the State to provide substantially equal educational opportunities for all children in Vermont by authorizing two or more school districts, including an existing union school district, to form a union school district for the purpose of providing for the education of its resident students in the grades for which it is organized, and for the new union school district to be a body politic and corporate with the powers incident to a municipal corporation, with all of the rights and responsibilities that a town school district has in providing for the education of its resident students. Formation of union school districts shall be designed to encourage and support local decisions and actions that provide substantial equity of educational opportunities statewide, lead students to achieve or exceed the State's Education Quality Standards, maximize operational efficiencies, promote transparency and accountability, and be delivered at a cost that parents, voters, and taxpayers value.

§ 702. DEFINITIONS

As used in this chapter:

(1) "Board clerk" means the individual selected to be clerk of the board of a union school district by the members of the board from among their number pursuant to the provisions of sections 714 (initial members of union school district board), 729 (unified union district board members), and 747 (union elementary and union high school district board members) of this chapter.

(2) "District clerk" means the individual elected as clerk of a union school district by the voters of the district pursuant to the provisions of sections 715 (union school district organizational meeting), 735 (unified union school district officers and election), and 753 (union elementary and union high school district officers and election) of this chapter.

(3) "Forming districts" means all school districts, including union school districts, that are located within the geographical boundaries of a proposed or voter-approved union school district prior to the operational date of the union school district, which will potentially merge or have merged to form the new union school district.

(4) "Member district" means a school district, which can be a union school district, that is a member of a union elementary school district or a union high school district for certain grades, prekindergarten through grade 12, and is a distinct district organized to provide for the education of its resident students for all other grades, whether by operating one or more schools or paying tuition.

(5) "Operational date" means the date on which a union school district formed pursuant to the provisions of this chapter assumes full and sole responsibility for the education of all resident students in the grades for which it is organized.

(6) "School district" means a school district organized as a town school district, city school district, incorporated school district, or union school district, unless clearly inapplicable.

(7) In addition to its plain meaning, "town" means a city or incorporated village.

(8) In addition to its plain meaning, "town school district" means a city school district, or incorporated school district, and does not mean a union school district.

(9) "Town within a unified union school district" means each town located inside the geographic boundaries of a unified union school district and in which the district's resident students live.

(10) "Transitional period" means the period of time beginning on the day on which a union school district becomes a legal entity pursuant to section 713 (certification of votes) of this chapter and continuing until its operational date.

(11) "Unified union school district" means a union school district organized to provide for the education of the district's resident students in all grades, prekindergarten through grade 12.

(12) "Union elementary school district" and "union high school district" mean a union school district organized to provide for the education of the district's resident students in fewer than all grades, prekindergarten through grade 12.

(13)(A) "Union school district" means a municipality formed under the provisions of this chapter that is governed by a single publicly elected board and that is responsible for the education of students residing in two or more towns in the grades for which the district is organized by:

(i) operating a school or schools for all grades;

(ii) operating a school or schools for all students in one or more grades and paying tuition for all students in the remaining grade or grades; or

(iii) paying tuition for all grades.

(B) Use of the term "union school district" or "union district" includes a union elementary school district, union high school district, and unified union school district unless the context clearly limits it to fewer than all options.

(14) "Weighted voting" means a system, sometimes used in the "proportional to town population" model of union school district board membership, set forth in subdivisions 711(d)(1), 711(e)(1), 730(a)(1), 748(a)(1), and 748(b)(1) of this chapter, where proportionality is achieved by assigning a different number of votes to each board member.

§ 703. APPLICATION OF OTHER LAWS AND ARTICLES OF AGREEMENT

(a) Other education laws. The provisions of this chapter are intended to be in addition to the general provisions of law pertaining to schools, school districts, and supervisory unions. General provisions of law shall apply to union school districts unless inconsistent with or otherwise provided in this chapter.

(b) Existing articles of agreement.

(1) If a union school district joins with other school districts to form a new union school district pursuant to the provisions of sections 706–715 (process of exploration, formation, and organization of a union school district) of this chapter, then the articles of agreement of the existing union school district are repealed, and the articles of agreement of the new union school district shall govern.

(2) If a union school district joins another existing union school district pursuant to the provisions of section 721 (joining an existing union school district) of this chapter, then the articles of agreement of the joining district are repealed, and the articles of agreement of the enlarged union school district shall govern, unless the districts agree otherwise.

Subchapter 2. Exploration, Formation, and Organization

Article 1. Process

§ 706. PROPOSAL TO FORM STUDY COMMITTEE; BUDGET AND MEMBERSHIP

(a) Establishment of committee. When the boards of two or more school

districts vote to establish a study committee to study the advisability of forming a union school district or are petitioned to do so by at least five percent of voters in the school district, the boards shall meet with the superintendent or superintendents of each school district. With the advice of the superintendent or superintendents, the boards shall establish a budget for the study committee's work and shall determine the number of persons to serve on the study committee pursuant to subsection (b) of this section.

(b) Budget and membership. Each participating school district's share of the established budget and membership on the study committee shall be the same as the proportion of the school district's equalized pupils to the total equalized pupils of all school districts intending to participate formally in the study committee. As used in this subsection, "equalized pupils" has the same meaning as in section 4001 of this title.

(c) Existing union school districts.

(1) Existing union elementary or union high school district; proposed unified union school district. If the board of an existing union elementary or union high school district votes to participate in a study committee to consider formation of a unified union school district, or is petitioned by the voters to do so, then:

(A) The interests of the existing union school district shall be represented by its member districts on the study committee.

(B) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote on any resulting proposal to form a unified union school district pursuant to section 710 shall be at the member district level.

(C) If the existing union school district does not have any member districts because all towns for which it is organized are members of both a union elementary school district and a union high school district, then the existing union school district shall represent its own interests on the study committee, and the towns within it shall not participate on its behalf.

(D) If a town is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, and does not have a town school district board, then notwithstanding other provisions to the contrary:

(i) To the extent possible, the boards of the union elementary and union high school districts of which the town is a member shall make a reasonable attempt, jointly, to appoint a member to the study committee who resides in the town.

(ii) The legislative body or appropriate officer of the town shall perform electoral functions, including warning meetings and conducting the voting process, ordinarily performed by and in member districts on behalf of a union school district.

(2) Existing unified union school district; proposed unified union school district. If the board of a unified union school district votes to participate in a study committee to consider formation of a new unified union school district rather than the enlargement of the existing unified union school district pursuant to section 721 (joining an existing union school district) of this chapter, or is petitioned by the voters to do so, then:

(A) The existing unified union school district shall represent its own interests on the study committee, and the towns within it shall not participate on its behalf.

(B) To the extent possible, the board of the existing unified union school district shall make a reasonable attempt to appoint members to the study committee who reside in each town within the district.

(C) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote of the electorate on any resulting proposal to form a new unified union school district pursuant to section 710 shall proceed pursuant to the provisions for commingled Australian ballot voting as set forth in subchapter 3 (unified union school districts) of this chapter.

(3) Existing union elementary or union high school district; proposed union elementary or union high school district. If the board of an existing union elementary or union high school district votes to participate in a study committee to consider formation of a new union elementary or union high school district rather than enlarging the existing union school district pursuant to section 721 (joining an existing union school district) of this chapter, or is petitioned by the voters to do so, then:

(A) The existing union school district shall represent its own interests on the study committee, and the member districts of the existing union school district shall not participate on its behalf.

(B) To the extent possible, the board of the existing union school district shall make a reasonable attempt to appoint members to the study committee who reside in each of the member districts within the existing union school district.

(C) Any warning and vote on the study committee budget pursuant to section 707 of this chapter and the warning and vote of the electorate on any resulting proposal to form a new union elementary or union high school district pursuant to section 710 of this chapter shall proceed pursuant to the provisions for commingled Australian ballot voting as set forth in subchapter 4 (union elementary and union high school districts) of this chapter.

§ 707. APPROVAL OF STUDY BUDGET; APPOINTMENT OF STUDY COMMITTEE; PARTICIPATION

(a) Proposed budget exceeding $50,000.00.

(1) If the proposed budget established in section 706 of this chapter exceeds $50,000.00, then subject to the provisions of that section the board of each potentially participating school district shall warn the district's voters to meet at an annual or special school district meeting to vote whether to appropriate funds necessary to support the district's financial share of a study committee's costs. The meeting in each school district shall be warned for the same date. The warning in each school district shall contain an identical article in substantially the following form:

> Shall the school district of _____ appropriate funds necessary to support the school district's financial share of a study to determine the advisability of forming a union school district with some or all of the following school districts: _____, _____, and _____? It is estimated that the _____ school district's share, if all of the identified school districts vote to participate, will be $_____. The total proposed budget, to be shared by all participating school districts is $ _____."

(2) If the vote in subdivision (1) of this subsection is in the affirmative in two or more school districts, then the boards of the affirming school districts shall appoint a study committee consisting of the number of persons determined pursuant to section 706 (proposed study committee budget and membership) of this chapter. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(3) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(b) Proposed budget not exceeding $50,000.00.

(1) If the proposed budget established in section 706 of this chapter does not exceed $50,000.00, then the boards of the participating school districts shall appoint a study committee consisting of the number of persons determined under that section. At least one current board member from each participating school district shall be appointed to the study committee. The board of a school district appointing more than one person to the study committee may appoint residents of the school district who are not members of the board to any of the remaining seats.

(2) The sums expended for study purposes under this section shall be considered part of the approved cost of any project in which the union school district, if created, participates pursuant to chapter 123 of this title.

(c) Additional costs.

(1) If the voters approve a budget that exceeds $50,000.00 but the study committee later determines that its budget is likely to exceed the projected, voter-approved amount, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding the previously approved budget in the manner set forth in subdivision (a)(1) of this section before the study committee obligates or expends sums in excess of the initial voter-approved amount.

(2) If a proposed budget does not exceed $50,000.00 at the time the school boards appoint members to the study committee, but the study committee later determines that its total budget is likely to exceed $50,000.00, then the boards of all participating school districts shall obtain voter approval for the amounts exceeding $50,000.00 in the manner set forth in subdivision (a)(1) of this section before the study committee obligates or expends funds in excess of $50,000.00.

(d) Grants. Costs to be paid by State, federal, or private grants shall not be included when calculating whether a study committee's budget or proposed budget exceeds $50,000.00.

(e)(1) Subsequent appointments of persons to the study committee; vacancy. Subject to the requirement that each school board appoint at least one current member of the board, the board of a participating school district shall appoint a person residing in the school district to the study committee if one of the school district's seats is vacant because a study committee member:

(A) is no longer a member of the school district's board and was the sole board member appointed by that school district;

(B) has resigned from or is no longer able to serve on the study committee; or

(C) has not attended three consecutive study committee meetings without providing notice to the study committee chair of the reason for each absence and obtaining a determination of the study committee members that the absences were reasonable.

(2) Notice under subdivision (1)(C) of this subsection shall be given in advance of absences whenever possible.

(f) Formal participation in study committee.

(1) A school district shall not be a formal participant in and appoint members to more than one study committee created under this chapter at any one point in time.

(2) A school district shall not formally withdraw its participation in an existing study committee after the school district has appointed members to that committee until the study committee dissolves pursuant to subsection 708(e) of this chapter.

(g) Additional formal participants.

(1) Subject to the provisions of subsection (f) of this section, a school district may join as an additional formal participant in a study committee after creation of the committee if:

(A) the school district's board has requested the committee's approval to participate after either a vote of the school district's board or a petition by five percent of the school district's voters and if the study committee votes to approve formal participation by the district; or

(B) the study committee has voted to ask the school district to participate formally and either the board of the school district votes to approve formal participation or is petitioned by five percent of the school district's voters to do so.

(2) A school district that becomes a formal participant in an existing study committee pursuant to this subsection is subject to the provisions of section 706 (proposed study committee budget and membership) of this chapter regarding financial and representational proportionality and to all other requirements of study committees set out in this chapter.

(h) Informal participation by other school districts.

(1) The board of a school district that is not a formal participant in an existing study committee may authorize one or more of the board's members to contact the study committee to discuss whether it may be advisable to include the school district within a proposal to form a new union school district as an "advisable" district, as described in section 708 (necessary and

advisable districts) of this chapter.

(2) An existing study committee may authorize one or more of its members to contact the board of one or more additional school districts that are not formal participants in the committee to discuss whether it may be advisable to include the school district within a proposal to form a new union school district as an "advisable" district.

(3) An existing study committee may invite representatives of a nonparticipating school district's board to participate informally in the study committee's deliberations.

(4) Nothing in this section shall be construed to prohibit the board of a school district from authorizing informal exploration between and among the boards of school districts prior to the formation of a study committee.

§ 708. STUDY COMMITTEE; NECESSARY AND ADVISABLE DISTRICTS; CONTENTS OF STUDY COMMITTEE REPORT AND PROPOSED ARTICLES; DISSOLUTION OF COMMITTEE

(a) Study committee; process.

(1) The superintendent shall convene a study committee's first meeting when the committee's members are appointed. If the participating districts are members of more than one supervisory union, then the superintendents shall decide which of their number shall convene the meeting. The study committee members shall elect a chair who shall notify the Secretary in writing of the committee's creation and the chair's election within 30 days following the vote of the committee's creation.

(2) Staff of the supervisory union or unions shall provide administrative assistance to the study committee.

(3) The Secretary shall cooperate with the study committee and is authorized to make Agency staff available to provide technical assistance to the committee.

(4) The study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of 1 V.S.A. chapter 5, subchapter 2.

(5) Although a study committee should try to achieve consensus, committee decisions shall be reached by a majority of all committee members present and voting.

(b) Necessary and advisable school districts. If a study committee decides to recommend formation of a union school district, then it shall determine whether each school district included in the recommended formation is "necessary" or "advisable" to formation.

(1) "Necessary" school district.

(A) The study committee shall identify a school district as "necessary" to formation of the union school district only if the school district is a formal participant in the study committee.

(B) Subject to the provisions of subsection 706(c) of this chapter, the school board of a "necessary" school district is required to warn a vote of the electorate under sections 710 (vote to form union school district) and 711 (initial members of union school district board election) of this chapter.

(C) A proposed union school district is formed only if the voters voting in each "necessary" school district vote to approve formation.

(2) "Advisable" school district.

(A) The study committee may identify any school district as "advisable" to formation of the union school district even if the school district is not a formal participant in the study committee.

(B) The school board of an "advisable" school district is not required to warn a vote of the electorate under sections 710 (vote to form union school district) and 711 (initial members of union school district board election) of this chapter, except upon application of 10 percent of the voters in the school district.

(C) Voter approval in an "advisable" district is not required for formation of a new union school district.

(3) Existing union elementary or union high school district. Notwithstanding other provisions of this subsection, an existing union elementary or union high school district is "necessary" to the formation of a unified union school district even though its interests are represented by its member districts pursuant to subdivision 706(c)(1) (study committee budget and membership for existing union school districts) of this chapter.

(c) Proposal to form union school district; report and proposed articles of agreement. If a study committee determines that it is advisable to propose formation of a union school district, then it shall prepare a report analyzing the strengths and challenges of the current structures of all "necessary" and "advisable" school districts and outlining the ways in which a union school district promotes the State policy set forth in section 701 of this chapter. The study committee shall also prepare proposed articles of agreement that, if approved pursuant to the provisions of this chapter, shall serve as the operating agreement for the new union school district. At a minimum, articles of agreement shall state:

(1) The name of any school district the study committee considers "necessary" to formation of the proposed union school district.

(2) The name of any school district the study committee considers "advisable" to include in the proposed union school district.

(3) The legal name or temporary legal name by which the union school district shall be known.

(4) The grades, if any, that the proposed union school district will operate and the grades, if any, for which it will pay tuition.

(5) The cost and general location of any proposed new school buildings to be constructed and the cost and general description of any proposed renovations to existing school buildings.

(6) A plan for the first year of the union school district's operation for transportation of students, assignment of staff, and use of curriculum that is consistent with existing contracts, collective bargaining agreements, and other provisions of law. The board of the union school district, if formed, shall make all subsequent decisions regarding transportation, staff, and curriculum subject to existing contracts, collective bargaining agreements, and other provisions of law.

(7) A list of the indebtedness of each "necessary" and "advisable" district, which the union school district shall assume.

(8) The specific pieces of real property of each "necessary" and "advisable" district that the union school district shall acquire, their valuation, and how the union school district shall pay for them.

(9) Consistent with the proportional representation requirements of the Equal Protection Clause of the U.S. Constitution, the method or methods of apportioning representation on the union school district board as set forth in subsections 711(d) (unified union school district), (e) (union elementary or union high school district), and (f) (weighted voting) of this chapter.

(10) The term of office for each member initially elected to the union school district board, to be arranged so that one-third expire on the day of the second annual meeting of the union school district, one-third on the day of the third annual meeting, and one-third on the day of the fourth annual meeting, or as near to that proportion as possible.

(11) The date on which the proposal to create the union school district and the election of initial union school district board members will be submitted to the voters.

(12) The date on which the union school district will be solely responsible for the education of its resident students in the grades for which it is organized and will begin operating any schools, paying any tuition, and providing educational services.

(13) Whether the election of board members, election of school district officers, votes on the union school district budget, or votes on other public questions, or any two or more of these, shall be by Australian ballot.

(14) Any other matters that the study committee considers pertinent.

(d) No proposal to form a union school district. If a study committee determines that it is inadvisable to propose formation of a union school district, then its members shall vote to dissolve the committee. If the study committee members vote to dissolve, then the chair shall notify the Secretary in writing of the vote.

(e) Dissolution of study committee.

(1) If a study committee proposes formation of a union school district pursuant to subsection (c) of this section, then the committee shall cease to exist when the clerk of each school district voting on a proposal to establish the union school district has certified the results of the vote to the Secretary pursuant to subsection 713(a) of this chapter.

(2) If a study committee determines that it is inadvisable to propose formation of a union school district, then the committee shall cease to exist when the chair notifies the Secretary of the committee's vote pursuant to subsection (d) of this section.

§ 709. REVIEW BY LOCAL SCHOOL DISTRICT BOARDS; CONSIDERATION AND APPROVAL BY STATE BOARD OF EDUCATION

(a) If a study committee determines that it is advisable to propose formation of a union school district, then the committee shall transmit its report and proposed articles of agreement to the school board of each school district that the report identifies as either "necessary" or "advisable" to formation of the proposed union school district. Each board may review the report and proposed articles and may provide its comments to the study committee. The study committee has sole authority to determine the contents of the report and proposed articles and to decide whether to submit them to the State Board under subsection (b) of this section.

(b) If a study committee determines that it is advisable to propose formation of a union school district, then the committee shall transmit the report and proposed articles of agreement to the Secretary who shall submit them with recommendations to the State Board.

(c)(1) The State Board:

(A) shall consider the study committee's report and proposed articles of agreement and the Secretary's recommendations;

(B) shall provide the study committee an opportunity to be heard;

(C) may ask the Secretary or the study committee, or both, to make further investigation and may consider any other information the State Board deems to be pertinent; and

(D) may request that the study committee amend the report or the proposed articles of agreement, or both.

(2) If the State Board finds that formation of the proposed union school district is in the best interests of the State, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then it shall approve the study committee's report and proposed articles of agreement, together with any amendments, as the final report and proposed articles of agreement, and shall give notice of its action to the study committee.

(d) The chair of the study committee shall file a copy of the approved final report and proposed articles of agreement with the clerk of each school district identified as "necessary" or "advisable" at least 30 days prior to the vote of the electorate on whether to form the union school district.

§ 710. VOTE TO FORM UNION SCHOOL DISTRICT

Subject to the provisions of subsections 706(c) (proposal to form study committee; existing union school districts) and 708(b) (study committee; necessary and advisable districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to form the proposed union school district, as follows:

(1) The vote shall be held on the date specified in the final report.

(2) The vote shall be by Australian ballot.

(3) The vote shall be at separate school district meetings held on the same day.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 shall be provided.

(5) The board of each school district voting on the proposal shall warn the vote either as a special meeting of the school district or as part of its annual meeting.

§ 711. VOTE TO ELECT INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

(a) Election of initial members of union school district board. At the meeting warned to vote on formation of a union school district under section 710 of this chapter, the voters shall also elect the initial members who will serve on the board of the union school district if the voters approve the district's formation.

(1) The vote to elect the initial members shall be by Australian ballot.

(2) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 shall be provided.

(b) Representation and term length. Initial membership on a union school district board shall be pursuant to the method of representation set forth in the articles of agreement, for the terms specified in that document, and pursuant to the provisions of this section and subdivisions 708(c)(9) and (10) (study committee; proposed articles of agreement; apportionment and terms) of this chapter.

(c) Operational definitions. As used in subsections (d) and (e) of this section, any term not defined in section 702 of this chapter shall have its plain meaning, except as provided in this subsection.

(1) If, pursuant to section 425 (other town school district officers) of this title, the voters of a school district have elected a district clerk who is not also the clerk of the town served by the school district, then "town clerk" means the elected clerk of that school district.

(2) Notwithstanding subdivision (1) of this subsection, if a potential forming district is an existing unified union school district, then:

(A) Reference to the voters of the "school district" means the voters of each town within the existing unified union school district, who shall vote at a location in their town of residence that is identified in the warning issued by the existing unified union school district; provided, however, that the total of all votes cast in the towns shall determine the modified at-large and at-large election of initial board members pursuant to subdivisions (d)(2) (proposed unified union district; modified at-large), (d)(3) (proposed union district; at-large), (e)(2) (proposed union elementary or union high school district; modified-at large), and (e)(3) (proposed union elementary or union high school district; at-large) of this section, as well as whether the existing unified union

school district approves formation of the new unified union school district.

(B) "Town clerk" means the clerk of each town within the existing unified union school district; provided, however, that the town clerk of each town shall transmit the name of each duly nominated candidate to the clerk of the existing unified union school district, who shall prepare the unified union school district ballot for that town and transmit the ballot to the town clerk to make available to the voters.

(3) Notwithstanding subdivision (1) (clerk of school district) of this subsection, if a town is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, and does not have a town school district board, then:

(A) reference to the voters of the "school district" means the voters of the town that is the member of both existing union school districts, who shall vote at a location in their town of residence that is identified in the warning issued by:

(i) the existing union elementary school district if the voters are voting on a proposed unified union school district or a proposed union elementary school district; or

(ii) the existing union high school district if the voters are voting on a proposed union high school district; and

(B) "town clerk" means the clerk of the town that is a member of both existing union school districts; provided, however, that the town clerk shall transmit the name of each duly nominated candidate to the clerk of the union school district identified in subdivision (A) of this subdivision (3), who shall prepare the ballot for that town and transmit the ballot to the town clerk to make available to the voters.

(d) Proposed unified union school district. Subject to the provisions of subsections 706(c) (existing union school districts) and 708(b) (necessary and advisable school districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to elect initial board members of a proposed unified union school district, as follows

(1) Proportional to town population. When representation on the board of a proposed unified union school district is apportioned to each potential town within the proposed district in a number that is closely proportional to the town's relative population:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member based on town population. A petition shall be valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk of the town in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) The town clerk shall place the name of each duly nominated candidate on the ballot to be presented to the voters of the school district.

(C) The voters of the school district for the town in which the candidate resides shall elect as many board members to the unified union school board as are apportioned based on the town's population.

(2) Modified at-large model: allocation to town; at-large representation. When representation on the board of a proposed unified union school district is allocated to each potential town within the proposed district, but the allocation is not closely proportional to the town's relative population and the board member is elected at-large:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member allocated to the voters' town. A petition shall be valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk of the town in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a unified union school district board member allocated to a potential town within the proposed district but to be elected at-large under the modified at-large model, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed unified union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the board members to be elected at-large under the modified at-large model; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(3) At-large representation. When representation on the board of a proposed unified union school district is not apportioned or allocated to the potential towns within the proposed district pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection and the board member is elected at-large:

(A) The voters of one or more school districts identified as "necessary" to formation of the proposed unified union school district shall file a petition nominating a candidate for the office of unified union school district board member at-large. A petition shall be valid only if:

(i) the candidate is a current voter of a school district identified as "necessary" to the formation of the proposed union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in one or more school districts identified as "necessary" to the formation of the proposed unified union school district;

(iv) the voters file the petition with the town clerk in the "necessary" school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a unified union school district board member elected at-large, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed unified union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the members to be elected at-large; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(e) Proposed union elementary or union high school district. Subject to the provisions of subsections 706(c) (existing union school districts) and 708(b) (necessary and advisable school districts) of this chapter, the voters of each school district identified as "necessary" or "advisable" shall vote whether to elect initial board members of the proposed union school district, as follows:

(1) Proportional to town population. When representation on the board of a proposed union elementary or union high school district is apportioned to each potential member district of the proposed district in a number that is closely proportional to the potential member district's relative population:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member representing the potential member district. A petition shall be valid only if:

(i) the candidate is a current voter of the potential member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the potential member district or one percent of the legal voters in the district, whichever is less;

(iv) the petition is filed with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) The town clerk shall place the name of each duly nominated candidate on the ballot to be presented to the voters of the potential member district.

(C) The voters of the district shall elect as many board members as are apportioned to the potential member district based on population.

(2) Modified at-large model: allocation to town; at-large representation. When representation on the board of a proposed union elementary or union high school district is allocated to each potential member district, but the allocation is not closely proportional to the potential member district's relative population and the board member is elected at-large:

(A) Voters of each school district identified as either "necessary" or "advisable" to formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member allocated to the potential member district. A petition shall be valid only if:

(i) the candidate is a current voter of the potential member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the potential member district or one percent of the legal voters in the district, whichever is less;

(iv) the petition is filed with the town clerk of the school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for union school district board member allocated to a potential member district but to be elected at-large under the modified at-large mode, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the potential member district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable"

school district voting on formation of the proposed union school district to place the candidate's name on the ballot presented to the voters in those districts. Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed unified union school district shall vote for the board members to be elected at-large under the modified at-large model; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(3) At-large representation. When representation on the board of a proposed union elementary or union high school district board is not apportioned or allocated to the potential member districts pursuant to subdivision (1) (proportional to town population) or (2) (modified at large) of this subsection and the board member is elected at-large:

(A) The voters of one or more school districts identified as "necessary" to the formation of the proposed union school district shall file a petition nominating a candidate for the office of union school district board member at-large. A petition shall be valid only if:

(i) the candidate is a current voter of a school district identified as "necessary" to the formation of the proposed union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in one or more school districts identified as "necessary" to the formation of the proposed union school district;

(iv) the petition is filed with the town clerk in the "necessary" school district in which the candidate resides not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) Upon receipt of a petition for a union school district board member to be elected at-large, the town clerk shall place the name of the duly nominated candidate on the ballot to be presented to the voters of the school district and shall notify the town clerks preparing the ballots for the voters of each of the other "necessary" school districts and of each "advisable" school district voting on formation of the proposed union school district to place the candidate's name on the ballot presented to the voters in those districts.

Alternatively, at their discretion, the town clerks may meet jointly to prepare a uniform ballot.

(C) The voters of each "necessary" school district and of each "advisable" school district voting on formation of the proposed union school district shall vote for the board members to be elected at-large; provided, however, that ballots shall be included in the calculation of total votes cast pursuant to the provisions of subdivision 714(a)(2) (calculation of votes) of this chapter.

(f) Weighted voting. If representation on a union school district board is apportioned based upon population pursuant to subdivision (d)(1) or (e)(1) of this section, then the union school district may achieve proportionality through a system of weighted voting.

§ 712. CONTENTS OF WARNING ON VOTES TO ESTABLISH THE UNION SCHOOL DISTRICT AND ELECT THE INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

The warning for each school district meeting to vote on formation of a union school district shall contain two articles in substantially the following form. The language used in Article 1 shall be the same for each "necessary" and "advisable" district voting on formation of the new district. Article II of the warning shall not include names of candidates for the union school district board.

WARNING

The voters of the _____ School District are hereby notified and warned to meet at _____ on the __ day of _____, 20__, to vote by Australian ballot between the hours of _____, at which time the polls will open, and _____, at which time the polls will close, upon the following articles of business:

Article I. FORMATION OF UNION SCHOOL DISTRICT

Shall the _____ School District, which the proposed articles of agreement have identified as ["necessary" or "advisable"] to the formation of the proposed union school district, join with the school district[s] of _____ and _____, which are identified as "necessary" to formation, and potentially the school district[s] of _____ and _____, which are identified as "advisable" to formation, for the purpose of forming a union school district, as provided in Title 16, Vermont Statutes Annotated, upon the following conditions and agreements:

(a) Grades. The union school district shall be organized to provide for the education of resident students in grades _____ through _____ and shall assume full and sole responsibility therefor on July 1, 20__.

(b) Operation of schools. The union school district shall operate and manage one or more schools offering instruction in grades _____ through _____. [Amend as necessary if the district will pay tuition for any or all grades for which it is organized.]

(c) Union school district board. [State method by which representation of each member of the union school board is to be determined pursuant to section 711 (vote to elect initial members) of this chapter.]

(d) Assumption of debts and ownership of school property. The union school district shall assume the indebtedness of forming districts, acquire the school properties of the forming districts, and pay for them, all as specified in the final report and proposed articles of agreement.

(e) Final report. The provisions of the final report and proposed articles of agreement approved by the State Board of Education on the __ day of _____, 20__, which is on file in the office of the clerk of each school district named in this warning, shall govern the union school district.

Article II. ELECTION OF INITIAL MEMBERS OF THE UNION SCHOOL DISTRICT BOARD

To elect a total of _____ (_) member(s) to serve as initial members of the proposed union school district board for the terms established in the final report and proposed articles of agreement: [Amend as necessary to reflect method for determining school board membership pursuant to section 711 (vote to elect initial members) of this chapter.]

(a) [Insert number] Board Member[s] to serve until the second annual meeting of the union school district, in 20__.

(b) [Insert number] Board Member[s] to serve until the third annual meeting of the union school district, in 20__.

(c) [Insert number] Board Member[s] to serve until the fourth annual meeting of the union school district, in 20__.

§ 713. CERTIFICATION OF VOTES; DESIGNATION OF DISTRICT AS UNION SCHOOL DISTRICT; RECORDING BY SECRETARY OF STATE

(a) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each school district voting on the proposal to form a union school district shall

certify the results of that vote to the Secretary of Education. The clerk shall submit the certification regardless of whether the district voters approved the proposed formation of a union school district.

(b) If the voters voting in each school district identified as "necessary" to formation of the proposed union school district vote to form the district, then the "necessary" school districts constitute a union school district, together with any school district designated as "advisable" that votes to form the proposed union school district.

(c) If the voters approve formation of a union school district pursuant to subsection (b) of this section, then upon receiving the certification of each clerk pursuant to subsection (a) of this section, but not sooner than 30 days after the initial vote, the Secretary shall designate the newly formed district as a union school district. The Secretary shall certify that designation and send the certification together with the clerks' certifications to the Secretary of State, who shall record the certification.

(d) When the Secretary of State records the certification of the Secretary of Education, the union school district shall be a body politic and corporate with the powers incident to a municipal corporation, shall be known by the name or number given in the recorded certification, by that name or number may sue and be sued, and may hold and convey real and personal property for the use of the union school district. The recorded certification shall be notice to all parties of the formation of the union school district with all the powers incident to such a district as provided in this title.

(e) The Secretary of State shall file a certified copy of the recorded certification with the clerk of each member district of a new union elementary or union high school district and with the town clerk of each town within a new unified union school district. The Secretary of State shall file the certified copies not later than 14 days after the date on which the Secretary of Education certifies the existence of the union school district to the Secretary of State. Filing a certified copy with each clerk shall be prima facie evidence of full compliance with the requirements for the formation of a union school district as set forth in this subchapter.

§ 714. INITIAL MEMBERS OF UNION SCHOOL DISTRICT BOARD; TALLYING OF AT-LARGE VOTES; OATH OF OFFICE AND ASSUMPTION OF DUTIES

(a) Tallying of at-large votes for initial members of board. If the voters have elected some or all of the initial members of the union school district board under either model involving at-large voting as set forth in subdivision 711(d)(2) (proposed unified union school district; modified at-large), (d)(3)

(proposed unified union school district; at-large), (e)(2) (proposed union elementary or union high school district; modified at-large), or (e)(3) (proposed union elementary or union high school district; at-large) of this chapter, then the total votes cast for each of the at-large candidates shall be calculated as follows:

(1) Within seven days after the vote, the clerk of each school district voting on the proposal to form a union school district shall transmit electronically to the Secretary of Education the total number of votes cast in that school district for each at-large candidate.

(2) The Secretary shall calculate the total votes cast for each candidate and transmit those calculations to the clerks for verification. Ballots cast by the voters of any "advisable" district that does not approve the proposal to form a new union school district shall not be included in the calculation.

(3) When each clerk has verified the calculations, the Secretary shall prepare and execute a certification of the votes cast for each candidate.

(b) Notification. If the voters approve formation of a new union school district, then within 30–45 days after the vote or 15 days after a vote to reconsider the original vote to form the district, whichever is later, the notification of the election of initial board members shall be sent to the Secretary of State as follows:

(1) The clerk of each forming district shall transmit the names of board members elected in a manner that is proportional to town population as set forth in subdivision 711(d)(1) (proposed unified union district; proportional to town population) or (e)(1) (proposed union elementary or union high school district; proportional to town population) of this chapter.

(2) The Secretary of Education shall transmit the names of board members elected under either model involving at-large voting.

(c) Oath of office; assumption of duties; election of chair and clerk. The superintendent of the supervisory union serving the new union school district shall cause the initial board members to be sworn in. Although the swearing-in may occur prior to the organizational meeting required by section 715 of this chapter, it shall not occur before the Secretary of State files the certified copy of the recorded certification with each clerk pursuant to subsection 713(e) of this chapter. The initial board members shall assume office upon being sworn in and shall meet to elect one of their number to serve as the board chair and one other of its number to serve as the board clerk, and to transact any other business within its jurisdiction; provided, however, such meeting shall not occur prior to the organizational meeting required by section 715.

§ 715. ORGANIZATIONAL MEETING; NOTICE; BUSINESS TO BE TRANSACTED

(a) Meeting. The union school district shall hold an organizational meeting within 60 days after the Secretary of State files the certified copy of the recorded certification with each clerk pursuant to subsection 713(e) of this chapter.

(b) Notice.

(1) The Secretary of Education shall prepare and execute a warning for the organizational meeting. The warning shall give notice of the day, hour, and location of the meeting and shall itemize the business to be transacted.

(2) The Secretary of Education shall transmit the signed warning to the superintendent, who shall post the warning in at least one public place in each town within the union school district and shall cause the warning to be published once in a newspaper of general circulation in the towns within the union school district. Posting and publication shall be made not more than 40 days nor less than 30 days before the date of the meeting.

(3) The union school district shall bear the cost of posting and publishing the warning.

(c) Business to be transacted.

(1) The Secretary or a person designated by the Secretary shall call the organizational meeting to order and the registered voters shall consider the following items of business:

(A) Elect a temporary presiding officer and a temporary clerk of the union school district from among the voters present at the organizational meeting.

(B) Adopt Robert's or other rules of order, which shall govern the parliamentary procedures of the organizational meeting and all subsequent meetings of the union school district.

(C) Elect a moderator of the union school district from among the voters.

(D) Elect a clerk of the union school district from among the voters or vote to authorize the school board to appoint a clerk of the union school district from among the voters.

(E) Elect a treasurer of the union school district or vote to authorize the school board to appoint a treasurer of the union school district. The treasurer may also be the supervisory union treasurer and need not be a resident of the union school district.

(F) Determine the date and location of the union school district's annual meeting, which shall be not earlier than February 1 nor later than June 1, if not previously determined by the voter-approved articles of agreement.

(G) Determine whether compensation shall be paid to the moderator, clerk, and treasurer of the union school district elected at the organizational meeting and at subsequent annual meetings of the union school district and, if so, the amount to be paid to them.

(H) Determine whether compensation shall be paid to members of the union school district board and, if so, the amount to be paid to them.

(I) Establish provisions for payment by the union school district of any expense incurred or to be incurred by or on behalf of the district for the period between the date on which the voters approved formation of the union school district and the first annual meeting of the union district.

(J) Determine whether to authorize the initial board of the union school district to borrow money pending receipt of payments from the Education Fund by the issuance of its note payable not later than one year from the date of the note. Regardless of whether the voters provide this authorization, the initial board is authorized to borrow sufficient funds to meet pending obligations until the voters approve a budget for the initial year of operation pursuant to subdivision 716(b)(3) of this chapter.

(K) Transact any other business, the subject matter of which has been included in the warning, that the voters have power to transact at any annual or special meeting and transact any nonbinding business that may legally come before the voters.

(2) When there is only one nominee for temporary presiding officer, temporary clerk, moderator, district clerk, or district treasurer, the voters may, by acclamation, instruct an officer to elect the nominee by casting one ballot, and upon the ballot being cast, the nominee shall be legally elected and shall thereupon be sworn.

(3) The elected officers listed in subdivisions (1)(A) (temporary presiding officer and temporary clerk), (C) (moderator of the union school district), (D) (clerk of the union school district), and (E) (treasurer of the union school district) of this subsection shall be sworn in before entering upon the duties of their offices and a record made by the district clerk. They shall

assume office upon being sworn in. The officers listed in subdivisions (1)(C), (D), and (E) of this subsection shall serve terms as set forth in section 735 (unified union school districts; officers) or 753 (union elementary and union high school district; officers) of this chapter unless the voters extend the term length up to three years.

(4) Any member of the union school district board not sworn in before the organizational meeting pursuant to section 714 of this chapter may be sworn in at or after the organizational meeting.

Article 2. Transition; Dissolution, Reorganization, and Discontinuation of Forming Districts; Sale of Real Property; Supervisory Unions and Supervisory Districts

§ 716. TRANSITION TO FULL OPERATIONS

(a) Operational date. The operational date of a union school district is the July 1 next following the date on which the voters vote to approve formation of the district, unless the voter-approved articles of agreement establish a different date.

(b) Roles and authority during transitional period. During the transitional period:

(1) The forming districts, through their boards, shall continue to be responsible for the education of their respective resident students.

(2) The board of the new union school district shall develop school district policies; adopt curriculum, educational programs, assessment measures, and reporting procedures; negotiate and enter into contractual agreements; negotiate and enter into collective bargaining agreements; set the school calendar for the fiscal year that begins on the operational date; prepare and present to the voters the proposed budget for the fiscal year that begins on the operational date; prepare for the annual and any special meetings of the new union school district that may occur during the transitional period; and transact any other lawful business coming before it.

(3) During the transitional period and continuing until the voters approve a budget for the initial fiscal year of operation, the board of the new union school district shall have the authority to borrow sufficient funds to meet pending obligations. The board shall vote whether to include the total sum borrowed under this subsection as education spending in the board's proposed budget for the initial fiscal year or to treat the sum as a deficit pursuant to 24 V.S.A. § 1523(b) (municipal and county government; duties of selectboards as to a deficit).

(c) Assets.

(1) Definition. For purposes of this subsection, the "assets" of a forming district shall include all real and personal property, operating fund accounts, special fund accounts, trust fund accounts, accounts receivable, and any other property to which the forming district holds title or over which it has control.

(2) Transfer and acquisition of title. On or before the operational date, the forming districts shall transfer and the union school district shall acquire ownership of all assets of the forming districts that are owned by the forming districts on or before the June 30 immediately preceding the operational date, unless the voter-approved articles of agreement explicitly provide for an alternative disposition of a specific asset. The transfer of an asset shall be subject to all encumbrances and conditions of record, unless the voter-approved articles of agreement explicitly provide otherwise.

(3) Prohibition. A forming district shall not transfer ownership of an asset to any entity other than the union school district between the date on which the vote occurs pursuant to section 710 (vote to form union school district) of this chapter and the operational date unless explicitly authorized in the voter-approved articles of agreement or approved by the voters of the union school district during the transitional period.

(4) Trust funds. A union school district shall hold and apply all trust funds transferred to it by a forming district as the terms of the trust indicate. If the trust allows, a union school district may use the funds to benefit union school district students who reside, or buildings that are located, outside the geographical boundaries of the forming district that originally held the trust.

(5) Reserve funds. A union school district shall hold and apply all reserve funds transferred to it by a forming district pursuant to the conditions imposed prior to the date on which the forming district voted to approve formation of the union school district.

(d) Liabilities.

(1) Definition. For purposes of this subsection, the "liabilities" of a forming district shall include all contractual obligations, all indebtedness including principal and interest, and any other legal commitment of a forming district.

(2) Transfer and assumption of liabilities. On or before the operational date, the forming districts shall transfer and the union school district shall assume all liabilities of the forming districts that exist on the June 30 immediately preceding the operational date, unless the voter-approved articles

of agreement explicitly provide otherwise.

(3) Prohibition. Notwithstanding the provisions of subdivision (2) of this subsection (d), a union school district shall not assume liabilities that a forming district incurs between the date on which the vote occurs pursuant to section 710 (vote to form union school district) of this chapter and the operational date unless explicitly authorized in the voter-approved articles of agreement or approved by the union school district board during the transitional period; provided, however, that a union school district shall in all cases assume the contractual obligations of the member districts regarding each collective bargaining agreement or other employment contract entered into during the transitional period until the agreement's or contract's expiration.

(e) Unpaid expenses. At the district's first annual meeting following assumption of full operations or at a later meeting as necessary, the voters of a new union school district shall vote a sum sufficient to pay any unpaid balance of expenses, as defined in subdivision 715(c)(1)(H) of this chapter, that was incurred by or on behalf of the union school district during the transitional period.

§ 717. DISSOLUTION, REORGANIZATION, AND DISCONTINUATION OF FORMING DISTRICTS

(a) Unified union school district; dissolution of forming districts. On its operational date, a unified union school district shall supplant all forming districts and the forming districts shall cease to exist; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the supplanted forming districts and their boards may continue to exist for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new unified union school district.

(b) Union Elementary and Union High School Districts.

(1) Reorganization of forming districts. On its operational date, a union elementary or union high school district shall supplant each forming district for the grades for which the union elementary or union high school district is organized (the supplanted grades). Each forming district shall cease to be organized to provide for education in the supplanted grades but shall continue to be responsible for the other grades for which it is organized; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the forming districts and their boards may continue to exist for the supplanted grades for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be

performed by the new union elementary or union high school district.

(2) Dissolution of forming districts. If a forming district is organized to provide for education solely in the grades for which the new union elementary or union high school district is organized and the forming district is a member district of another union school district for all other grades, prekindergarten through grade 12, then the forming district shall cease all educational operations on the new union district's operational date, the new union school district shall assume all powers and responsibilities of the forming district, and the forming district shall cease to exist; provided, however, that if the voter-approved articles of agreement explicitly provide for it, then the forming district and its board may continue to operate for up to six months after the operational date for the sole purpose of completing any outstanding business that cannot legally be performed by the new union elementary or union high school district.

§ 718. TRANSFER OF REAL PROPERTY TO TOWN IN WHICH IT IS LOCATED

If the original voter-approved articles of agreement require sale of real property to the town in which the property is located and the sale is scheduled to occur after the operational date, or if after the operational date and after completing any statutory and contractual prerequisites the union school district offers to sell any of its real property to the town in which the property is located, then the town may assume title to the real property for a price that is less than the fair market value only as follows:

(1) The conveyance to the town shall be made subject to all encumbrances of record, the assumption or payment of all outstanding bonds and notes, and the repayment of any school construction aid or grants that may be required by law if any such obligation was incurred before the operational date.

(2) The conveyance to the town shall be conditioned upon the town owning and using the real property for community and public purposes for a minimum of five years.

(3) If the town sells the real property prior to five years of ownership, then the town shall compensate the union school district for all capital improvements and renovations initiated after the operational date and prior to the sale to the town.

§ 719. SUPERVISORY UNION; SUPERVISORY DISTRICT

(a) The State Board shall assign each union school district formed under this chapter to a supervisory union for administrative, educational, and

planning services, effective on the day on which the union school district becomes a body politic and corporate pursuant to subsection 713(d) (Secretary of State records the certification of the Secretary of Education) of this chapter.

(b) If a union school district formed under this chapter is a unified union school district, then the State Board may designate it as a supervisory district pursuant to the provisions of this title, to be effective not earlier than the operational date of the unified union school district.

(c) If a supervisory union includes at least one district that is a unified union school district, then the State Board, on its own initiative or at the request of the board of the supervisory union or the board of one or more districts in the supervisory union, may at any time, adjust the supervisory union board representation required by section 266 of this title to more fairly and accurately reflect the relative number of students for which each district is responsible and the grades for which the district operates a school or schools.

Article 3. Changes in Union District Membership and Other Amendments to Articles of Agreement

§ 721. JOINING AN EXISTING UNION SCHOOL DISTRICT

(a) Action initiated by district outside the union school district.

(1) After preliminary study, if the board of a school district determines that it would be advisable to join an existing union school district, then the board of the interested school district shall request approval of the State Board to pursue this possibility.

(2) If the State Board determines that it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title for the interested school district to join the existing union school district, then at a meeting of the interested school district warned for the purpose, the voters shall vote whether to apply to the existing union school district for admission.

(3) If the voters of the interested school district approve the proposal to apply to the union school district for admission, then the clerk of the interested school district shall certify the results of the vote to the Secretary and to the clerk of the union school district.

(4) If the voters of the union school district approve the application of the school district within two years after the vote in subdivision (2) of this subsection, then the clerk of the union school district shall certify the results of the vote to the Secretary.

(b) Action initiated by union school district.

(1) After preliminary study, if the board of a union school district determines that it would be advisable to enlarge the district, then the board of the union school district shall submit a plan to the State Board requesting approval to incorporate a distinct school district into the union school district.

(2) If the State Board determines that it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title for the school district to join the existing union school district, then at a union school district meeting warned for the purpose, the voters shall vote whether to enlarge the union school district to include the school district.

(3) If the voters of the union school district approve the proposal to include the school district, then the clerk of the union school district shall certify the results of that vote to the Secretary and to the clerk of the school district.

(4) If the voters of the school district approve the offer to join the union school district within two years after the vote in subdivision (2) of this subsection, then the clerk of the school district shall certify the results of the vote to the Secretary.

(c) Certification; Secretary of State. Upon receipt of the clerk's certification pursuant to subdivision (a)(4) (school district application approval) or (b)(5) (school district approval of offer to join the union school district) of this section, the Secretary of Education shall designate the existing union school district to be enlarged pursuant to the votes and shall certify the enlargement to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the union school district shall be enlarged accordingly, although the union school district and the school district that will join it may decide in advance of the votes that the enlarged union school district shall have a later operational date. The Secretary of State shall file a certified copy of the recorded certification with the clerks of the union school district and of the district that is joining it. The Secretary of State shall file the certified copies not later than 14 days after the date the Secretary of Education certifies the designation to the Secretary of State. Filing a certified copy with each clerk shall be prima facie evidence of full compliance with the requirements for enlarging an existing union school district as set forth in this section.

(d) Powers and responsibilities. A union school district enlarged pursuant to this section shall have all the powers and responsibilities given to a union school district by this title. Unless otherwise approved by the voters of the union school district and the school district that will join it, if the operational

date is delayed pursuant to an agreement under subsection (c) of this section, then the joining school district shall share in the expenses of the union school district beginning on the date the Secretary of State records the certification of the Secretary of Education.

(e) Australian ballot. All votes of the electorate under this section shall occur by Australian ballot.

§ 722. AMENDMENTS TO ARTICLES OF AGREEMENT

(a) The union school district voters. Only the voters of a union school district may amend a specific condition or agreement in the district's articles of agreement if the condition or agreement was set forth as a distinct subsection in the warning required by section 712 (warning on vote to establish union school district and elect initial members of the board) of this chapter to form the union school district or in a subsequent warning to amend the articles pursuant to this section, which the voters approved.

(b) The union school district board. The board of a union school district may amend a specific condition or agreement in the district's articles of agreement only if the condition or agreement was not set forth as a distinct subsection in a warning required in subsection (a) of this section, but was instead incorporated into the warning by reference pursuant subsection 712(e) of this chapter (warning on vote to establish union school district and elect initial members of the board), or if the original articles of agreement or voter-approved amendments authorize the board to amend a specific condition or agreement.

(c) Reduction of grades operated. Notwithstanding the provisions of subsection (a) (union school district voters) of this section, the voters shall not vote whether to reduce the grades that the union school district operates, and to begin paying tuition for those grades, unless the State Board finds it is in the best interests of the State, the students, and the districts involved and aligns with the policy set-forth in section 701 of this title and gives prior approval to the proposed amendment.

(d) Number of board members. Notwithstanding the provisions of subsections (a) (union school district voters) and (b) (union school district board) of this section, if membership on a union school district board is proportional to town population as set forth in subdivisions 711(d)(1) (proposed unified union school district) and (e)(1) (proposed union elementary or union high school district) of this chapter, and if the district's articles of agreement direct the board to adjust board membership when necessary to conform to each new decennial census, then the board shall amend the articles to adjust the apportionment of board seats without presenting the amendment

to the voters for approval.

(e) Districts created by State Board order. Notwithstanding the provisions of subsections (a) (union school district voters) and (b) (union school district board) of this section, the authority to amend the articles governing any union school district formed by the State Board's Final Report and Order issued on November 30, 2018 pursuant to 2015 Acts and Resolves No. 46, as amended, vests either with the electorate or the board pursuant to the provisions of Article 14, as that article was issued by the State Board or subsequently amended by the voters of the union school district.

(f) Process. A vote by the voters of a union school district to amend the articles of agreement shall be by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–742 (vote by Australian ballot) of this chapter for unified union school districts and sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) for union elementary and union high school districts. The warning shall contain each proposed amendment as a distinct question to be determined separately. The provisions of this subsection shall not apply to any issue to the extent that a different section of law provides a specific amendment procedure.

§ 723. DECISION TO VOTE BY AUSTRALIAN BALLOT

(a) If a union school district's articles of agreement do not provide that the election of board members or district officers, budget votes, or votes on other public questions shall proceed by Australian ballot, then the voters of a union school district may vote to do so at any annual or special meeting of the union school district where the question has been duly warned.

(b) Any category of vote to be taken by Australian ballot shall proceed in this manner in all towns within or member districts of a union school district.

(c) If voting in a unified union school district proceeds by Australian ballot, then the provisions of sections 739–742 (vote by Australian ballot) of this chapter shall apply to all votes taken by Australian ballot.

(d) If voting in a union elementary or union high school district proceeds by Australian ballot, then the voters shall also determine whether the ballots shall be commingled prior to counting total votes cast by Australian ballot in the union district.

(1) If the voters determine that the ballots shall not be commingled for counting in this manner, then the board of civil authority of each town within the union elementary or union high school district shall count the ballots cast in that town and report that town's results to the clerk of the union elementary

or union high school district, who shall calculate the total votes cast within the district and report the total result to the public.

(2) If the voters determine that the ballots shall be commingled for counting, then the ballots shall be deposited in separate ballot boxes at each polling location and the provisions of sections 757–759 (vote by Australian ballot) of this chapter shall apply.

(e) The vote on whether to proceed by Australian ballot shall be taken by paper ballot.

(f) Unless clearly inconsistent, the provisions of 17 V.S.A. chapter 55 shall apply to actions taken under this section.

§ 724. WITHDRAWAL FROM OR DISSOLUTION OF A UNIFIED UNION SCHOOL DISTRICT

(a) Definition. As used in this section, "petitioning town" means the town within a unified union school district that seeks to withdraw from the union district pursuant to the provisions of this section.

(b) Withdrawal study committee.

(1) To initiate the process set forth in this section, the voters residing in the petitioning town shall submit petitions to the clerk of the unified union school district indicating the petitioners' desire to withdraw the petitioning town from the union district. Individual petitions shall be signed by at least five percent of the voters residing in each of the towns within the union school district, with each town having its own petition. The petitioners shall submit each petition to that town's town clerk for verification of the voting registration status of the signors. On a form created by the Secretary of State's Office, and appended to each petition, shall be the names of three voters residing in the petitioning town to serve on a withdrawal study committee and a signed statement by each of the three named voters consenting to serve. Once each petition has been verified by the subject town clerk, the petitioners shall submit the petitions to the clerk of the unified union school district.

(2) Within 30 days after receiving the petition, the board of the union district shall recognize the creation of the withdrawal study committee and shall appoint a board subcommittee to serve as a liaison between the board and the withdrawal study committee and to represent the interests of the union district.

(3) Within 30 days after the board's appointment of the liaison subcommittee, the superintendent of the union district shall convene the first formal meeting of the withdrawal study committee. The study committee shall elect one committee member to serve as chair.

(4) Before beginning any analysis under subsection (c) of this section or seeking technical or analytical services from the union district staff or supervisory union staff, or both, the withdrawal study committee shall obtain a letter of commitment from a supervisory union board to explore the provision of supervisory union services if withdrawal is ultimately approved.

(5) The withdrawal study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of chapter 5, subchapter 2 of that title.

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

(1) the educational advantages and disadvantages likely to result from the proposed withdrawal of the petitioning town from the union district:

(A) on the students residing in the proposed new school district; and

(B) on the students remaining in the union district if withdrawal is approved;

(2) the educational advantages and disadvantages likely to result from the continued inclusion of the petitioning town as a town within the union district:

(A) on the students residing in the petitioning town; and

(B) on the students residing in the other towns within the union district;

(3) the financial advantages and disadvantages likely to result from the proposed withdrawal of the petitioning town from the union district:

(A) on the taxpayers residing in the proposed new school district; and

(B) on the taxpayers remaining in the union district if withdrawal is approved;

(4) the financial advantages and disadvantages likely to result from the continued inclusion of the petitioning town as a town within the union district:

(A) on the taxpayers residing in the petitioning town; and

(B) on the taxpayers residing in the other towns within the union district;

(5) the likely operational and financial viability and sustainability of:

(A) the proposed new school district; and

(B) the union district if withdrawal is approved;

(6) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(7) the potential source of supervisory union services for the proposed new school district, including discussions with the board of any supervisory union to which the report of the withdrawal study committee might propose assignment.

(d) Report, including a plan for withdrawal; decision not to prepare report.

(1) Report supporting withdrawal.

(A) If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes to advance the withdrawal process as further outlined in this section, then the committee shall prepare a report, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website.

(B) At a minimum, the report shall include:

(i) the analysis conducted pursuant to subsection (c) of this section, describing the ways in which the data and analysis:

(I) support withdrawal; and

(II) do not support the continuation of the union district in its current configuration;

(ii) the proposed financial terms of withdrawal, including the proposed ownership of buildings and other assets and the proposed responsibility for financial and other contractual obligations, including debts;

(iii) a plan, including a detailed timeline, for the actions the proposed new school district would take to ensure that, on a proposed operational date, it could provide for the education of its students in prekindergarten through grade 12 by operating all grades, tuitioning all grades, or operating some grades and tuitioning the remainder, in a manner that will meet educational quality standards as required by section 165 of this title, and including, if applicable, the process by which the proposed new school district would explore formation of a new union school district with one or more other school districts in the region and would integrate or condition any votes to withdraw with votes on formation of a new union district; and

(iv) a proposal, including analysis, for the potential source of supervisory union services for the proposed new school district, including, if applicable to the proposal:

(I) a recommendation of one or more potential supervisory unions to which the State Board could assign the proposed new school district; and

(II) a statement from the board of the potential supervisory union or unions regarding the ability and willingness to accept the proposed new school district as a member district.

(C) Within 45 days following receipt of the withdrawal study committee report, the union district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of its report and to answer any questions posed by the board. The board shall also invite the members of the liaison subcommittee to share any analysis and conclusions at the meeting. The withdrawal study committee has sole authority to determine the contents of its report.

(2) Decision not to propose withdrawal. If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes not to approve advancement of the withdrawal process, then:

(A) the withdrawal study committee shall prepare a brief written statement explaining the reasons underlying the votes supporting and not supporting advancement, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website;

(B) within 45 days following receipt of the withdrawal study committee report, the union district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of the written statement and to answer any questions posed by the board; and

(C) the withdrawal study committee shall cease to exist upon adjournment of the union district board's meeting.

(e) Secretary of Education review and opinion.

(1) Review by the Secretary. Within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, the withdrawal study committee shall deliver the report or reports electronically to the Secretary for review. The Secretary:

(A) shall consider the report or reports;

(B) shall provide representatives of the withdrawal study committee, the liaison subcommittee, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning town;

(C) may, in the Secretary's discretion, take testimony from other individuals and entities;

(D) may ask the withdrawal study committee, or the liaison subcommittee, to make further investigation and may consider any other information the Secretary deems to be pertinent; and

(E) may request that the members of the withdrawal study committee to amend the report.

(2) Advisory opinion of the Secretary with positive recommendation.

(A) If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then, within 90 days following receipt of the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(i) issue an opinion recommending approval of the withdrawal proposal;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding related and necessary to the withdrawal proposal.

(B) After the Secretary issues an opinion recommending approval of the withdrawal proposal, the proposal shall proceed to a vote of the electorate under subsection (g) of this section.

(3) Advisory opinion of the Secretary with negative recommendation. If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then, within 90 days

following receipt of the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(A) issue a written opinion recommending disapproval of the withdrawal proposal, including a written statement detailing the reasons supporting this conclusion;

(B) provide a preliminary assessment of the most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters;

(C) make any other finding related and necessary to the withdrawal proposal; and

(D) post the written opinion on the Agency of Education's website and transmit it electronically to the clerk of the union district. After receiving the Secretary's opinion, the study committee shall vote pursuant to subsection (f).

(f) State Board of Education final review.

(1) Study committee vote. Within 30 days following receipt of a negative advisory opinion from the Secretary, the clerk of the union school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting. Within 30 days following the public meeting, the study committee shall convene a meeting and vote whether to cease efforts to withdraw from the union district or whether to request review of the Secretary's advisory opinion by the State Board of Education for the withdrawal proposal to proceed to a vote of the electorate.

(2) Cease efforts to withdraw. If the study committee votes to cease efforts to withdraw from the union district, then the petitioning town shall remain a town within the union district, the withdrawal action initiated pursuant to this section is concluded, and the withdrawal study committee shall cease to exist upon adjournment of the meeting.

(3) Proceed with withdrawal; State Board of Education final review and vote. If the study committee votes to proceed with withdrawal, it shall petition the State Board of Education for final review of the Secretary's advisory opinion. The State Board shall review the report and plan of the study committee required under subsection (d) of this section, review the Secretary's written negative advisory opinion, and provide the study committee, the Secretary, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning

town. The State Board may, in its discretion, take testimony from other individuals and entities, including the union school district. Within 90 days after receiving the petition of the study committee, the State Board shall issue a final written decision and transmit the decision to the superintendent.

(A) Vote to approve. If the State Board finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts or aligns with the policy set forth in section 701 of this title, or both, then the State Board shall:

(i) approve the study committee report supporting withdrawal, together with any amendments, as the final report and proposal of withdrawal;

(ii) provide a preliminary assessment of the most feasible options for the provision of supervisory union services to the proposed new school district;

(iii) declare that the withdrawal process will proceed to a vote of the union district voters pursuant to subsection (g) of this section; and

(iv) make any other finding or declaration, and approve any other motion, related and necessary to the withdrawal proposal.

(B) Vote not to approve. If the State Board finds that the plan for withdrawal, including the most feasible options for the provision of supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then:

(i) the State Board shall not approve the report supporting withdrawal;

(ii) the process will not proceed to a vote of the electorate;

(iii) the petitioning town shall remain a town within the union district; and

(iv) the State Board's determination and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action.

(v) The withdrawal study committee shall cease to exist after the vote of the State Board.

(g) Vote of the electorate.

(1) Within 30 days following receipt of the Secretary's positive advisory opinion pursuant to subdivision (e)(2) of this section or within 30 days following the State Board's vote to approve the withdrawal proposal pursuant to subdivision (f)(3)(A) of this section, the superintendent shall file the withdrawal study committee's report, the Secretary's written advisory opinion, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union district and the town clerk of each town within the union district.

(2) Within 90 days after the clerk of the union district receives the reports and recommendations described in subdivision (2) of this subsection, the voters of the union district, including those residing in the petitioning town, shall vote whether to approve withdrawal as set forth in the report. The question shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–741 (vote by Australian ballot) of this chapter. The ballots shall not be commingled.

(3) Withdrawal from the union district shall occur if the question is approved by a majority vote of the union district voters living in each town within the district, including the petitioning town. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur.

(4) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each town within the union district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that town approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(h) Election of potential board members. On the day on which they vote whether to approve withdrawal, the union district voters residing in the petitioning town shall also vote for three individual registered voters from the petitioning town to serve as the initial members of the proposed new school district's board if withdrawal is approved. The nomination and election of the initial members shall proceed pursuant to subdivision 730(a)(1) of this chapter (election of board members under the proportional to town model by Australian ballot). The term of office for each initial member shall be arranged so that one term expires on the day of the second annual meeting of the proposed new school district, one term expires on the day of the third annual meeting, and one term expires on the day of the fourth annual meeting.

(i) State Board's duties if withdrawal is approved. If the union district voters approve withdrawal pursuant to subsection (g) of this section, then upon receiving notice from the Secretary pursuant to subdivision (g)(4) of this section, the State Board shall:

(1) Declare the withdrawal approved as of the date of the Board's meeting; provided, however, that withdrawal shall not be final until the date identified in the voter-approved proposal of withdrawal.

(2) Declare the creation and existence of the new school district, effective on the date of the Board's declaration; provided, however, that:

(A) the new school district shall assume full and sole responsibility for the education of its resident students on the date identified in the voter-approved proposal of withdrawal; and

(B) until the identified operational date, the new school district shall exist for the sole purposes of:

(i) convening an organizational meeting of the voters of the new school district to prepare the district to assume its responsibilities;

(ii) organizing the school board of the new school district, which shall be responsible for preparing a proposed budget for the fiscal year beginning on the identified operational date;

(iii) approving the budget of the new school district for the fiscal year beginning on the identified operational date; and

(iv) taking any other actions necessary, as district voters or as a school board, for the new school district to assume full responsibility for providing for the education of the district's resident students in all grades, prekindergarten through grade 12, on the identified operational date.

(3) Determine or set a schedule for determining the manner in which supervisory union services will be provided to the new school district, to be effective on the district's identified operational date.

(A) In addition to the considerations set forth in section 261 of this title, when the State Board makes its determination, it shall consider the potential positive and negative consequences on all affected districts and supervisory unions if supervisory union services were provided to the new school district in a manner that required:

(i) a union district serving as its own supervisory district to become a member of a multidistrict supervisory union; or

(ii) a neighboring supervisory union to accept one or more additional districts that the supervisory union testifies it is not able to accommodate.

(B) If assigned to a multidistrict supervisory union, then the board of the new school district may appoint its members to the supervisory union board pursuant to section 266 of this title, where they may participate as nonvoting members of that board until the new school district's operational date.

(j) Certification; Secretary of State. If the State Board declares the creation and existence of a new school district pursuant to subdivision (i)(2) of this section, then within 30 days following such action the Secretary of Education shall certify the adjustment of the towns within the union district to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the towns within the union district shall be adjusted accordingly; provided, however, that the voter-approved proposal of withdrawal shall establish the date on which withdrawal shall be final, the new school district shall assume full and sole responsibility for the education of its resident students, and the union school district shall no longer have responsibility for the education of those students. Not more than 14 days after the date the Secretary of Education certifies the adjustment, the Secretary of State shall file a certified copy of the recorded certification with the clerk of the union district and the clerk for the town in which the new school district is located. Filing a certified copy with the clerks shall be prima facie evidence of full compliance with the requirements for adjusting the union school district by withdrawal as set forth in this section.

(k) Timing of action.

(1) The voters residing in any town within a union district shall not initiate the withdrawal process set forth in this section within the first year after the latter of the operational date of a newly formed union district or, if applicable, the operational date of a union district adjusted pursuant to subsection (i) of this section.

(2) If a petitioning town's action to withdraw from a union school district is unsuccessful, then the voters residing in that town shall not initiate a new withdrawal action under this section until two years after either a withdrawal study committee votes not to approve advancement of the withdrawal process or the vote by the voters that concluded the initial withdrawal action.

§ 725. WITHDRAWAL FROM OR DISSOLUTION OF A UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT

(a) Definition. As used in this section:

(1) "Petitioning district" means:

(A) a member district of a union elementary or union high school district that seeks to withdraw from the union district pursuant to the provisions of this section; or

(B) a town that is a member of both a union elementary school district and a union high school district, is not independently organized as a district that is responsible for the education of students in any grade, does not have a town school district board, and that seeks to withdraw from a union elementary or union high school district pursuant to the provisions of this section.

(2) "New school district" means the petitioning district once the State Board has declared it to be withdrawn from the union elementary or union high school district.

(b) Withdrawal study committee.

(1) To initiate the process set forth in this section, the board of the petitioning district shall submit a petition to the clerk of the union elementary or union high school district indicating its desire to withdraw the petitioning district from the union district and identifying at least three board members of the petitioning district who will serve on a withdrawal study committee. The board of the petitioning district shall submit the petition to the clerk of the union school district after either a vote by the board of the petitioning district or receipt of individual petitions signed by at least five percent of the voters residing in the petitioning district and five percent of the voters residing in each of the other member districts within the union school district, with each member district having its own petition. The clerk of the petitioning district shall submit each petition to the subject member district's clerk for verification of the voting registration of the signors. Once each petition has been verified by the subject district clerk, the board of the petitioning district shall append the individual petitions to the withdrawal petition it sends to the clerk of the union district.

(2) To initiate the process set forth in this section if the petitioning district does not have a town school district board, the voters residing in the petitioning district shall submit petitions to the clerk of the unified union school district indicating the petitioners' desire to withdraw the petitioning district from the union district. Individual petitions shall be signed by at least

five percent of the voters residing in the petitioning district and five percent of the voters residing in each of the member districts within the union school district, with each district having its own petition. The petitioning district shall submit each petition to that district's clerk for verification of the voting registration status of the signors. On a form created by the Secretary of State's office, and appended to each petition, shall be the names of three voters residing in the petitioning district to serve on a withdrawal study committee and a signed statement by each of the three named voters consenting to serve. Once each petition has been verified by the subject district clerk, the petitioning district shall submit the petitions to the clerk of the union school district.

(3) Within 30 days after receiving the petition, the board of the union district shall recognize the creation of the withdrawal study committee and shall appoint a board subcommittee to serve as a liaison between the board and the withdrawal study committee and to represent the interests of the union district.

(4) Within 30 days after the board's appointment of the liaison subcommittee, the superintendent of the union district shall convene the first formal meeting of the withdrawal study committee. The study committee shall elect one committee member to serve as Chair.

(5) Before beginning any analysis under subsection (c) of this section or seeking technical or analytical services from the union district staff or supervisory union staff, or both, the withdrawal study committee shall obtain a letter of commitment from a supervisory union board to explore the provision of supervisory union services if withdrawal is ultimately approved.

(6) The withdrawal study committee is a public body pursuant to 1 V.S.A. § 310(4) and is subject to the requirements of chapter 5, subchapter 2 of that title.

(c) Analysis. The withdrawal study committee shall evaluate the strengths and challenges of the current union district structure and consider the ways in which the union district promotes or fails to promote the State policy set forth in section 701 of this chapter. At a minimum, the withdrawal study committee shall evaluate:

(1) the educational advantages and disadvantages likely to result from the proposed withdrawal of the petitioning district from the union elementary or union high school district:

(A) on the students residing in the proposed new school district; and

(B) on the students remaining in the union district if withdrawal is approved;

(2) the educational advantages and disadvantages likely to result from the continued inclusion of the petitioning district as a member district of the union elementary or union high school district:

(A) on the students residing in the petitioning district; and

(B) on the students residing in the other member districts of the union district;

(3) the financial advantages and disadvantages likely to result from the proposed withdrawal of the petitioning district from the union elementary or union high school district:

(A) on the taxpayers residing in the proposed new school district; and

(B) on the taxpayers remaining in the union district if withdrawal is approved;

(4) the financial advantages and disadvantages likely to result from the continued inclusion of the petitioning district within the union elementary or union high school district:

(A) on the taxpayers residing in the petitioning district; and

(B) on the taxpayers residing in the other member districts within the union district;

(5) the likely operational and financial viability and sustainability of:

(A) the proposed new school district; and

(B) the union elementary or union high school district if withdrawal is approved;

(6) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(7) the potential source of supervisory union services for the proposed new district, including discussions with the board of any supervisory union to which the report of the withdrawal study committee might propose assignment or the continuation of assignment.

(d) Report, including a plan for withdrawal; decision not to prepare report.

(1) Report supporting withdrawal.

(A) If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes to advance the withdrawal process as further outlined in this section, then the committee shall prepare a report, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website.

(B) At a minimum, the report shall include:

(i) the analysis conducted pursuant to subsection (c) of this section, describing the ways in which the data and analysis:

(I) support withdrawal; and

(II) do not support the continuation of the union elementary or union high school district in its current configuration;

(ii) the proposed financial terms of withdrawal, including the proposed ownership of buildings and other assets and the proposed responsibility for financial and other contractual obligations, including debts;

(iii) a plan, including a detailed timeline, for the actions the proposed new school district would take to ensure that, on the proposed operational date, it could provide for the education of its students in the grades for which the union elementary or union high school district is organized, in a manner that will meet educational quality standards as required by section 165 of this title, and including, if applicable, the process by which the proposed new school district would explore formation of a new union district with one or more other school districts in the region and would integrate or condition any votes to withdraw with votes on formation of a new union district; and

(iv) a proposal, including analysis, for the source of supervisory union services for the proposed new school district.

(C) Within 45 days following receipt of the study committee report, the union elementary or union high school district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of its report and to answer any questions posed by the board. The board shall also invite the members of the liaison subcommittee to share any analysis and conclusions at the meeting. The withdrawal study committee has sole authority to determine the contents of its report.

(2) Decision not to propose withdrawal. If, after conducting the analysis required by subsection (c) of this section, the withdrawal study committee votes not to approve advancement of the withdrawal process, then:

(A) the withdrawal study committee shall prepare a brief written statement explaining the reasons underlying the votes supporting and not supporting advancement, which it shall deliver electronically to the union district board and which the superintendent shall publish on the district's website;

(B) within 45 days following receipt of the study committee report, the union elementary or union high school district board shall invite the members of the withdrawal study committee to attend a regularly scheduled meeting of the board to present the contents of the written statement and to answer any questions posed by the board; and

(C) the withdrawal study committee shall cease to exist upon adjournment of the union elementary or union high school district board's meeting.

(e) Secretary of Education review and opinion.

(1) Review by the Secretary. Within 30 days after attending the union district board meeting pursuant to subdivision (d)(1)(C) of this section, the withdrawal study committee shall deliver the report or reports electronically to the Secretary for review. The Secretary:

(A) shall consider the report or reports;

(B) shall provide representatives of the withdrawal study committee, the liaison subcommittee, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning district;

(C) may, in the Secretary's discretion, take testimony from other individuals and entities;

(D) may ask the withdrawal study committee, or the liaison subcommittee, to make further investigation and may consider any other information the Secretary deems to be pertinent; and

(E) may request that the members of the withdrawal study committee amend the report.

(2) Advisory opinion of the Secretary with positive recommendation.

(A) If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts, and aligns with the policy set forth in section 701 of this title, then, within 90 days of receipt of

the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(i) issue an opinion recommending approval of the withdrawal proposal;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters; and

(iii) make any other finding related and necessary to the withdrawal proposal.

(B) After the Secretary issues an opinion recommending approval of the withdrawal proposal, the proposal shall proceed to a vote of the electorate under subsection (g) of this section.

(3) Advisory opinion of the Secretary with negative recommendation. Advisory opinion. If the Secretary finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then, within 90 days of receipt of the report or reports, unless the study committee agrees to an extension of the deadline, the Secretary shall:

(A) issue a written opinion recommending disapproval of the withdrawal proposal, including a written statement detailing the reasons supporting this conclusion;

(B) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district if withdrawal is approved by the voters;

(C) make any other finding related and necessary to the withdrawal proposal; and

(D) post the written opinion on the Agency of Education's website and transmit it electronically to the clerk of the union district.

(f) State Board of Education final review.

(1) Study committee vote. Within 30 days following receipt of a negative advisory opinion from the Secretary, the clerk of the union school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting. Within 30 days following the public meeting, the study committee shall convene a meeting and vote whether to cease efforts to withdraw from the union district

or whether to request review of the Secretary's advisory opinion by the State Board of Education for the withdrawal proposal to proceed to a vote of the electorate.

(2) Cease efforts to withdraw. If the study committee votes to cease efforts to withdraw from the union district, then the petitioning town shall remain a town within the union district, the withdrawal action initiated pursuant to this section is concluded, and the withdrawal study committee shall cease to exist upon adjournment of the meeting.

(3) Proceed with withdrawal; State Board of Education final review and vote. If the study committee votes to proceed with withdrawal, it shall petition the State Board of Education for final review of the Secretary's advisory opinion. The State Board shall review the report and plan of the study committee required under subsection (d) of this section, review the Secretary's written negative advisory opinion, and provide the study committee, the Secretary, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may, in its discretion, take testimony from other individuals and entities, including the union school district. Within 90 days after receiving the petition of the study committee, the State Board shall issue a final written decision and transmit the decision to the superintendent.

(A) Vote to approve. If the State Board finds that the withdrawal proposal contained in the report, including the most feasible options for the provision of supervisory union services to the proposed new school district, is in the best interests of the State, the region, the students, and the school districts or aligns with the policy set forth in section 701 of this title, or both, then the State Board shall:

(i) approve the study committee report supporting withdrawal, together with any amendments, as the final report and proposal of withdrawal;

(ii) provide a preliminary assessment of most feasible options for the provision of supervisory union services to the proposed new school district;

(iii) declare that the withdrawal process will proceed to a vote of the union district voters pursuant to subsection (g) of this section; and

(iv) make any other finding or declaration, and approve any other motion, related and necessary to the withdrawal proposal.

(B) Vote not to approve. If the State Board finds that the plan for withdrawal, including the most feasible options for the provision of

supervisory union services to the proposed new school district, is not in the best interests of the State, the region, the students, and the school districts or does not align with the policy set forth in section 701 of this title, or both, then:

(i) the State Board shall not approve the report supporting withdrawal;

(ii) the process will not proceed to a vote of the electorate;

(iii) the petitioning district shall remain a member district within the union district; and

(iv) the State Board's determination and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action.

(C) The withdrawal study committee shall cease to exist after the vote of the State Board.

(g) Vote of the electorate.

(1) Within 30 days following receipt of the Secretary's positive advisory opinion pursuant to subdivision (e)(2)(A) of this section or within 30 days following the State Board's vote to approve the withdrawal proposal pursuant to subdivision (f)(3)(A) of this section, the superintendent shall file the withdrawal study committee's report, the State Board's written recommendation, and any report of the liaison subcommittee with the clerk of the union elementary or union high school district and the district clerk of each of the member districts within the union elementary or union high school district.

(2) Within 90 days after the clerk of the union district receiving the reports and recommendations described in subdivision (1) of this subsection, the voters of the union elementary or union high school district, including those residing in the petitioning district, shall vote whether to approve withdrawal as set forth in the report. The question shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary and union high school district meetings) and 757–759 (vote by Australian ballot) of this chapter.

(3) Withdrawal from the union elementary or union high school district shall occur if the question is approved by a majority vote of the union district voters living in each of the member districts within the union elementary or union high school district, including in the petitioning district. If a majority of the voters in one or more member districts within the union elementary or union high school district do not vote in favor of withdrawal, then the

proposed withdrawal shall not occur.

(4) Within 45 days after the vote or 15 days after a vote to reconsider the original vote under 17 V.S.A. § 2661, whichever is later, the clerk of each member district within the union elementary or union high school district shall certify the results of the vote to the Secretary of Education, and the Secretary shall advise the State Board of the certified results. Each clerk shall submit the certification regardless of whether the voters in that district approved withdrawal. The withdrawal study committee shall cease to exist when each clerk has submitted a certification to the Secretary.

(5) If the petitioning district or one of the other member districts does not have a town school district board, the legislative body or appropriate officer of the town shall perform electoral functions, including warning meetings and conducting the voting process, ordinarily performed by and in member districts on behalf of a union school district.

(h) Election of potential board members. If the petitioning district does not have a town school district board, on the day on which they vote whether to approve withdrawal, the union district voters residing in the petitioning school district shall also vote for three individual registered voters from the petitioning district to serve as the initial members of the proposed new school district's board if withdrawal is approved. The nomination and election of the initial members shall proceed pursuant to subdivision 748(a)(1) of this chapter (election of board members under the proportional to town model by Australian ballot). The term of office for each initial member shall be arranged so that one term expires on the day of the second annual meeting of the proposed new school district, one term expires on the day of the third annual meeting, and one term expires on the day of the fourth annual meeting.

(i) State Board's duties if withdrawal is approved. If the union elementary or union high school district voters approve withdrawal pursuant to subsection (g) of this section, then upon receiving notice from the Secretary pursuant to subdivision (g)(4) of this section, the State Board shall:

(1) declare the withdrawal approved as of the date of the Board's meeting; provided, however, that withdrawal shall not be final until the date identified in the voter-approved proposal of withdrawal;

(2) declare it to be the obligation of the new school district to assume responsibility for the education of its residents in the grades for which the union elementary or union high school district was previously responsible, effective on the date of the Board's declaration; provided, however, that:

(A) the new school district shall assume full and sole responsibility for the education of its resident students in the grades for which the union elementary or union high school district was previously responsible on the date identified in the voter-approved proposal of withdrawal; and

(B) until the identified operational date, the new school district shall exist for the sole purposes of:

(i) providing for the education of its residents in the grades for which it was organized prior to withdrawal;

(ii) convening an organizational meeting of the voters of the new school district to prepare the district to assume its new responsibilities if the petitioning district did not have a town school district board;

(iii) organizing the school board of the new school district if the petitioning district did not have a town school district board;

(iv) preparing a proposed budget for the fiscal year beginning on the identified operational date;

(v) approving the budget of the new school district for the fiscal year beginning on the identified operational date; and

(vi) taking any other actions necessary, as district voters or as a school board, for the new school district to assume full responsibility for providing for the education of the district's resident students in the grades it is now organized to provide for, on the identified operational date; and

(3) ensure a smooth transition of supervisory services, to be effective on the district's identified operational date.

(j) Certification; Secretary of State. If the State Board declares it to be the obligation of the new school district pursuant to subdivision (i)(2) of this section to provide for the education of resident students who were formerly the responsibility of the union elementary or union high school district, then within 30 days following such action the Secretary of Education shall certify the adjustment of the member districts within the union elementary or union high school district to the Secretary of State. When the Secretary of State records the certification of the Secretary of Education, the member districts within the union elementary or union high school district shall be adjusted accordingly; provided, however, that the voter-approved proposal of withdrawal shall establish the date on which withdrawal shall be final, the new school district shall assume full and sole responsibility for the education of its residents in the grades for which it is now organized, and the union school district shall no longer have responsibility for the education of those students. Not more than 14 days after the date the Secretary of Education certifies the

adjustment, the Secretary of State shall file a certified copy of the recorded certification with the clerk of the union elementary or union school district and the clerk for new school district. Filing a certified copy with the clerks shall be prima facie evidence of full compliance with the requirements for adjusting the union school district by withdrawal as set forth in this section.

(k) Timing of action.

(1) The voters residing in any member district within a union elementary or union high school district shall not initiate the withdrawal process set forth in this section within the first year after the latter of the operational date of a newly formed union elementary or union high school district or, if applicable, the operational date of a union elementary or union high school district adjusted pursuant to subsection (i) of this section.

(2) If a petitioning district's action to withdraw from a union elementary or union high school district is unsuccessful, then the voters residing in that member district shall not initiate a new withdrawal action under this section until two years after either a withdrawal study committee votes not to approve advancement of the withdrawal process or the vote by the voters that concluded the initial withdrawal action.

Subchapter 3. Unified Union School Districts

Article 1. Unified Union School Districts – Boards and Board Members

§ 729. BOARD MEMBERS; TERM; CONDUCT OF MEETINGS; QUORUM AND VOTING; POWERS AND DUTIES

(a) Members. Except as set forth in subchapter 2 (exploration, formation, and organization) of this chapter for initial members, each member of the board of a unified union school district shall:

(1) be elected by the voters at a warned meeting of the unified union school district pursuant to sections 730 (nomination and election of unified union school district board members) and 737 (warnings of unified union school district meetings) of this title;

(2) assume office upon election, except as provided in subdivision 737(f)(3) (warnings of unified union school district meetings) of this chapter; and

(3) be sworn in before entering upon the duties of the office.

(b) Term. A member elected at an annual meeting shall serve for a term of three years or until the member's successor is elected and has taken the oath of office. A member elected at a special meeting shall serve for the balance of the term of office remaining.

(c) Quorum. A majority of the members of the board shall constitute a quorum. Subject to the provisions of subsection (d) of this section but notwithstanding any other provision of law, the concurrence of a majority of members present at a unified union school district board meeting shall be necessary and sufficient for board action; provided, however, the concurrence of more than a majority shall be necessary if required for a particular action by the voter-approved articles of agreement.

(d) Weighted voting. If weighted voting is used to achieve constitutionally required proportionality for members elected under the "proportional to town population" model described in subdivisions 711(d)(1) (proposed unified union school district; proportional to town population) and 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this chapter, then a number of members of the board holding a majority of the total number of weighted votes shall constitute a quorum, and a majority of the weighted votes cast shall be necessary and sufficient for board action.

(e) Board chair and board clerk. At the board meeting next following each annual district meeting, the unified union school district board shall elect one of its number to serve as the chair of the board and one other of its number to serve as the clerk of the board.

(f) Powers, duties, and liabilities. The powers, duties, and liabilities of a unified union school district board, board chair, and board clerk shall be the same as those of a board, board chair, and board clerk of a town school district.

(g) Minutes. The board clerk shall prepare minutes of the proceedings of the unified union school district board, unless the board votes to delegate those duties to another individual. The board clerk shall transmit the minutes and all other documents constituting the record of board proceedings to the clerk of the unified union school district, who shall be responsible for maintaining a permanent record of board proceedings. In the board clerk's absence, another member of the school board shall assume the duties of the clerk.

(h) Stipend. The board clerk may be paid upon order of the board.

§ 730. UNIFIED UNION SCHOOL DISTRICT BOARD MEMBERS; NOMINATION AND ELECTION; BOND

(a) If by Australian ballot. The provisions of this subsection (a) shall apply to a unified union school district that conducts elections for board membership by Australian ballot.

(1) Proportional to town population.

(A) When membership on the board of a unified union school district is apportioned to each town within the district in a number that is closely proportional to the town's relative population, the voters residing in the town may file a petition nominating a candidate for board membership. A petition is valid only if:

(i) the candidate is a current voter of the town;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the town or one percent of the legal voters in the town, whichever is less;

(iv) the voters file the petition with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) After confirming that the names on the petition correspond to registered voters of the town, the town clerk shall transmit the name of each duly nominated candidate to the clerk of the unified union school district.

(C) The district clerk shall prepare a unified union school district ballot for each town and shall transmit the ballot to the town clerk to make available to the voters residing in the town.

(D) The voters of a town within the unified union school district shall elect as many board members as are apportioned for that term of office based on the population of the town.

(2) Modified at-large model: allocation to town; at-large representation.

(A) When membership on the board of a unified union school district is allocated to each town within the district, but the allocation is not closely proportional to the town's relative population and the board member is elected at-large, the voters residing in any one or more of the towns within the district may file a petition nominating a candidate for board membership under the "modified at-large" model. A petition is valid only if:

(i) the candidate is a current voter of the town to which the seat is allocated;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the unified union school district;

(iv) the voters file the petition with the clerk of the unified union school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each town within the unified union school district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The district clerk shall prepare the unified union school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each town within the district to make available to the voters residing in the town.

(D) The voters of the unified union school district shall elect as many board members as are to be elected at-large for that term of office under the "modified at-large" model.

(3) At-large representation.

(A) When membership on a unified union school district board is not apportioned or allocated pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection (a) and the board member is elected at large, the voters residing in any one or more of the towns within the district may file a petition nominating a candidate for at-large board membership. A petition is valid only if:

(i) the candidate is a current voter of a town within the unified union school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the unified union school district;

(iv) the voters file the petition with the clerk of the unified union school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each town within the unified union school district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The district clerk shall prepare the unified union school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each town within the district to make available to the voters residing in the town.

(D) The voters of the unified union district shall elect as many board members as are to be elected at-large for that term of office.

(b) If not by Australian ballot. The provisions of this subsection shall apply to a unified union school district that has not voted to conduct elections for board membership by Australian ballot.

(1) The nomination and election of candidates for the office of unified union school district board member shall occur at a warned meeting of the unified union school district; provided, however, if the district elects board members under the "proportional to town population" model, then the nomination and election of candidates shall occur at an annual or special meeting of the town in which the candidate resides, warned for the purpose pursuant to subsection 737(f) of this chapter.

(2) Voters shall only nominate a person who is present at the meeting and the person shall accept or reject the nomination.

(3) The clerk shall ensure that the candidate is a voter of a specific town if the district elects board members under either the "proportional to town population" model or the "modified at-large" model.

(c) Bond. Before a newly elected board member enters upon the duties of office, the district shall ensure that the district's blanket bond covers the new member. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(d) Notification. Within 10 days after the election of a board member pursuant to this section, the district clerk shall transmit the name of newly elected board members to the Secretary of State.

§ 731. VACANCY ON UNIFIED UNION SCHOOL DISTRICT BOARD

(a) Filling a vacancy. Notwithstanding any other provision of law to the contrary, this section shall apply to a vacancy on a unified union school district

board, unless otherwise provided in the articles of agreement of the district as initially approved by the voters on or before July 1, 2019.

(1) Proportional to town population. If the vacancy is for a seat where membership is apportioned to a town within the unified union school district in a number that is closely proportional to the town's relative population and only voters residing in the town elect the board member, then the clerk of the unified union school district shall notify the selectboard of the town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(2) Modified at-large model: allocation to town; at-large representation. If the vacancy is for a seat where membership is allocated to a town within the unified union school district in a number that is not closely proportional to each town's relative population and the board member is elected at large, then the district clerk shall notify the selectboard of the town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(3) At-large representation. If the vacancy is for a seat that is neither apportioned nor allocated to a town within the unified union school district as provided in subdivision (1) or (2) of this subsection and the board member is elected at-large, then within 30 days after creation of the vacancy the unified union school district board shall appoint an eligible person to fill the vacancy until the voters elect a successor at an annual or special meeting.

(4) Vacancy in all seats. If all seats on a school board are vacant, then the Secretary of State shall call a special election to fill the vacancies.

(b) Notification. Within 10 days after the appointment of a board member pursuant to this section, the district clerk of the unified union school district shall transmit the name of the appointed board member to the Secretary of State.

(c) Obligations and expenses.

(1) Vacancy in majority. If there are vacancies in a majority of the members of a unified union school district board at the same time, then the remaining member or members are authorized to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled pursuant to the provisions of this section.

(2) Vacancy in all seats. If there are no members of the unified union school district board in office, then the Secretary of State shall authorize the district clerk or other qualified person to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled.

§ 732. UNIFIED UNION SCHOOL DISTRICT BUDGET; PREPARATION AND AUTHORIZATION

(a) The board of a unified union school district shall prepare and distribute a proposed budget annually for the next school year pursuant to the provisions of subdivision 563(11) (powers of school boards; budget) of this title.

(b) If the voters do not approve the board's proposed budget, then the board shall prepare and present a revised proposed budget pursuant to 17 V.S.A. § 2680(c)(2) (local elections; Australian ballot system; rejected budget).

(c) If the voters do not approve a budget on or before June 30 of any year, then the board of the unified union school district may borrow funds pursuant to the authority granted under section 566 (school district; authority to borrow) of this title. As used in section 566, the "most recently approved school budget" of a union school district in its first fiscal year of full operations means the cumulative budget amount of the most recently approved school budgets of all districts that merged to form the union district plus one percent.

§ 733. ANNUAL REPORT; DATA

(a) The board of a unified union school district shall prepare an annual report concerning the affairs of the district and have it printed and distributed to the voters of the district pursuant to the provisions of subdivision 563(10) (school districts; powers of school boards; report) of this title. The board shall file the report with the unified union school district clerk and with the town clerk of each town within the district.

(b) Annually, on or before August 15, the unified union school district board shall provide to the Secretary answers to statistical inquiries that may be addressed to the district by the Secretary.

Article 2. Unified Union School Districts – Officers, Annual Meetings, and Special Meetings

§ 735. OFFICERS; ELECTION; TERM; VACANCY; BOND

(a) Officers. At an annual meeting of the unified union school district, the voters shall elect a moderator from among the registered voters of the district. The voters shall also vote to elect a clerk and a treasurer of the district;

provided, however, at any annual or special meeting, the voters may vote to authorize the school board to appoint the clerk or the treasurer, or both. The clerk of the district shall be elected or appointed from among the voters. The treasurer may also be the supervisory union treasurer and need not be a resident of the union school district.

(b) Election.

(1) If an officer is elected by Australian ballot in a unified union school district, then the provisions of subdivision 730(a)(3) for election by Australian ballot of at-large candidates for the unified union school district board shall apply.

(2) Votes cast to elect an officer shall be commingled and reported to the voters pursuant to section 742 (commingling of votes cast by Australian ballot and from the floor) of this chapter.

(c) Terms.

(1) Moderator. A moderator elected at an annual meeting pursuant to this section shall assume office on July 1 following the election, unless the voters vote at an annual meeting for the moderator to assume office upon election. A moderator shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(2) Clerk. A clerk elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(3) Treasurer. A treasurer elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A treasurer shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(d) Vacancy. The board of the unified union school district shall fill a vacancy in any office elected pursuant to this section as soon as practicable after the vacancy occurs. The appointee shall serve upon appointment for the remainder of the unexpired term of office or until the voters elect a successor.

(e) Oath of office. An officer elected or appointed pursuant to this section shall be sworn in before entering upon the duties of the office.

(f) Bond. The district shall ensure that its blanket bond covers a newly elected or appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, the district may choose to provide suitable

crime insurance coverage.

(g) Notification. Within 10 days after the election or appointment of any officer pursuant to this section, the clerk of the unified union school district shall transmit the name of the officer to the Secretary of State.

§ 736. OFFICERS; POWERS, DUTIES, AND LIABILITIES

(a) Moderator. The powers, duties, and liabilities of the moderator of a unified union school district shall be the same as those of a moderator of a town school district. The moderator shall preside at each annual and special meeting of the unified union school district. In the moderator's absence, the voters shall elect a moderator pro tempore to preside.

(b) Clerk. The powers, duties, and liabilities of the clerk of a unified union school district shall be the same as those of a clerk of a town school district. The district clerk shall keep a record of the votes and the proceedings of the union school district meetings and shall provide certified copies of them when requested.

(c) Treasurer. The powers, duties, and liabilities of the treasurer of a unified union school district shall be the same as those of a treasurer of a town school district.

(d) Documents. The person having custody shall provide to each newly elected or appointed officer of a unified union district all books, papers, and electronic documents of the office.

§ 737. WARNINGS OF UNIFIED UNION SCHOOL DISTRICT MEETINGS

(a) The board of a unified union school district shall have the same authority and obligation to warn or call meetings of the district as a town school board has to warn or call town school district meetings.

(b) Except as provided in subsection (f) of this section, the district clerk shall warn a unified union school district meeting pursuant to the provisions of 17 V.S.A. § 2641 (town meetings and local elections; warning and notice publication) by posting a warning and notice to voters, signed by the chair of the board or the chair's designee, specifying the date, time, location, and business of the meeting, in at least one public place in each town within the unified union school district, and causing the same to be published once in a newspaper circulating in the unified union school district. In the district clerk's absence, the chair of the board or the chair's designee shall warn the meeting pursuant to the provisions of this section.

(c) The warning shall, by separate articles, specifically indicate the business to be transacted, to include the offices and the questions upon which the electorate shall vote. The warning shall also contain any article or articles requested by a petition signed by at least five percent of the voters of the district and filed with the district clerk pursuant to 17 V.S.A. § 2642 (town meetings and local elections; warning and notice contents).

(d) The posted notice that accompanies the warning shall include information on voter registration, early and absentee voting, the time and location at which the ballots will be counted, and any other applicable information.

(e) The warning shall be recorded in the office of the district clerk before posting.

(f) This subsection applies if a unified union school district elects school board members under the "proportional to town population" model and if it elects those members by a floor vote rather than by Australian ballot.

(1) The election shall be warned as follows:

(A) The district clerk shall transmit the signed warning to each town clerk.

(B) The district clerk shall assist each town clerk to incorporate the warning into the warning for the annual or special meeting of each town.

(C) Each town clerk, rather than the district clerk, shall post and publish the warning pursuant to the provisions of subsection (b) of this section.

(2) Notwithstanding any provision of law to the contrary, if any town within the unified union school district elects its selectboard members by Australian ballot, then the warning, nomination, ballot preparation, and election of unified union school district board members shall proceed pursuant to the same laws that govern the town.

(3) If an annual town meeting at which the board members are elected under this subsection is more than 30 days prior to the annual meeting of the unified union school district, then notwithstanding subsection 729(a) (members of unified union school district boards) of this section, the newly elected board members shall assume office at the conclusion of the district's annual meeting.

(g) Notwithstanding any provisions of this section to the contrary, a unified union school district:

(1) shall warn a meeting called for the purpose of considering a bond issue pursuant to the provisions of 24 V.S.A. § 1755; and

(2) shall warn a meeting to consider a revised proposed budget pursuant to the provisions of subsection 732(b) of this chapter.

§ 738. CHECKLIST FOR UNION DISTRICT MEETINGS WHERE VOTING IS CONDUCTED FROM THE FLOOR

(a) Not later than the close of business on the day before an annual or special meeting of a unified union school district, the town clerk of each town within the district shall furnish to the district clerk, at the expense of the district, authenticated copies of the checklist of legal voters within the town as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (elections; registration of voters). The checklist shall control for purposes of determining voter eligibility in the unified union school district.

(b) During the annual or special meeting, one or more members of each town's board of civil authority shall assist the district clerk to determine voter eligibility and to supervise voting during the meeting.

(c) This section shall not apply to a meeting warned pursuant to subsection 737(f) (unified union school district meetings; proportional to town population; floor vote) of this chapter.

§ 739. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

For any vote that proceeds by Australian ballot in a unified union school district:

(1) A district voter shall vote by Australian ballot in the town in which the voter currently resides at the polling location identified in the warning.

(2) Voting shall occur in each town on the same day.

(3) The board of civil authority of each town shall be responsible for determining the eligibility of persons to vote and for supervising voting at that polling location.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 (conduct of elections; early and absentee voters) shall be provided.

§ 740. PREPARATION AND FORM OF AUSTRALIAN BALLOT

(a) The clerk of a unified union school district shall prepare the ballot for any vote that proceeds by Australian ballot in the district.

(b) Only questions warned by the unified union school district and presented to the voters of that district shall appear on a ballot prepared pursuant to subsection (a) of this section.

(c) Warned questions of the unified union school district shall not appear on the same ballot as questions warned by the legislative body of a town within the unified union school district.

§ 741. COUNTING OF AUSTRALIAN BALLOTS

(a) Process.

(1) At least two members of the board of civil authority of each town within a unified union school district, or two election officials appointed by the board of civil authority of that town, shall transport ballots cast in the town in a sealed container to a central location designated by the district clerk. The district clerk shall place the ballots from all locations into a single container.

(2) The boards of civil authority shall not count the ballots for purposes of determining the outcome of the votes cast in that town prior to transporting them but may open the containers and count the total number of ballots cast at that polling location.

(3) The district clerk or designee shall supervise representatives of the boards of civil authority, identified in subdivision (1) of this subsection, to count ballots at the central location pursuant to section 742 (commingling and reporting of votes cast by Australian ballot and from the floor) of this title. The district clerk shall also have the authority to appoint current unified union school district board members who are not on the ballot to aid in the counting of ballots.

(4) The ballots shall be counted as soon as possible, but not later than 24 hours after the time at which the polls closed.

(5) If ballots are to be counted on the day following the election, then the clerk of each town within the unified union school district shall store the ballots in a secure location in the town until they are transported on the following day to the central location designated by the district clerk for counting.

(6) After the ballots have been counted, the district clerk shall seal them in a secure container and store them for at least 90 days in a secure location.

(b) Applicability. The counting of Australian ballots cast by voters in a unified union school district for the election of members of the district board, for the election of district officers, for proposed budgets, and for any other public questions shall proceed pursuant to the provisions of this section, except when:

(1) Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters;

(2) the ballots have been cast to elect a unified union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this title; or

(3) the articles of agreement as initially approved by the voters on or before July 1, 2019 explicitly provide that the board of civil authority of each town within the unified union school district shall count Australian ballots cast in that town and report that town's results to the district clerk, who shall calculate total votes cast within the unified union school district and report the result of the vote to the public.

§ 742. COMMINGLING AND REPORTING OF ALL VOTES CAST BY AUSTRALIAN BALLOT AND FROM THE FLOOR

(a) Commingling. Votes cast by the voters of a unified union school district shall be commingled, whether cast by Australian ballot or from the floor, and shall not be counted according to the town in which a voter resides.

(b) Report to public. The district clerk shall report the commingled results of votes cast by voters of a unified union school district.

(c) Applicability. The commingling and reporting of votes cast by voters in a unified union school district for the election of members of the district board, for the election of district officers, for proposed budgets, and for any other public question shall proceed pursuant to the provisions of this section regardless of whether the votes proceeds by Australian ballot or by a floor vote, except when:

(1) Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters;

(2) the ballots have been cast to elect a unified union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 730(a)(1) (unified union school district; Australian ballot; proportional to town population) of this chapter; or

(3) the articles of agreement as initially approved by the voters on or before July 1, 2019 explicitly provide that the board of civil authority of each town within the unified union school district shall count Australian ballots cast in that town and report that town's results to the district clerk, who shall calculate total votes cast within the unified union school district and report the result of the vote to the public.

§ 743. BOND ISSUES; DEBT LIMIT

(a) A unified union school district may make improvements, as defined by 24 V.S.A. § 1751 (municipal and county government; indebtedness definitions), and may incur indebtedness for improvements as provided in 24 V.S.A. chapter 53, subchapter 1 (municipal and county government; indebtedness generally).

(b) The debt limit of the unified union school district shall be 10 times the total of the education grand lists of the towns within the unified union school district. The existing indebtedness of a unified union school district incurred to finance any project approved under sections 3447 to 3456 (State aid for capital construction costs) of this title shall not be considered a part of the indebtedness of the unified union school district for purposes of determining its debt limit for a new proposed bond issue.

(c) Bond issues under this section shall be determined by Australian ballot and shall proceed pursuant to sections 737 (warnings of unified union school district meetings) and 739–742 (vote by Australian ballot) of this subchapter. The ballots shall be commingled before counting.

Subchapter 4. Union Elementary School Districts and Union High School Districts

§ 745. DEFINITIONS

As used in this subchapter, words have the meaning as defined in section 702 (definitions) of this title and any words not defined in that section have their plain meaning, except:

(1) Member district. "Member district" means either a town school district that is a member district as defined in section 702 (definitions) of this title or a town in a member district if the member district is itself a union elementary or union high school district, as applicable.

(2) Town clerk.

(A) If, pursuant to section 425 (other town school district officers) of this title, the voters of a member district have elected a district clerk who is not also the clerk of the town, then "town clerk" means the elected clerk of that member district.

(B) Notwithstanding subdivision (A) of this subdivision (2), if a union elementary or union high school district is a member district of the union school district, then "town clerk" has its plain meaning and means the clerk of each town in the member district.

Article 1. Union Elementary and Union High School Districts – Boards and Board Members

§ 747. BOARD MEMBERS; TERM; CONDUCT OF MEETINGS; QUORUM AND VOTING; POWERS AND DUTIES

(a) Members. Except as set forth in subchapter 2 (exploration, formation, and organization) of this chapter for initial members, each member of the board of a union elementary school or union high school district shall:

(1) be elected by the voters at warned meeting pursuant to section 748 (union elementary and union high school district board members) of this chapter;

(2) assume office upon election, except as provided in subdivision 755(f)(3) (warnings of union elementary and union high school district meetings) of this chapter; and

(3) be sworn in before entering upon the duties of the office.

(b) Term. A member elected at an annual meeting shall serve for a term of three years or until the member's successor is elected and has taken the oath of office. A member elected at a special meeting shall serve for the balance of the term remaining.

(c) Quorum. A majority of the members of the board shall constitute a quorum. Subject to the provisions of subsection (d) of this section but notwithstanding any other provision of law, the concurrence of a majority of members present at a union elementary or union high school district board meeting shall be necessary and sufficient for board action; provided, however, the concurrence of more than a majority shall be necessary if required for a particular action by the voter-approved articles of agreement.

(d) Weighted voting. If weighted voting is used to achieve constitutionally required proportionality for members elected under the "proportional to town population" model set out in subdivisions 711(e)(1) (proposed union elementary or union high school district; proportional to town population) and 748(a)(1) (union elementary and union high school district board members; Australian ballot; proportional to town population) of this chapter, then a number of members of the board holding a majority of the total number of weighted votes shall constitute a quorum, and a majority of the weighted votes cast shall be necessary and sufficient for board action.

(e) Board chair and board clerk. At the meeting next following each annual meeting, the union elementary or union high school district board shall elect one of its number to serve as the chair of the board and one other of its number to serve as the clerk of the board.

(f) Powers, duties, and liabilities. The powers, duties, and liabilities of a union elementary or union high school district board, board chair, and board clerk shall be the same as those of a board, board chair, and board clerk of a town school district.

(g) Minutes. The board clerk shall prepare minutes of the proceedings of the union elementary or union high school district board, unless the board votes to delegate those duties to another individual. The board clerk shall transmit the minutes and all other documents constituting the record of board proceedings to the clerk of the union elementary or union high school district, who shall be responsible for maintaining a permanent record of board proceedings. In the board clerk's absence, another member of the school board shall assume the duties of the clerk.

(h) Stipend. The board clerk may be paid upon order of the board.

§ 748. UNION ELEMENTARY AND UNION HIGH SCHOOL DISTRICT BOARD MEMBERS; NOMINATION AND ELECTION; BOND

(a) If by Australian ballot. The provisions of this subsection (a) shall apply to a union elementary or union high school district that conducts elections for board membership by Australian ballot.

(1) Proportional to town population.

(A) When membership on the board of a union elementary or union high school district is apportioned to each member district in a number that is closely proportional to the member district's relative population, the voters of the member district may file a petition nominating a candidate for board membership. A petition is valid only if:

(i) the candidate is a current voter of the member district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 30 voters residing in the member district or one percent of the legal voters in that district, whichever is less;

(iv) the voters file the petition with the town clerk not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the town clerk a written consent to the printing of the candidate's name on the ballot.

(B) After confirming that the names on the petition correspond to registered voters of the member district, the town clerk shall transmit the name

of each duly nominated candidate to the clerk of the union elementary or union high school district.

(C) The union district clerk shall prepare a union elementary or union high school district ballot for each member district and shall transmit the ballot to the town clerk to make available to the voters residing in the member district.

(D) The voters of the member district shall elect as many board members as are apportioned for that term of office on the union elementary or union high school district board based on the population of the member district.

(2) Modified at-large model: allocation to town; at-large representation.

(A) When membership on the board of a union elementary or union high school district is allocated to each member district, but the allocation is not closely proportional to the member district's population and the board member is elected at-large, the voters residing in any one or more of the member districts may file a petition nominating a candidate for board membership under the "modified at-large" model. A petition is valid only if:

(i) the candidate is a current voter of the member district to which the seat is allocated;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the union elementary or union high school district;

(iv) the voters file the petition with the clerk of the union elementary or union high school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the union district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each member district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The union district clerk shall prepare the union elementary or union high school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each member district to make available to the voters residing in the member district.

(D) The voters of the union elementary or union high school district shall elect as many board members as are to be elected at-large for that term of office under the "modified at-large" model.

(3) At-large representation.

(A) When membership on the board of a union elementary or union high school district is not apportioned or allocated pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection (a) (Australian ballot) and the board member is elected at large, the voters residing in any one or more of the member districts may file a petition nominating a candidate for at-large board membership. A petition is valid only if:

(i) the candidate is a current voter of the union elementary or union high school district;

(ii) the petition identifies the term of office for which the candidate is nominated;

(iii) the petition is signed by at least 60 voters residing in the union elementary or union high school district;

(iv) the voters file the petition with the clerk of the union elementary or union high school district not later than 5:00 p.m. on the sixth Monday preceding the day of the election; and

(v) the candidate files with the union district clerk a written consent to the printing of the candidate's name on the ballot.

(B) Not later than 5:00 p.m. on the sixth Monday preceding the day of the election, the town clerk of each member district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150.

(C) The union district clerk shall prepare the union elementary or union high school district ballot to include the name of each duly nominated candidate and shall transmit the ballot to the town clerk of each member district to make available to the voters residing in the member district.

(D) The voters of the union elementary or union high school district shall elect as many board members as are to be elected at-large for that term of office.

(b) If not by Australian ballot. The provisions of this subsection (b) shall apply to a union elementary or union high school district that does not conduct elections for board membership by Australian ballot.

(1) The nomination and election of candidates for the office of union elementary or union high school district board member shall occur at a warned meeting of the union school district; provided, however, if the union district elects board members under the "proportional to town population" model, then the nomination and election of candidates shall occur at an annual or special meeting of the member district for the town in which the candidate resides, warned for the purpose pursuant to subsection 755(f) (warnings of union elementary and union high school district meetings; members elected under proportional to town population model and by floor vote) of this chapter.

(2) Voters shall only nominate a person who is present at the meeting, and the person shall accept or reject the nomination.

(3) The meeting shall proceed in a manner to ensure that the candidate is a voter of a specific member district if the union district elects board members under either the "proportional to town population" model or the "modified at-large" model.

(c) Bond. Before a newly elected board member enters upon the duties of office, the union district shall ensure that the district's blanket bond covers the new member. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(d) Notification. Within 10 days after the election of a board member pursuant to this section, the union elementary or union high school district clerk shall transmit the name of the newly elected board member to the Secretary of State.

§ 749. VACANCY ON UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT BOARD

(a) Filling a vacancy. Notwithstanding any other provisions of law to the contrary, this section shall apply to a vacancy on a union elementary or union high school district board, unless otherwise provided in the articles of agreement of the union elementary or union high school district as initially approved by the voters on or before July 1, 2019.

(1) Proportional to town population. If the vacancy is for a seat where membership is apportioned to a member district in a number that is closely proportional to its relative population and only voters residing in the member district elect the board member, then the union elementary or union high school district clerk shall notify the board of the member district not later than five days after learning of the vacancy. Within 30 days after receiving notice, the board of the member district shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school

district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(2) Modified at-large model: allocation to town; at-large representation. If the vacancy is for a seat where membership is allocated to a member district in a number that is not closely proportional to each district's relative population and the board member is elected at-large, then the union elementary or union high school district clerk shall notify the board of the member district not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the member district's board, the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(3) At-large representation. If the vacancy is for a seat that is neither apportioned nor allocated to a member district pursuant to subdivision (1) (proportional to town population) or (2) (modified at-large) of this subsection and the board member is elected at-large, then within 30 days after creation of the vacancy the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(4) No board of member district. For purposes of subdivisions (1) (proportional to town population) and (2) (modified at-large) of this subsection (a), if the member district is also a union school district and any related town school district has discontinued operations pursuant to subdivision 717(b)(2) (discontinuation of forming districts in union elementary and union high school districts) of this chapter and has no board, then the clerk of the union elementary or union high school district shall notify the selectboard of the pertinent town not later than five days after learning of the vacancy. Within 30 days after providing notice and after consultation with the selectboard, the union elementary or union high school district board shall appoint a person who is otherwise eligible to serve as a member of the union elementary or union high school district board to fill the vacancy until the voters elect a successor at an annual or special meeting pursuant to the provisions of section 748 (union elementary and union high school district board members) of this chapter.

(5) Vacancy in all seats. If all seats on a school board are vacant, then the Secretary of State shall call a special election to fill the vacancies.

(b) Notification. Within 10 days after the appointment of a board member pursuant to this section, the clerk of the union elementary or union high school district shall transmit the name of the appointed board member to the Secretary of State.

(c) Obligations and expenses.

(1) Vacancy in majority. If there are vacancies in a majority of the members of a union elementary or union high school district board at the same time, then the remaining member or members are authorized to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled pursuant to the provisions of this section.

(2) Vacancy in all seats. If there are no members of the union elementary or union high school district board in office, then the Secretary of State shall appoint and authorize the district clerk or other qualified person to draw orders for payment of continuing obligations and necessary expenses until a majority of the vacancies are filled.

§ 750. UNION ELEMENTARY OR UNION HIGH SCHOOL DISTRICT BUDGET; PREPARATION AND AUTHORIZATION

(a) The board of a union elementary or union high school district shall prepare and distribute a proposed budget annually for the next school year pursuant to the provisions of subdivision 563(11) (powers of school boards; budget) of this title.

(b) If the voters do not approve the board's proposed budget, then the board shall prepare a revised proposed budget pursuant to 17 V.S.A. § 2680(c)(2) (local elections using the Australian ballot system; rejected budget).

(c) If the voters do not approve a budget on or before June 30 of any year, the board of the unified union school district may borrow funds pursuant to the authority granted under section 566 (school districts; authority to borrow) of this title. As used in section 566, the "most recently approved school budget" of a union school district in its first fiscal year of full operations means the cumulative budget amount of the most recently approved school budgets of all districts that merged to form the union district plus 1 percent.

§ 751. ANNUAL REPORT; DATA

(a) The board of a union elementary or union high school district shall prepare an annual report concerning the affairs of the district and have it printed and distributed to the voters of the district pursuant to the provisions of

subdivision 563(10) (powers of school boards; report) of this title. The board shall file the report with the union district clerk and the clerk of each member district.

(b) Annually, on or before August 15, the union elementary or union high school district board shall provide to the Secretary answers to statistical inquiries that may be addressed to the district by the Secretary.

Article 2. Union Elementary and Union High School Districts – Officers, Annual Meetings, and Special Meetings

§ 753. OFFICERS; ELECTION; TERM; VACANCY; BOND

(a) Officers. At an annual meeting of the union elementary or union high school district, the voters shall elect a moderator from among the registered voters. The voters shall also vote to elect a clerk and a treasurer of the district; provided, however, at any annual or special meeting, the voters may vote to authorize the school board to appoint the clerk or the treasurer, or both. The clerk of the district shall be elected or appointed from among the voters. The treasurer may also be the supervisory union treasurer and need not be a resident of the union elementary or union high school district.

(b) Election if by Australian ballot. If a union elementary or union high school district elects its officers by Australian ballot, then the provisions of subdivision 748(a)(3) of this chapter for election by Australian ballot of at-large candidates for the union elementary or union high school district board shall apply.

(c) Terms.

(1) Moderator. A moderator elected at an annual meeting pursuant to this section shall assume office on July 1 following the election, unless the voters vote at an annual meeting for the moderator to assume office upon election. A moderator shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(2) Clerk. A clerk elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(3) Treasurer. A treasurer elected at an annual meeting pursuant to this section shall assume office on July 1 following the election. A clerk shall serve a term of one year or until a successor is elected and has taken the oath of office unless the voters extend the term length up to three years.

(d) Vacancy. The board of the union elementary or union high school district shall fill a vacancy in any office elected or appointed pursuant to this section as soon as practicable after the vacancy occurs. The appointee shall serve upon appointment for the remainder of the unexpired term of office or until the voters elect a successor.

(e) Oath of office. An officer elected or appointed pursuant to this section shall be sworn in before entering upon the duties of the office.

(f) Bond. The district shall ensure that its blanket bond covers a newly elected or appointed treasurer before the treasurer enters upon the duties of the office. In lieu of a blanket bond, the district may choose to provide suitable crime insurance coverage.

(g) Notification. Within 10 days after the election or appointment of any officer pursuant to this section, the clerk of the union elementary or union high school district shall transmit the name of the officer to the Secretary of State.

§ 754. OFFICERS; POWERS, DUTIES, AND LIABILITIES

(a) Moderator. The powers, duties, and liabilities of the moderator of a union elementary or union high school district shall be the same as those of a moderator of a town school district. The moderator shall preside at each annual and special meeting of the union elementary or union high school district. In the moderator's absence, the voters shall elect a moderator pro tempore to preside.

(b) Clerk. The powers, duties, and liabilities of the clerk of a union elementary or union high school district shall be the same as those of a clerk of a town school district. The district clerk shall keep a record of the votes and the proceedings of the union school district meetings and shall provide certified copies of them when requested.

(c) Treasurer. The powers, duties, and liabilities of the treasurer of a union elementary or union high school district shall be the same as those of a treasurer of a town school district.

(d) Documents. The person having custody shall provide to each elected or appointed officer of a union district all books, papers, and electronic documents of the office.

§ 755. WARNINGS OF UNION ELEMENTARY AND UNION HIGH SCHOOL DISTRICT MEETINGS

(a) The board of a union elementary or union high school district shall have the same authority and obligation to warn or call meetings of the district as a town school board has to warn or call town school district meetings.

(b) Except as provided in subsection (f) of this section, not less than 30 nor more than 40 days before the meeting, the union district clerk shall warn a union elementary or union high school district meeting by posting a warning and notice to voters, signed by the chair of the union district board or the chair's designee, specifying the date, time, location, and business of the meeting, in the district clerk's office and at least one public place in each town within the union elementary or union high school district, and causing the same to be published once in a newspaper circulating in the union district at least five days before the meeting. In the district clerk's absence, the chair of the board or the chair's designee shall warn the meeting pursuant to the provisions of this section.

(c) The warning shall, by separate articles, specifically indicate the business to be transacted, including the offices and the questions upon which the electorate shall vote. The warning shall also contain any article or articles requested by a petition signed by at least five percent of the voters of the district and filed with the district clerk pursuant to 17 V.S.A. § 2642 (town meetings and local elections; warning and notice contents).

(d) The posted notice that accompanies the warning shall include information on voter registration, early and absentee voting, the time and location at which the ballots will be counted, and other applicable information.

(e) The warning shall be recorded in the office of the district clerk and shall be provided to the town clerk of each town in the unified elementary or union high school district before being posted.

(f) This subsection shall apply if a union elementary or union high school district elects school board members under the "proportional to town population" model and if it elects those members by a floor vote rather than by Australian ballot.

(1) The election shall be warned as follows:

(A) The district clerk shall transmit the signed warning to each town clerk.

(B) The district clerk shall assist each town clerk to incorporate the warning into the warning for the annual or special meeting of each member district.

(C) Each town clerk, rather than the union district clerk, shall post and publish the warning pursuant to the provisions of subsection (b) of this section.

(2) Notwithstanding any provision of law to the contrary, if any member district elects its own board members by Australian ballot, then the warning,

nomination, ballot preparation, and election of union school district board members shall proceed pursuant to the same laws that govern the member district.

(3) If an annual meeting of a member district at which the union district board members are elected under this subsection is more than 30 days prior to the annual meeting of the union school district, then notwithstanding subsection 747(a) (board members of union elementary and union high school districts) of this chapter, the newly elected board members shall assume office at the conclusion of the union school district's annual meeting.

(g) Notwithstanding any provision of this section to the contrary, a union elementary or union high school district:

(1) shall warn a meeting called for the purpose of considering a bond issue in accordance with the provisions of 24 V.S.A. § 1755; and

(2) shall warn a meeting to consider a revised proposed budget pursuant to the provisions of subsection 750(b) (union elementary or union high school district revised proposed budget) of this chapter.

§ 756. UNION DISTRICT MEETINGS CONDUCTED FROM THE FLOOR

(a) Not later than the close of business on the day before the meeting, the town clerk of each member district of a union elementary or union high school district shall furnish to the union district clerk, at the expense of the union district, authenticated copies of the checklist of legal voters within the member district as the checklist appears after revisions are made pursuant to 17 V.S.A. §§ 2141–2150 (registration of voters). The checklist shall control for purposes of determining voter eligibility in the union elementary or union high school district.

(b) During the annual or special meeting, one or more members of each town's board of civil authority shall assist the union district clerk to determine voter eligibility and to supervise voting during the meeting.

(c) Votes cast at an annual or special meeting shall be commingled and shall not be counted according to the town in which a voter resides.

(d) The provisions of this section shall apply to all votes of the electorate in a union elementary or union high school district that do not proceed by Australian ballot; provided, however:

(1) They shall not apply if Vermont statute explicitly permits or requires a different method for a specific type of question presented to the voters.

(2) They shall not apply to a vote warned pursuant to subsection 755(f) (warnings of union elementary and union high school district meetings;

members elected under proportional to town population model and by floor vote) of this chapter.

(e) If a person who resides in a member district and is otherwise eligible to vote at a union elementary or union high school district meeting has not maintained residence in the member district for the requisite number of days but resided in another member district of the union elementary or union high school district for the requisite number of days, then the town clerk of the member district in which the person currently resides shall enter such person's name on the checklist of legal voters if the person presents to that town clerk a certificate signed by the town clerk of the member district in which the person formally resided confirming that the person lived within the union elementary or union high school district for the requisite number of days.

§ 757. CONDUCT OF VOTE IF BY AUSTRALIAN BALLOT

In any vote that proceeds by Australian ballot in a union elementary or union high school district:

(1) A district voter shall vote by Australian ballot in the town in which the voter currently resides at the polling location identified in the warning.

(2) Voting shall occur in each town on the same day.

(3) The board of civil authority of each town shall be responsible for determining the eligibility of persons to vote and for supervising voting at that polling location.

(4) The opportunity for early and absentee voting pursuant to 17 V.S.A. §§ 2531–2550 (conduct of elections; early or absentee voters) shall be provided.

§ 758. PREPARATION AND FORM OF AUSTRALIAN BALLOT

(a) The clerk of a union elementary or union high school district shall prepare the ballot for any vote that proceeds by Australian ballot in the union school district.

(b) Only questions warned by the union elementary or union high school district and presented to the voters of that district shall appear on a ballot prepared pursuant to subsection (a) of this section.

(c) Warned questions of the union elementary or union high school district shall not appear on the same ballot as questions warned by a member district of the union elementary or union high school district or by the legislative body of a town within the union elementary or union high school district.

§ 759. COUNTING AND REPORTING RESULTS OF VOTE BY AUSTRALIAN BALLOT

(a) Process if commingled. If the voters have approved the commingling of votes cast by Australian ballot for any or all categories of public questions, including elections and budget votes, or if Vermont law requires commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) At least two members of the board of civil authority of each town within a union elementary or union high school district, or two election officials appointed by the board of civil authority of that town, shall transport ballots cast in the member district in a sealed container to a central location designated by the clerk of the union elementary or union high school district.

(2) The boards of civil authority shall not count the ballots for purposes of determining the outcome of the votes cast in the member district prior to transporting them but may open the containers and count the total number of ballots cast at that polling location.

(3) The union elementary or union high school district clerk or designee shall supervise representatives of the boards of civil authority to count ballots at the central location. The union elementary or union high school district clerk shall also have the authority to appoint current union elementary or union high school district board members who are not on the ballot to aid in the counting of ballots

(4) The ballots shall be counted as soon as possible, but not later than 24 hours after the time at which the polls closed.

(5) If ballots are to be counted on the day following the election, then the clerk of each member district shall store the ballots in a secure location until they are transported on the following day to the central location designated by the union district clerk for counting.

(6) Ballots from all member districts shall be combined into a single group before counting and shall not be counted according to the member district or town in which a voter resides.

(7) After the ballots have been counted, the union district clerk shall seal them in a secure container and store them for at least 90 days at a secure location.

(8) The union district clerk shall report the commingled results of votes cast within the union elementary or union high school district to the public.

(b) Process if not commingled. If the voters have not approved the commingling of votes cast by Australian ballot for budgets, elections, or any other category of public question, and if Vermont law does not require commingling, then the following process applies to those votes except to the extent that Vermont law explicitly requires a different process for a specific type of public question.

(1) The board of civil authority of each town within the union elementary or union high school district shall count Australian ballots cast in the member district and report the results to the clerk of the union district.

(2) The clerk of the union district shall calculate total votes cast within the union district for any vote that requires approval by the electorate of the entire union elementary or union high school district, rather than approval by the voters in one member district or by the voters in each member district separately.

(3) The union district shall report to the public the results of total votes cast; provided, however, that both the union district clerk and the clerk of each member school district shall report the results of ballots cast to elect a union school district board member where membership on the board is apportioned based on town population pursuant to subdivision 748(a)(1) of this chapter.

§ 760. BOND ISSUES; DEBT LIMIT

(a) A union elementary or union high school district may make improvements, as defined by 24 V.S.A. § 1751, and may incur indebtedness for the improvements as provided in 24 V.S.A. chapter 53, subchapter 1.

(b) The debt limit of the union elementary or union high school district shall be 10 times the total of the education grand lists of the member districts of the union school district. The existing indebtedness of a union elementary or union high school district incurred to finance any project approved under sections 3447 to 3456 of this title shall not be considered a part of the indebtedness of the union elementary or union high school district for purposes of determining its debt limit for a new proposed bond issue. An obligation incurred by a union elementary or union high school district pursuant to this chapter shall be the joint and several obligation of the union school district and each of its member districts. Any joint or several obligation incurred by a member district pursuant to this subsection shall not be considered in determining the debt limit for the separate purposes of the member district.

(c) Bond issues under this section shall be determined by Australian ballot and shall proceed pursuant to sections 755 (warnings of union elementary school district and union high school district meetings) and 757–759 (vote by

Australian ballot) of this subchapter. Ballots shall be commingled before counting.

Subchapter 5. Districts Formed Pursuant to Prior Laws

§ 763. RATIFICATION; ARTICLES OF AGREEMENT; APPLICATION OF CHAPTER

(a) Each union school district in existence on July 1, 2022, is ratified and subject to the provisions of this chapter 11, regardless of whether the district was formed by an affirmative vote of the electorate or by the State Board as part of its "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to [2015 Acts and Resolves No.] 46, Sections 8(b) and 10" dated November 28, 2018 (the Order).

(b) References in this chapter 11 to articles of agreement initially adopted by the voters shall also mean articles of agreement as issued by the State Board as part of the Order.

(c) Articles of agreement in effect on June 30, 2022, as initially adopted by the voters or subsequently amended, shall govern the district unless and until amended; provided, however, and notwithstanding the provisions of 1 V.S.A. § 214 or other laws to the contrary, the provisions of this chapter 11 shall govern in all matters not addressed in the articles of agreement and shall take precedence in the event of conflict with any article.

§ 764. SECRETARY OF STATE; RECORDING CERTIFICATES

(a) To ensure that documentary evidence relating to the creation of union school districts can be found in one location, the Secretary of Education shall forward to the Secretary of State copies of the certifications designating the existence of each new union school district created pursuant to the State Board's "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to 2015 Acts and Resolves No. 46, Sections 8(b) and 10" dated November 28, 2018 (the Order).

(b) The Secretary of State shall record the certifications and all subsequent amendments and addenda to the certifications.

(c) The Secretary of State shall file a certified copy of the recorded certification and any amendments or addenda with the elected clerk of each union school district created by the Order.

Sec. 4. WITHDRAWAL ACTIONS APPROVED BY STATE BOARD; NEW DISTRICTS WITH AN OPERATIONAL DATE ON OR AFTER JULY 1, 2023

(a) Application of this section. This section shall apply solely to a

withdrawal action initiated pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A § 724) if each of the following actions occurred prior to that effective date:

(1) the State Board of Education gave final approval to the voter-approved and voter-ratified proposal to withdraw from the union school district;

(2) the State Board declared a new school district to be reconstituted;

(3) the State Board established the new school district's operational date as July 1, 2023 or after;

(4) the voters of the new school district elected school board members;

(5) the voters of the towns within the union district voted to approve the financial terms of withdrawal negotiated by the boards of the new school district and the union district; and

(6) the State Board charged the new school district and its board with performing the transitional activities necessary to assume sole responsibility for the education of resident students on the identified operational date.

(b) Status report. On or before July 1, 2022, the new school district shall submit a written status report to the State Board detailing the actions the district has taken and will take to ensure that, as of its operational date, the district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165 and to ensure the provision of supervisory union services. The status report shall include a timeline indicating the date by which each action shall be complete.

(c) Review and preparedness determination by State Board.

(1) Review. The State Board shall consider the status report and provide the board of the new school district an opportunity to be heard at one or more of the Board's regularly scheduled meetings. The State Board may also take testimony from other entities including the union school district and the Secretary of Education. The State Board shall issue a determination of preparedness on or before September 1, 2022.

(2) Preparedness deemed likely. If the State Board determines that it is likely the new school district will be prepared, on the identified operational date, to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then the new school district, the union district, and, if applicable, the

supervisory union or unions shall continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the new district will not be able to be prepared, on the operational date, to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; provided, however, upon order of the State Board, the new school district and its board may continue to exist for up to six months after the date of the State Board's determination for the sole purpose of completing any outstanding business that cannot legally be performed by another entity;

(B) the petitioning town shall be a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724;

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act; and

(E) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (c)(3).

(d) Repeal. This section is repealed on July 1, 2023.

Sec. 5. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD HAS NOT TAKEN ACTION; ALTERNATIVE GOVERNANCE PROPOSAL PREVIOUSLY PRESENTED

(a) Application of this section.

(1) For purposes of this section and notwithstanding any provision of law to the contrary, the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) are deemed to authorize withdrawal from a unified union school district created by the State Board of Education in its "Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to Act 46, Secs. 8(b) and

10" dated November 28, 2018 (Order).

(2) This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the former 16 V.S.A. § 724 if each of the following actions occurred prior to the effective date of Sec. 3 of this act:

(A) the State Board created the union district in its Order;

(B) prior to issuance of the Order, the districts that merged to form the union district submitted a proposal to the Secretary of Education and the State Board setting forth the details of their self-evaluation and a proposal for an alternative governance structure pursuant to 2015 Acts and Resolves No. 46, Sec. 9 (Section 9 proposal);

(C) the voters of the petitioning town approved a proposal to withdraw from the union district;

(D) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(E) the State Board of Education has not approved or taken action to approve the withdrawal proposal or to declare that a new school district is reconstituted.

(b) Report and plan. At any time after the effective date of this section, but on or before the regular September 2022 State Board meeting, the self-selected representatives of the petitioning town and the board of the union district shall submit to the State Board in writing:

(1) A report explaining the ways in which the current plan of the petitioning town and the union district for operation after withdrawal conforms to or differs from the Section 9 proposal.

(2) A plan, including a timeline, identifying the actions the petitioning town and the union district have taken and will take to transition to the proposed structure and to ensure that, as of an identified operational date, the proposed new school district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. At a minimum, the plan and timeline should include the actions identified in subsection (d) of this section.

(c) State Board review and action.

(1) Review. The State Board shall consider the report and plan and shall provide the self-selected representatives of the petitioning town and the

board of the union district an opportunity to be heard. The Board may, in its discretion, take testimony from other individuals and entities.

(2) Preparedness determination and vote to approve withdrawal. The State Board shall determine if it is likely or unlikely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and also whether it is likely or unlikely that supervisory union services will be available to both the proposed new school district and the union district on the operational date. If the State Board determines preparedness is unlikely, it shall issue a written advisory statement detailing the factors underlying its conclusion, which shall be posted on its website. Upon making its preparedness determination, the State Board shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(d) Actions necessary to be fully operational. After the State Board makes its determination of preparedness and approves the withdrawal process pursuant to subdivision (c)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district, and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility

for the education of resident students on that date;

(2) negotiation of the proposed financial terms of withdrawal by the board of the new school district and the board of the union district in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including all actions necessary to address the collectively bargained rights of employees of the current employing entity.

(e) Preparedness deemed unlikely.

(1) If the State Board determines preparedness is unlikely and issues a written advisory statement detailing the factors underlying its conclusion pursuant to subdivision (c)(2) of this section, it shall electronically transmit the advisory statement to the board of the new school district upon its election.

(2) Upon receipt of the advisory statement, the board of the new school district shall post the document on its website and schedule the contents as a topic for public discussion at a special or regular board meeting.

(3) Prior to the operational date and after public discussion and any board deliberations:

(A) The board of the new school district may continue to take all actions necessary to prepare for the realignment of duties on the operational date.

(B) On its own motion, or if petitioned to do so by at least five percent of the voters in the new school district, the board of the new school district shall warn a vote to request the State Board to reverse its declaration approving withdrawal and reconstituting the new school district. The vote shall be held before the October 1 prior to the operational date.

(i) The question shall be decided by Australian ballot.

(ii) Within 45 days after the vote or 15 days after a vote to reconsider under 17 V.S.A. § 2661, whichever is later, the clerk of the new school district shall certify the results of the vote to the Secretary of State who shall record the certificate and give notice of the vote to the clerk of the union district, the clerks of each of the other towns within the union district, and the Secretary of Education. The clerk of the new school district shall submit the certification regardless of whether the voters in the district voted to petition the State Board to reverse its declarations.

(4) If the new school district requests the State Board to take action under subdivision (3) of this subsection, then:

(A) the State Board shall reverse and void earlier declarations approving withdrawal and reconstituting the new school district and the withdrawal action initiated pursuant to the former 16 V.S.A. § 724 is concluded; and

(B) the union school district shall continue to be solely responsible for the education of the students residing in the town that petitioned for withdrawal; provided, however:

(i) the new school district and its board shall continue to exist for up to six months after the day on which the State Board reverses and voids its earlier declarations for the sole purpose of completing any outstanding business that cannot legally be performed by another entity; and

(ii) the State Board may make any declarations and take any actions, including recording certifications with the Secretary of State, that are necessary to support the consequences outlined in this subdivision (e)(4).

(f) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the five elements set forth in subdivisions (A)–(E) of subdivision (a)(2) are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (e) have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(g) Repeal. This section is repealed on July 1, 2024.

Sec. 6. WITHDRAWAL PROPOSALS ON WHICH THE STATE BOARD HAS NOT TAKEN ACTION; UNION DISTRICT CREATED BY THE ELECTORATE

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) the voters of the petitioning town approved a proposal to withdraw from the union district;

(3) the voters of each of the other towns within the union district ratified the petitioning town's proposal to withdraw; and

(4) the State Board of Education has not approved a final date of withdrawal and the assumption of full operations.

(b) Report and plan. At any time before July 1, 2022, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board, and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (d) of this section.

(c) Review and preparedness determination by the State Board.

(1) Review. The State Board shall consider the report and plan and provide the self-selected representatives of the petitioning town and the board of the union district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may also take testimony from other individuals and entities including the Secretary of Education and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district. The State Board shall

issue a determination of preparedness as soon as possible after receipt of the report and plan but in no event later than August 1, 2022.

(2) Preparedness deemed likely; State Board of Education action. If the State Board determines that it is likely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and that it is also likely supervisory union services will be available to the proposed new school district, then it shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the proposed new school district will not be able to be prepared, on the proposed operational date, to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, and that the criteria will not be met by postponing the operational date, then:

(A) the State Board shall declare that the petitioning town's proposal to withdraw initiated under the former 16 V.S.A. § 724 is denied;

(B) the petitioning town shall remain a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724; and

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(d) Preparedness deemed likely; next steps. If the State Board approves the withdrawal process pursuant to subdivision (c)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(e) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the four elements set forth in subdivisions (1)–(4) of subsection (a) of this section are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (d) of this section have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(f) Repeal. This section is repealed on July 1, 2024.

Sec. 7. WITHDRAWAL PROPOSALS; NO FINAL RATIFICATION VOTES

(a) Application of this section. This section shall apply solely to a withdrawal action initiated by a town within a union district (petitioning town) pursuant to the provisions of 16 V.S.A. § 724 that were in effect prior to the effective date of Sec. 3 of this act (former 16 V.S.A. § 724) if each of the following actions occurred prior to that date:

(1) the union district formed pursuant to the provisions of 16 V.S.A. §§ 706–706j that were in effect prior to the effective date of Sec. 3 of this act;

(2) a vote in the petitioning town to approve a withdrawal proposal was warned to occur on or before June 1, 2022; and

(3) the voters of each of the other towns within the union district have not voted whether to ratify the withdrawal proposal prior to the effective date of this section or if they each voted but the votes are not final prior to the effective date.

(b) Vote of the other towns within the union district. If the voters in the petitioning town vote to approve withdrawal, then within 90 days after the town clerks in the other towns within the union district receive notice from the Secretary of State pursuant to the former 16 V.S.A. § 724(b) that the vote in the petitioning town is final, the voters of the other towns within the union district shall vote whether to ratify the withdrawal proposal. The question shall be determined by Australian ballot and shall proceed pursuant to Sec. 3, 16 V.S.A. § 737 (warnings of unified union school district meetings) and

§§ 739–741 (vote by Australian ballot) of this act. The ballots shall not be commingled.

(1) Vote not to ratify withdrawal. If a majority of the voters in one or more towns within the union district do not vote in favor of withdrawal, then the proposed withdrawal shall not occur. The voters residing in any town within the union district may initiate new withdrawal procedures pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(2) Vote in favor of withdrawal. If a majority of the voters in all towns within the union district vote in favor of withdrawal, then the withdrawal process shall proceed pursuant to subsections (c)–(e) of this section.

(c) Report and plan. Within 30 days after the ratification votes of the other towns within the union district are final, the self-selected representatives of the petitioning town shall submit a written report and plan to the State Board and shall indicate to the State Board that the documents are submitted pursuant to this section.

(1) Report. The report shall describe the analysis that has been performed by the petitioning town to evaluate the likely strengths and challenges for the proposed new school district and for the reconfigured union district if withdrawal is approved and the ways in which withdrawal would enable both districts to provide for the education of their respective resident students in a manner that will meet educational quality standards as required by 16 V.S.A. § 165. The report shall address:

(A) the educational advantages and disadvantages likely to result from withdrawal for the students in the proposed new school district and the students in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(B) the financial advantages and disadvantages likely to result from withdrawal for the taxpayers in the proposed new school district and the taxpayers in the remaining towns within the union district and the ways in which they are preferable to those of continuing in the current governance structure;

(C) the likely operational and financial viability and sustainability of the proposed new school district and the union district after withdrawal of the petitioning town;

(D) any other advantages and disadvantages of withdrawal, including any advantages and disadvantages to the students and taxpayers of the region and the State; and

(E) the potential source of supervisory union services for the new school district and, if appropriate, for the union district, including discussions with the board of any supervisory union to which the petitioning town proposes assignment.

(2) Plan. The plan shall describe the actions that the petitioning town has taken and will take to ensure that, as of its proposed operational date, the proposed new district will be prepared to assume sole responsibility for the education of its students in prekindergarten through grade 12 in a manner that will meet educational quality standards as required by 16 V.S.A. § 165, including the actions necessary to transition to the proposed method by which supervisory union services would be provided. The plan shall include a timeline indicating the date by which each action will be complete. At a minimum, the plan and timeline should include the actions identified in subsection (e) of this section.

(d) Review and preparedness determination by the State Board.

(1) Review. The State Board shall consider the report and plan and provide the self-selected representatives of the petitioning town, the board of the union district, and any supervisory union that has been identified as a potential source of supervisory union services for the proposed new school district an opportunity to be heard at a meeting held at a location within the petitioning town. The State Board may also take testimony from other individuals and entities, including the Secretary of Education. The State Board shall issue a determination of preparedness within 90 days following receipt of the report and plan required under subsection (c) of this section, unless the self-selected representatives agree to an extension of the deadline.

(2) Preparedness deemed likely; State Board of Education action. If the State Board determines that it is likely the proposed new school district, on the proposed operational date, will be prepared to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165 and that it is also likely supervisory union services will be available to the proposed new school district, then it shall vote to:

(A) approve the withdrawal proposal;

(B) approve any motion necessary for the withdrawal process to proceed pursuant to subsection (d) of this section, including a motion to create a new school district as of the date of the motion in order to enable the election of members to the board of the proposed new school district, negotiation and voter approval of a withdrawal agreement pursuant to the former 16 V.S.A. § 724(c), and preparation to assume full responsibility for the education of

resident students on the operational date;

(C) determine or set a schedule for determining the manner in which supervisory union services will be provided to the proposed new school district and, if appropriate, the union district, to be effective on the proposed new school district's operational date; and

(D) make any other findings or declarations and approve any other motions that are related and necessary to the withdrawal proposal.

(3) Preparedness deemed unlikely. If the State Board determines there is a reasonable risk that the proposed new school district will not be able to be prepared, on the proposed operational date, to assume full responsibility for the education of its resident students in a manner that substantially complies with educational quality standards as required by 16 V.S.A. § 165, and to ensure the provision of supervisory union services, and that the criteria will not be met by postponing the operational date, then:

(A) the State Board shall declare that the petitioning town's proposal to withdraw initiated under the former 16 V.S.A. § 724 is denied;

(B) the petitioning town shall remain a town within the union district;

(C) the State Board's determination of reasonable risk and the resulting consequences imposed by such a determination shall be final and shall conclude the withdrawal action initiated pursuant to the provisions of the former 16 V.S.A. § 724; and

(D) if voters residing in any town within the union district wish to initiate new withdrawal procedures, then they shall do so pursuant to the process set forth in Sec. 3, 16 V.S.A. § 724, of this act.

(e) Preparedness deemed likely; next steps. If the State Board approves the withdrawal process pursuant to subdivision (d)(2) of this section, then the new school district, the union district, and, if applicable, the supervisory union or unions shall take all actions necessary to be fully operational on the identified operational date. At a minimum, the required necessary actions shall include:

(1) election of initial school board members by the voters of the new school district, whose terms of office shall be arranged so that one each expires on the day of the second, third, and fourth annual meeting of the new school district and whose sole responsibility until the new school district's operational date shall be to prepare for the district to assume sole responsibility for the education of resident students on that date;

(2) negotiation by the board of the new school district and the board of the union district of the proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(3) approval by the voters of each town within the union district of the negotiated proposed financial terms of withdrawal in order to comply with the requirements of the former 16 V.S.A. § 724(c);

(4) preparation of a proposed budget by the board of the new school district for the fiscal year beginning on the district's operational date, together with presentation to and approval by the district's voters prior to that date;

(5) preparation for the provision of supervisory union services to the new school district and, if applicable, for the transition of the union school district from a supervisory district structure to a supervisory union structure; and

(6) all other actions necessary to transition from one school district to two districts and, if applicable, to transition from a supervisory district structure to a supervisory union structure, including any actions necessary to address the collectively bargained rights of employees of the former employing entity.

(f) Application of this section to withdrawal from a union elementary or union high school district.

(1) The processes outlined in this section shall apply to an action of a member school district to withdraw from a union elementary or union high school district if the three elements set forth in subdivisions (1)–(3) of subsection (a) of this section are met.

(2) For purposes of applying the process in this section to withdrawal from a union elementary or union high school district under this subsection, the terms used in subsections (a) through (e) of this section have the following meanings:

(A) "Petitioning town" means the member district of the union elementary or union high school district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(B) "Selectboard" means the board of the member district that initiated the withdrawal process pursuant to the provisions of 16 V.S.A. § 721a that were in effect prior to the effective date of Sec. 3 of this act.

(C) "Town within the union school district" means a member district of the union elementary or union high school district.

(g) Repeal. This section is repealed on July 1, 2025.

Sec. 8. TEMPORARY MORATORIUM ON UNION SCHOOL DISTRICT SCHOOL CLOSURES

(a) Notwithstanding any provision of law to the contrary, a union school district shall be prohibited from closing a school building within its district unless the school building closure has already been accounted for in the fiscal year 2023 school budget or the closure is approved by the district voters residing in the town in which the building is located. For the purposes of this section, "closing a school building " means the district ceases to use the building to provide direct education for a majority of the grades operated within the building on or before July 1, 2022.

(b) This section is repealed on July 1, 2024.

Sec. 9. UNION SCHOOL DISTRICT CLOSURES; REPORT

On or before September 1, 2023, the Agency of Education shall issue a written report to the Senate and House Committees on Education on union school district school building closures. In preparing the report, the Agency shall consult with the State Board of Education, the Vermont School Boards Association, the Vermont Principals' Association, the Vermont Superintendents Association, the Vermont National Education Association, and the Vermont League of Cities and Towns. The Agency shall also solicit and consider comments from the public. The report shall include:

(1) an examination of examples of recent school closures, or attempted school closures, within union school districts and identification of common trends and issues;

(2) an examination of the impact school closures have had or are anticipated to have on towns or member districts seeking to withdraw from a union school district;

(3) an examination of the issues leading a school board to consider closing a school building, the options to address the issue that could be employed instead of school closure, and the impact the inability to close a school building has had or is expected to have on the union school district or any of the towns or member districts within it;

(4) an examination of the factors that should be used to determine school viability and sustainability and how those factors relate to school closure decisions;

(5) an examination of the advantages and disadvantages of creating a consistent statewide process for union school district school closures and a

common definition of what actions constitute a closure;

(6) recommendations on school closure standards and processes; and

(7) recommendations for legislative action, including recommended legislative language.

Sec. 10. UNION SCHOOL DISTRICT WITHDRAWAL; ANNUAL REPORT

The Agency of Education shall make an annual report to the Senate and House Committees on Education on or before January 15. The report shall include a detailed analysis of each union school district withdrawal action the Agency reviewed during the preceding year. The report shall also include any recommendations for legislative action.

Sec. 11. 16 V.S.A. § 1804 is added to read:

§ 1804. EMPLOYMENT TRANSITION; NEW SCHOOL DISTRICT CREATED UPON WITHDRAWAL FROM A UNION SCHOOL DISTRICT

(a) Definitions. The definitions in section 1801 of this subchapter shall not apply to this section. As used in this section:

(1) "Expanded district" means a school district:

(A) that was responsible for the education of students residing in a single town for some, but not all, grades, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others; and

(B) that, as the result of its withdrawal from a union elementary or union high school district pursuant to section 725 of this title, is solely responsible for the education of its resident students in all grades prekindergarten through grade 12, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others.

(2) "New district" means:

(A) a school district created by withdrawal from a unified union school district pursuant to section 724 of this title that is responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition for others;

(B) a school district responsible for the prekindergarten through grade 12 education of students residing in a single town, whether by operating all grades, tuitioning all grades, or operating some grades and paying tuition

for others, that was formed when another town's withdrawal from a unified union school district resulted in dissolution of the union district;

(C) an expanded district that did not operate any schools immediately prior to withdrawal and, after withdrawal, operates a school in one or more of the grades previously operated by the union district; or

(D) a school district created by withdrawal from a union elementary or union high school district pursuant to section 725 of this title if prior to withdrawal the withdrawing member was a member of both a union elementary school district and a union high school district, was not independently organized as a district responsible for the education of students in any grade, and did not have a town school district board.

(3) "Operational date" means the date on which a new district or an expanded district assumes full and sole responsibility for the education of its resident students in the grades for which the union district was previously responsible. "Initial operational year" and "second operational year" mean the year commencing on the operational date and the year immediately following the initial operational year, respectively.

(4) "Transitional period" means the period of time beginning on the day on which the State Board declares the creation and existence of the new district or the expanded district pursuant to subdivision 724(h)(2) or 725(h)(2) of this title and continuing until the new district's or newly expanded district's operational date.

(b) Negotiations council and recognized representatives of a new district. At its first meeting during the transitional period, the board of a new district shall:

(1) appoint a school board negotiations council for the new district for the purpose of negotiating with the representatives of future licensed and nonlicensed employees of the new district; and

(2) recognize the representative of the employees of the union school district as the recognized representative of the employees of the new district.

(c) Employment agreements for the initial and second operational years of a new district.

(1) After the new district's organizational meeting, the new district's school board negotiations council and the representative of the employees of the new district shall commence negotiations relating to the employment of licensed and nonlicensed employees in the initial operational year. Negotiations shall be conducted pursuant to the provisions of chapter 57 of this title for teachers and administrators and 21 V.S.A. chapter 22 for other

employees. The negotiations council or councils representing employees of the union school district shall represent the employees of the new district unless and until the exclusive representative for employees of the new district designates new representatives to a negotiations council.

(2) If the parties do not ratify a new agreement at least 90 days prior to the new district's operational date, then the new district and its employees shall be governed by the terms of the collectively bargained agreement in place for the union district for the year preceding the initial operational year unless and until the parties agree otherwise.

(d) Non-probationary employees; changes to seniority and other provisions. For each new district and its employees, whether governed by an agreement in the initial operational year pursuant to subdivision (c)(1) or (c)(2) of this section:

(1) an employee of the union district in the year preceding the initial operational year who was not a probationary employee of the union district at the conclusion of that year shall not be considered a probationary employee if employed by the new district in the initial operational year; and

(2) prior to the operational date, the board of the union district, the board of the new district, and the representative of the employees of the union district may negotiate a temporary memorandum of understanding to adjust provisions in the union district contract regarding seniority, reductions in force, layoff, and recall in order to assist the workforce needs of both the union district and the new district and the best interests of the licensed and nonlicensed employees they employ.

(e) Individual employment contracts not covered by a collective bargaining agreement. On its operational date, the new district shall assume the obligations of each existing individual employment contract, including accrued leave and associated benefits, of any union district employee not covered by a collective bargaining agreement who worked in the building located in the new district in the year preceding the initial operational year and who chooses to continue to work in the same capacity in that building in the initial operational year.

(f) Supervisory unions. If the State Board creates a new supervisory union to provide services to the new district and one or more other school districts, then the provisions of subsections (b) through (e) of this section shall apply to the transition of any employee who was employed by the union district in the year prior to the initial operational year to provide services typically provided by a supervisory union employee, if the employee is employed by the new supervisory union in the initial operational year to provide the same services,

with the board of the new supervisory union assuming the responsibilities of the board of the new district as outlined in subsections (b) through (e) of this section.

Sec. 12. APPLICATION OF EMPLOYMENT TRANSITION PROVISIONS

The provisions of Sec. 11 of this act shall also apply to any school district with an operational date of July 1, 2023 or later if the State Board of Education created the district as the result of a withdrawal action initiated pursuant to the terms of 16 V.S.A. § 721a or § 724 that were in effect on January 1, 2022.

Sec. 13. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: 6-0-0)

(For House amendments, see House Journal for March 17, 2022, pages 648-651)

House Proposals of Amendment

S. 100

An act relating to universal school breakfast and the creation of the Task Force on Universal School Lunch

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

* * * Title * * *

Sec. 1. SHORT TITLE

This act may be cited as the "Universal School Meals Act."

* * * Findings * * *

Sec. 2. FINDINGS

The General Assembly finds that:

(1) According to the Vermont Agency of Education, an average of 38 percent of students across all supervisory unions during the 2019–2020 school year qualified for free or reduced-price lunch. The General Assembly recognizes that students need fresh and nutritional foods to enable them to focus on their education and that many students come to school hungry. Providing universal school meals offered at no cost to students or their families creates a necessary foundation for learning readiness during the school day.

(2) A 2021 study by the National Food Access and COVID Research Team found that in the first year of the pandemic, nearly one-third of people in Vermont faced hunger, and families with children were five times more likely to face hunger. Food insecurity rates remained above pre-pandemic levels a year after the start of the pandemic.

(3) In a 2019 research report, the Urban Institute found that up to 42 percent of children living in food-insecure homes may not be eligible for free or reduced-price school meals.

(4) In 2016, the Center for Rural Studies at the University of Vermont partnered with the Vermont Farm to School Network to measure the economic contribution and impacts of Farm to School in Vermont. The final report found that school meal programs support a vibrant agricultural economy with every $1.00 spent on local food in schools contributing $1.60 to the Vermont economy.

(5) A study conducted by researchers at the University of Vermont and Hunger Free Vermont, and published in the Journal of Hunger and Environmental Nutrition, found that universal school meals programs in Vermont were associated with, among other benefits, improved overall school climate as a result of financial differences being less visible and improved readiness to learn among students overall.

* * * Universal Meals * * *

Sec. 3. UNIVERSAL MEALS

(a) Notwithstanding provision. The provisions of this section shall apply notwithstanding any provision of law to the contrary.

(b) Definition. As used in this section, "approved independent school" means an approved independent school physically located in Vermont.

(c) Universal food program.

(1) In addition to the requirements of 16 V.S.A. § 1264(a)(1) (food program), each school board operating a public school shall cause to operate within each school in the school district the same school breakfast and school lunch program made available to students who qualify for those meals under the National Child Nutrition Act and the National School Lunch Act, as amended, for each attending student every school day at no charge. An approved independent school located in Vermont may operate the same school lunch and the same school breakfast program made available to students who qualify for those meals under the National Child Nutrition Act and the National School Lunch Act, each as amended, to each student attending on public tuition every school day at no charge.

(2) In operating its school breakfast and lunch program, a school district and an approved independent school shall seek to achieve the highest level of student participation, which may include any or all of the following:

(A) providing breakfast meals that can be picked up by students;

(B) making breakfast available to students in classrooms after the start of the school day; and

(C) for school districts, collaborating with the school's wellness community advisory council, as established under subsection 136(e) of this title, in planning school meals.

(3) A school district and an approved independent school shall count time spent by students consuming school meals during class as instructional time.

(d) Award of Grants.

(1) Public schools. From State funds appropriated to the Agency for this subsection, the Agency shall reimburse each school district that made available both school breakfast and lunch to students at no charge under subsection (c) of this section for the cost of each meal actually provided in the district during the previous quarter that qualifies as a paid breakfast or paid lunch under the federal school breakfast and federal school lunch programs. Reimbursement from State funds shall be available only to districts that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision or Provision 2 of these programs, or any other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that program.

(2) Approved independent schools.

(A) Subject to subdivision (B) of this subsection (2), from State funds appropriated to the Agency for this subsection (d), the Agency shall reimburse each approved independent school that made available both school breakfast and lunch to students attending on public tuition at no charge under subsection (c) of this section for the cost of each meal actually provided by the approved independent school to those students during the previous quarter that qualifies as a paid breakfast or paid lunch under the federal school breakfast and federal school lunch programs.

(B) An approved independent school is eligible for reimbursement under this subsection (d) only if it operates a food program that makes available a school lunch, as provided in the National School Lunch Act as amended, and a school breakfast, as provided in the National Child Nutrition

Act as amended, to each attending student who qualifies for those meals under these Acts every school day.

(C) Reimbursement from State funds shall be available only to approved independent schools that maximize access to federal funds for the cost of the school breakfast and lunch program by participating in the Community Eligibility Provision or Provision 2 of these programs, or any other federal provision that in the opinion of the Agency draws down the most possible federal funding for meals served in that program.

(3) Reimbursement amounts for public schools and approved independent schools. The reimbursement amount for breakfast shall be a sum equal to the federal reimbursement rate for a free school breakfast less the federal reimbursement rate for a paid school breakfast, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture. The reimbursement amount for lunch shall be a sum equal to the federal reimbursement rate for a free school lunch less the federal reimbursement rate for a paid school lunch, using rates identified annually by the Agency of Education from payment levels established annually by the U.S. Department of Agriculture.

(e) Notwithstanding any provision of law to the contrary, 16 V.S.A. § 1265 shall not apply to school year 2022–2023.

(f) The Agency of Education may use the universal income declaration form to collect the household income information necessary for the implementation of a universal meals program.

Sec. 4. REPEAL

Sec. 3 of this act is repealed on July 1, 2023.

Sec. 5. APPROPRIATION; UNIVERSAL MEALS

Notwithstanding 16 V.S.A. § 4025(d) and any other provision of law to the contrary, the sum of $29,000,000.00 is appropriated from the Education Fund to the Agency of Education for fiscal year 2023 to provide reimbursement for school meals under Sec. 3 this act.

* * * Reports * * *

Sec. 6. AGENCY OF EDUCATION; CONSULTATION; REPORT

On or before January 15, 2023, the Agency of Education shall report to the House and Senate Committees on Education and on Appropriations, the House Committee on Ways and Means, and the Senate Committee on Finance on the impact and status of implementation under this act. The report shall include data on student participation rates in the universal meals program on an

individual school level and, if possible, on a grade level; the relationship of federal rules to the State-funded program; and strategies for minimizing the use of State funds.

Sec. 7. JOINT FISCAL OFFICE; REPORT

On or before February 1, 2023, the Joint Fiscal Office (JFO) shall prepare a report examining possible revenue sources including expansion of the sales tax base, enactment of an excise tax on sugar sweetened beverages, and other sources of revenue not ordinarily used for General Fund purposes. The report shall include preliminary revenue estimates and other policy considerations.

* * * Effective Date * * *

Sec. 8. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

An act relating to universal school meals.

S. 127

An act relating to the procedures and review of community supervision furlough revocation or interruption appeals.

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

Sec. 1. 28 V.S.A. § 724 is amended to read:

§ 724. TERMS AND CONDITIONS OF COMMUNITY SUPERVISION FURLOUGH

* * *

(c) Appeal.

(1) An offender whose community supervision furlough status is revoked or interrupted for 90 days or longer for a technical violation shall have the right to appeal the Department's determination to the Civil Division of the Superior Court in accordance with Rule 74 of the Vermont Rules of Civil Procedure. The appeal shall be based on a de novo review of the record. The appellant may offer testimony, and, in its discretion for good cause shown, the court may accept additional evidence to supplement the record. If additional evidence is accepted by the court, the Department, through the Office of the Vermont Attorney General, shall have the opportunity to present rebuttal evidence, including testimony, for the court's consideration. The notice of appeal filed pursuant to Rule 74 shall include a certification that the court has

subject matter jurisdiction. The Department shall file an objection to subject matter jurisdiction within 14 days, which shall stay the filing of the record on appeal until the court issues an order on the Department's objection. The appellant shall have the burden of proving by a preponderance of the evidence that the Department abused its discretion in imposing a furlough revocation or interruption for 90 days or longer pursuant to subsection (d) of this section.

(2) An appeal filed pursuant to this subsection shall be limited to determine whether the decision to interrupt or revoke an offender's community supervision furlough status was an abuse of discretion by the Department based on the criteria set forth in subdivision (d)(2) of this section. The length of interruption or revocation may be a consideration in the abuse of discretion determination.

(3) An appeal filed pursuant to this subsection shall be brought in the unit of the Superior Court in which the offender resided at the time that the offender's furlough status was revoked or interrupted or the unit in which the offender is detained after the offender's furlough status was revoked or interrupted. If an appeal is filed pursuant to this subsection in a unit lacking proper venue, the court, on its own motion or on timely motion of a party to the appeal, may transfer the appeal to a unit having proper venue.

(d) Technical violations.

(1) As used in this section, "technical violation" means a violation of conditions of furlough that does not constitute a new crime.

(2) It shall be abuse of the Department's discretion to revoke furlough or interrupt furlough status for 90 days or longer for a technical violation, unless:

(A) ~~the~~ The offender's risk to reoffend can no longer be adequately controlled in the community, and no other method to control noncompliance is suitable~~; or~~.

(B) ~~the~~ The violation or pattern of violations indicate the offender poses a danger to others ~~or to the community or poses a threat to abscond or escape from furlough~~.

(C) The offender's violation is absconding from community supervision furlough. As used in this subdivision, "absconding" means:

(i) the offender has not met supervision requirements, cannot be located with reasonable efforts, and has not made contact with Department staff within three days if convicted of a listed crime as defined in 13 V.S.A. § 5301(7) or seven days if convicted of a crime not listed in 13 V.S.A. § 5301(7);

(ii) the offender flees from Department staff or law enforcement; or

(iii) the offender left the State without Department authorization.

Sec. 2. 28 V.S.A. § 123 is amended to read:

§ 123. DEPARTMENT OF CORRECTIONS MONITORING COMMISSION

(a) Creation. There is created the Corrections Monitoring Commission to provide advice and counsel to the Commissioner of Corrections with regard to the Commissioner's responsibility to manage the reporting of sexual misconduct; promote adherence to anti-retaliation policies; ensure overall policy implementation and effectiveness; improve the transparency, accountability, and cultural impact of agency decisions; and ensure that the ~~determination of investigatory findings~~ Department's investigations and any resulting disciplinary actions are ~~just and appropriate~~ compliant with Department policies, procedures, and directives.

* * *

(c) Powers and duties. The Commission shall have the following duties:

(1) Provide advice and counsel to the Commissioner of Corrections in carrying out the Commissioner's responsibilities at the Department of Corrections to ~~monitor~~ review the reporting of sexual misconduct, the ~~implementation of~~ adherence to the Department's anti-retaliation policy, ~~create~~ the transparency and ~~implement~~ implementation of policies relating to misconduct, and ~~review~~ the disciplinary ~~actions~~ policies.

(2) ~~Examine~~ Review facility staffing needs, employee retention, employee working conditions, and employee morale. The Commission may engage with current and former Department employees and individuals in the custody of the Department, review the Analysis of State of Vermont Employee Engagement Survey Results from the Department of Human Resources, and meet with the Vermont State Employees' Association to further the Commission's understanding of these issues. The Commission shall report annually on or before January 15 to the Commissioner of Corrections, the Secretary of Human Services, the House Committees on Corrections and Institutions and on Government Operations, and the Senate Committees on Judiciary and on Government Operations on:

* * *

(3) Monitor the Department in the following areas:

* * *

(F) ~~investigations of~~ compliance with the policies, procedures, or directives governing employee misconduct~~,~~ investigations; the movement of contraband in facilities~~,~~; threats to personal safety~~,~~; and the Department's response to major events that occur in the Department of Corrections~~,~~ ~~including the death of an individual in the custody of the Commissioner of Corrections and the escape of an individual from a Department facility or Department custody~~; and

* * *

(f) Assistance. The Commission shall have the administrative~~,~~ and technical~~, and legal~~ assistance of the Department of Corrections. The Commission shall have the legal assistance of the Office of the Attorney General.

(g) Commissioner of Correction's duties.

(1) The creation and existence of the Commission shall not relieve the Commissioner of ~~his or her~~ the Commissioner's duties under the law to manage, supervise, and control the Department of Corrections.

(2) The Commissioner or designee shall produce all relevant Department policies, procedures, and directives requested by the Commission pursuant to its monitoring duties under this section.

* * *

(i) Confidentiality. Any information or report related to employee or incarcerated individual misconduct or discipline that is provided to the Commission shall be in a form that does not include personally identifiable information of any of the parties to the alleged misconduct and does not disclose any information that is required to be kept confidential pursuant to applicable State and federal law or any applicable collective bargaining or employment contract.

(j) Definition.

As used in subdivision (c)(3) of this section, "monitor" shall, when appropriate, include access to incident information in a form sufficient to discern the nature of the incident in question and compliance with the policies, procedures, or directives governing the incident.

Sec. 3. APPLICABILITY

Notwithstanding 1 V.S.A. §§ 213 and 214, the following provisions of Sec. 1 of this act shall apply retroactively to any pending appeal filed at any time prior to the effective date of this act:

(1) the provisions of 28 V.S.A. § 724(c)(1) related to subject matter jurisdiction certification and the Department's ability to object to subject matter jurisdiction; and

(2) 28 V.S.A. § 724(c)(3) (venue).

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

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

An act relating to clarifying community supervision furlough appeals and the powers of the Corrections Monitoring Commission.

S. 195

An act relating to the certification of mental health peer support specialists

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

Sec. 1. FINDINGS

The General Assembly finds:

(1) The Centers for Medicare and Medicaid Services (CMS) recognizes that the experiences of peer support specialists, as part of an evidence-based model of care, can be an important component in a state's delivery of effective mental health treatment. CMS encourages states to offer comprehensive programs.

(2) Research studies have demonstrated that peer supports improve an individual's functioning, increase an individual's satisfaction, alleviate symptoms, reduce hospitalizations and hospital days, increase an individual's satisfaction with treatment, and enhance an individual's self-advocacy.

(3) Certification can encourage an increase in the number, diversity, and availability of peer support specialists.

(4) The U.S. Department of Veterans Affairs, more than 46 states, and the District of Columbia have created statewide mental health peer certification programs.

(5) Mental health peers in Vermont are currently providing individualized support, coaching facilitation, and education to individuals with mental health needs, in a variety of settings, yet no statewide scope of practice, standardized curriculum, training standards, supervision standards, or certification protocols are available.

Sec. 2. PEER SUPPORT SPECIALIST CERTIFICATION

(a) The Department of Mental Health shall initiate the next steps toward the creation of a statewide peer support specialist certification program through execution of the grant for advancing peer certification in Vermont included in the allocation of monies appropriated to the Department in 2022 Acts and Resolves No, 83, Sec. 72a(c)(4).

(b) On or before December 15, 2022, the Department shall submit a written report to the House Committee on Health Care and to the Senate Committee on Health and Welfare that:

(1) incorporates recommendations of the grantee selected pursuant to subsection (a) of this section; and

(2) provides policy guidance and recommendations for any legislation necessary to create the program.

(c) The report required pursuant to subsection (b) of this section shall include input from:

(1) the Office of Professional Regulation; and

(2) the Department of Vermont Health Access regarding the options and steps required to seek Medicaid funding for certified peer support specialists.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

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

An act relating to examining mental health peer support certification.

UNFINISHED BUSINESS OF MAY 3, 2022

House Proposals of Amendment

S. 220

An act relating to State-paid deputy sheriffs.

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

Sec. 1. 3 V.S.A. § 902 is amended to read:

§ 902. DEFINITIONS

As used in this chapter:

* * *

(5) "State employee" means any individual employed on a permanent or limited status basis by the State of Vermont, the Vermont State Colleges, the University of Vermont, ~~or~~ the State's Attorneys' offices, or as a full-time deputy sheriff paid by the State pursuant to 24 V.S.A. § 290(b), including permanent part-time employees, and an individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice, but excluding an individual:

(A) exempt or excluded from the State classified service under the provisions of section 311 of this title, except that the State Police in the Department of Public Safety; employees of the Defender General, excluding attorneys employed directly by the Defender General and attorneys contracted to provide legal services; deputy State's Attorneys; ~~and~~ employees of State's Attorneys' offices; and full-time deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b) are included within the meaning of "State employee";

* * *

(7)(A) "Employer" means the State of Vermont, excluding the Legislative and Judiciary Departments, represented by the Governor or designee, the Office of the Defender General represented by the Defender General or designee, Vermont State Colleges represented by the Chancellor or designee, and the University of Vermont represented by the President or designee.

(B) With respect to employees of State's Attorneys' offices and full-time deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b), "employer" means the Department of State's Attorneys and Sheriffs represented by the Executive Director or designee. Nothing in this subdivision (7)(B) shall be construed to affect a sheriff's deputation authority pursuant to 24 V.S.A. § 307(a).

* * *

Sec. 2. 3 V.S.A. § 906 is amended to read:

§ 906. DESIGNATION OF MANAGERIAL, SUPERVISORY, AND CONFIDENTIAL EMPLOYEES

* * *

(b)(1) The Executive Director of the Department of State's Attorneys and Sheriffs may determine positions in the State's Attorneys' offices whose incumbents the Executive Director believes should be designated as managerial, supervisory, or confidential employees. Any disputes arising from the determination shall be finally resolved by the Board.

(2) The Executive Director of the Department of State's Attorneys and Sheriffs may designate as a confidential employee not more than one deputy sheriff paid by the State pursuant to 24 V.S.A. § 290(b) who is assigned to the Department of State's Attorneys and Sheriffs' central office to serve as the coordinator for the other State-paid deputies.

Sec. 3. 3 V.S.A. § 911 is added to read:

§ 911. DESIGNATION OF DEPUTY SHERIFFS PAID BY STATE; STATEWIDE BARGAINING RIGHTS

(a) Deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b) shall be part of a single, separate statewide bargaining unit, as determined to be appropriate by the Board pursuant to section 941 of this title, for the purpose of bargaining collectively pursuant to this chapter.

(b) The bargaining unit created pursuant to this section shall be referred to as the State-Paid Deputy Sheriffs Unit.

Sec. 4. EXISTING BARGAINING UNIT; DECERTIFICATION

On the effective date of this act, the existing bargaining unit and certification of an exclusive bargaining representative for the State-paid deputy sheriffs in the Chittenden County Sheriff's Department shall be dissolved.

Sec. 5. 3 V.S.A. § 904 is amended to read:

§ 904. SUBJECTS FOR BARGAINING

(a) All matters relating to the relationship between the employer and employees shall be the subject of collective bargaining except those matters that are prescribed or controlled by statute. The matters appropriate for collective bargaining to the extent they are not prescribed or controlled by statute include:

* * *

(8) terms of coverage and amount of employee financial participation in insurance programs, except that the Department of State's Attorneys and Sheriffs and the deputy State's Attorneys ~~and~~, other employees of the State's Attorneys' offices, and deputy sheriffs paid by the State pursuant to 24 V.S.A. § 290(b) shall not bargain in relation to terms of coverage and the amount of employee financial participation in insurance programs;

* * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

S. 287

An act relating to improving student equity by adjusting the school funding formula and providing education quality and funding oversight.

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

* * * Findings and Goals * * *

Sec. 1. FINDINGS

(a) The Vermont Supreme Court, in *Brigham v. State,* 166 Vt. 246 (1997), held that education in Vermont is "a constitutionally mandated right" and that to "keep a democracy competitive and thriving, students must be afforded equal access to all that our educational system has to offer." Therefore, the Court held that in order to "fulfill its constitutional obligation the [S]tate must ensure substantial equality of educational opportunity throughout Vermont."

(b) The General Assembly reflected this holding in statute, 16 V.S.A. § 1, stating that "the right to education is fundamental for the success of Vermont's children in a rapidly-changing society and global marketplace as well as for the State's own economic and social prosperity. To keep Vermont's democracy competitive and thriving, Vermont students must be afforded substantially equal access to a quality basic education...it is the policy of the State that all Vermont children will be afforded educational opportunities that are substantially equal although educational programs may vary from district to district."

(c) Students come to school with needs that may require different types and levels of educational support for them to achieve common standards or outcomes. Similarly, schools may also require different levels of resources. Therefore, school districts with similar education property tax rates may achieve significantly different student outcomes.

(d) 2018 Acts and Resolves No. 173, Sec. 11 directed the Agency of Education to study the efficacy of the current pupil weights, which are used in Vermont's school funding formula to provide equitable tax capacity to local school districts for spending on various student needs, and to consider whether increased or additional weights should be included in the equalized pupil count.

(e) On December 24, 2019, the Agency issued its Pupil Weighting Factors Report, which was produced by a University of Vermont-Rutgers University team of researchers. The Report found that neither the cost factors incorporated in the weighting formula nor the values of the current weights reflect contemporary educational circumstances and costs and that stakeholders

viewed the existing approach as "outdated." The Report found that values for the existing weights have weak ties, if any, with evidence describing differences in the costs for educating students with disparate needs or operating schools in different contexts and recommended that the General Assembly increase certain existing weights and add certain new weights.

(f) 2021 Acts and Resolves No. 59 created the Task Force on the Implementation of the Pupil Weighting Factors Report composed of eight members of the General Assembly, four Senators and four Representatives, to recommend to the General Assembly an action plan and proposed legislation to ensure that all public school students have equitable access to educational opportunities, taking into account the Weighting Report. The Task Force unanimously recommended two systemic change options and a series of related provisions for either updating the weights or adopting a cost adjustment approach to providing direct aid to school districts as set out in its "Report Prepared in Accordance with Act No. 59 of the 2021 Legislative Session" dated December 17, 2021.

(g) Under current law, 16 V.S.A. § 4010, a weight of 0.46 is applied to a student enrolled in a prekindergarten program. The Pupil Weighting Factors Report did not review whether this weight reflected the actual cost of providing prekindergarten educational services because that review was not within the scope of the authors' mandate. That review is now being undertaken pursuant to 2021 Acts and Resolves No. 45. Therefore, although the 0.46 prekindergarten weight is in current law, its status should be viewed as transitional pending the outcome of this review.

Sec. 2. GOALS

By enacting this legislation, the General Assembly intends to fulfill Vermont's constitutional mandate to ensure that all students receive substantial equality of educational opportunity throughout the State. The legislation is designed to:

(1) increase educational equity by ensuring that the financial resources available to local school districts for educating students living in poverty, English learners, students in small rural schools, students in sparsely populated school districts, and students in middle and high schools are sufficient to meet the cost of educating these students;

(2) improve educational outcomes of publicly funded students throughout Vermont;

(3) improve transparency in the distribution of financial resources to school districts by simplifying the school funding formula and better tying educational expenditures to student needs; and

(4) enhance educational and financial accountability by ensuring that equitable resources are budgeted and expended for the education of students in these circumstances or categories and that regular evaluation mechanisms are utilized to assess educational equity and outcomes.

* * * Updated Weights; Implementation * * *

Sec. 3. INTENT OF ACT

This act updates and adds new pupil weights for fiscal year 2025 and thereafter. Because this change will affect homestead property tax rates, this act limits the degree to which these rates can increase over fiscal years 2025–2029.

Sec. 4. 16 V.S.A. § 4010 is amended to read:

§ 4010. DETERMINATION OF WEIGHTED LONG-TERM MEMBERSHIP AND PER PUPIL EDUCATION SPENDING

~~(a) On or before the first day of December during each school year, the Secretary shall determine the average daily membership of each school district for the current school year. The determination shall list separately:~~

~~(1) resident prekindergarten children;~~

~~(2) resident students being provided elementary or kindergarten education; and~~

~~(3) resident students being provided secondary education.~~

~~(b) The Secretary shall determine the long-term membership for each school district for each student group described in subsection (a) of this section. The Secretary shall use the actual average daily membership over two consecutive years, the latter of which is the current school year.~~

~~(c) The Secretary shall determine the weighted long-term membership for each school district using the long-term membership from subsection (b) of this section and the following weights for each class:~~

~~Prekindergarten 0.46~~

~~Elementary or kindergarten 1.0~~

~~Secondary 1.13~~

~~(d) The weighted long-term membership calculated under subsection (c) of this section shall be increased for each school district to compensate for~~

~~additional costs imposed by students from economically deprived backgrounds. The adjustment shall be equal to the total from subsection (c) of this section, multiplied by 25 percent, and further multiplied by the poverty ratio of the district.~~

~~(e) The weighted long-term membership calculated under subsection (c) of this section shall be further increased by 0.2 for each student in average daily membership for whom English is not the primary language.~~

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

~~(g) The Secretary shall develop guidelines to enable clear and consistent identification of students to be counted under this section.~~

~~(h) On December 1 each year, the Secretary shall determine the equalized pupil count for the next fiscal year for district review. The Secretary shall make any necessary corrections on or before December 15, on which date the count shall become final for that year.~~

~~(i) The Secretary shall evaluate the accuracy of the weights established in subsection (c) of this section and, at the beginning of each biennium, shall propose to the House and Senate Committees on Education whether the weights should stay the same or be adjusted. 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.~~

(a) Definitions. As used in this section:

(1) "EL pupils" means pupils described under section 4013 of this title.

(2) "FPL" means the Federal Poverty Level.

(3) "Weighting categories" means the categories listed under subsection (b) of this section.

(b) Determination of average daily membership and weighting categories. On or before the first day of December during each school year, the Secretary shall determine the average daily membership, as defined in subdivision 4001(1) of this title, of each school district for the current school year and shall perform the following tasks.

(1) Using average daily membership, list for each school district the number of:

(A) pupils in prekindergarten;

(B) pupils in kindergarten through grade five;

(C) pupils in grades six through eight;

(D) pupils in grades nine through 12;

(E) pupils whose families are at or below 185 percent of FPL, using the highest number of pupils in the district:

(i) that meet this definition under the universal income declaration form; or

(ii) who are directly certified for free and reduced-priced meals; and

(F) EL pupils.

(2)(A) Identify all school districts that have low population density, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, equaling:

(i) fewer than 36 persons per square mile;

(ii) 36 or more persons per square mile but fewer than 55 persons per square mile; or

(iii) 55 or more persons per square mile but fewer than 100 persons per square mile.

(B) Population density data shall be based on the best available U.S. Census data as provided to the Agency of Education by the Vermont Center for Geographic Information.

(C) Using average daily membership, list for each school district that has low population density the number of pupils in each of subdivisions (A)(i)–(iii) of this subdivision (2).

(3)(A) Identify all school districts that have one or more small schools, which are schools that have an average two-year enrollment of:

(i) fewer than 100 pupils; or

(ii) 100 or more pupils but fewer than 250 pupils.

(B) As used in subdivision (A) of this subdivision (3), "average two-year enrollment" means the average enrollment of the two most recently completed school years, and "enrollment" means the number of pupils who are enrolled in a school operated by the district on October 1. A pupil shall be counted as one whether the pupil is enrolled as a full-time or part-time student.

(C) Using average two-year enrollment, list for each school district that has a small school the number of pupils in each of subdivisions (A)(i)–(ii) of this subdivision (3).

(c) Reporting on weighting categories to the Agency of Education. Each school district shall annually report to the Agency of Education by a date established by the Agency the information needed in order for the Agency to compute the weighting categories under subsection (b) of this section for that district. In order to fulfill this obligation, a school district that pays public tuition on behalf of a resident student (sending district) to a public school in another school district, an approved independent school, or an out-of-state school (each a receiving school) may request the receiving school to collect this information on the sending district's resident student, and if requested, the receiving school shall provide this information to the sending district in a timely manner.

(d) Determination of weighted long-term membership. For each weighting category except the small schools weighting category under subdivision (b)(3) of this section, the Secretary shall compute the weighting count by using the long-term membership, as defined in subdivision 4001(7) of this title, in that category.

(1) The Secretary shall first apply grade level weights. Each pupil included in long-term membership from subsection (b) of this section shall count as one, multiplied by the following amounts:

(A) prekindergarten—negative 0.54;

(B) grades six through eight—0.36; and

(C) grades nine through 12—0.39.

(2) The Secretary shall next apply a weight for pupils whose family is at or below 185 percent of FPL. Each pupil included in long-term membership whose family is at or below 185 percent of FPL shall receive an additional weighting amount of 1.03.

(3) The Secretary shall next apply a weight for EL pupils. Each EL pupil included in long-term membership shall receive an additional weighting amount of 2.49.

(4) The Secretary shall then apply a weight for pupils living in low population density school districts. Each pupil included in long-term membership residing in a low population density school district, measured by the number of persons per square mile residing within the land area of the geographic boundaries of the district as of July 1 of the year of determination, shall receive an additional weighting amount of:

(A) 0.15, where the number of persons per square mile is fewer than 36 persons;

(B) 0.12, where the number of persons per square mile is 36 or more but fewer than 55 persons; or

(C) 0.07, where the number of persons per square mile is 55 or more but fewer than 100.

(5) The Secretary shall lastly apply a weight for pupils who attend a small school. If the number of persons per square mile residing within the land area of the geographic boundaries of a school district as of July 1 of the year of determination is 55 or fewer, then, for each pupil listed under subdivision (b)(3)(C) of this section (pupils who attend small schools):

(A) where the school has fewer than 100 pupils in average two-year enrollment, the school district shall receive an additional weighting amount of 0.21 for each pupil included in the small school's average two-year enrollment; or

(B) where the small school has 100 or more but fewer than 250 pupils, the school district shall receive an additional weighting amount of 0.07 for each pupil included in the small school's average two-year enrollment.

(6) A school district's weighted long-term membership shall equal long-term membership plus the cumulation of the weights assigned by the Secretary under this subsection.

(e) Hold harmless. A district's weighted long-term membership shall in no case be less than 96 and one-half percent of its actual weighted long-term membership the previous year prior to making any adjustment under this subsection.

(f) Determination of per pupil education spending. As soon as reasonably possible after a school district budget is approved by voters, the Secretary shall determine the per pupil education spending for the next fiscal year for the school district. Per pupil education spending shall equal a school district's education spending divided by its weighted long-term membership.

(g) Guidelines. The Secretary shall develop guidelines to enable clear and consistent identification of pupils to be counted under this section.

(h) Updates to weights. On or before January 1, 2027 and on or before January 1 of every fifth year thereafter, the Agency of Education and the Joint Fiscal Office shall calculate, based on their consensus view, updates to the weights to account for cost changes underlying those weights and shall issue a written report on their work to the House and Senate Committees on

Education, the House Committee on Ways and Means, and the Senate Committee on Finance. The General Assembly shall update the weights under this section and transportation reimbursement under section 4016 of this title not less than every five years and the implementation date for the updated weights and transportation reimbursement shall be delayed by a year in order to provide school districts with time to prepare their budgets. Updates to the weights may include recalibration, recalculation, adding or eliminating weights, or any combination of these actions.

Sec. 5. COLLABORATION BY THE AGENCY OF EDUCATION AND JOINT FISCAL OFFICE

The Agency of Education and the Joint Fiscal Office shall:

(1) on or before August 1, 2022, enter into a memorandum of understanding to share data, models, and other information that is needed to update the weights; and

(2) each host the statistical model used to provide modeling for the Weighting Report dated December 24, 2019 and for ensuing memos and ensure that this model is updated and maintained on both systems in parallel.

Sec. 6. VERMONT CENTER FOR GEOGRAPHIC INFORMATION

The Vermont Center for Geographic Information created under 3 V.S.A. § 2475 shall assist the Agency of Education in determining the number of persons per square mile residing within the land area of the geographic boundaries of each school district in the State.

Sec. 7. CALCULATION OF TAX RATES; TAX RATE REVIEW; FISCAL YEARS 2025–2029

(a) Notwithstanding 16 V.S.A. chapter 133, 32 V.S.A. chapter 135, and any other provision of law to the contrary, if, in fiscal year 2025 when applying the funding formula created under this act, a school district's homestead property tax rate increases by five percent or more over the school district's homestead property tax rate in fiscal year 2024, then the school district's homestead property tax rate shall be increased by not more than five percent over the prior fiscal year in each fiscal year for five fiscal years, from fiscal year 2025 through fiscal year 2029. In fiscal years 2026–2029, this subsection shall only apply if the school district's property tax rate increase was limited pursuant to this subsection in the prior fiscal year.

(b)(1) In order to determine which school districts shall be subject to a Tax Rate Review, the Secretary of Education shall calculate the fiscal year 2024 per pupil education spending of each school district subject to subsection (a) of this section as though the funding formula created under this act applied to

fiscal year 2024. In fiscal year 2025, if a school district's per pupil education spending calculated using the funding formula created under this act increases by 10 percent or more over the school district's fiscal year 2024 per pupil education spending as calculated by the Secretary under this subsection, then the school district shall be subject to a Tax Rate Review. In fiscal years 2026–2029, if a school district's per pupil education spending calculated using the funding formula created under this act increases by 10 percent or more over the school district's prior fiscal year per pupil education spending, then the school district shall be subject to a Tax Rate Review. Upon request of the Secretary, a school district shall submit its budget to a Tax Rate Review to determine whether its increase in per pupil education spending was beyond the school district's control or for other good cause. In conducting the Review, the Secretary shall select three business managers and three superintendents to serve in an advisory role in the Review. The Review shall consider at least the following factors:

(A) the extent to which the increase in per pupil education spending is caused by declining enrollment in the school district; and

(B) the extent to which the increase in per pupil education spending is caused by increases in tuition paid by the school district.

(2) If, at the conclusion of the Review, the Secretary determines that the school district's budget contains excessive increases in per pupil education spending that are within the school district's control and are not supported by good cause, then the homestead property tax rate of the school district that would otherwise be increased by not more than five percent in each fiscal year pursuant to subsection (a) of this section shall be increased to the actual homestead property tax rate calculated pursuant to this act.

Sec. 8. SUSPENSION OF LAWS

(a) Suspension of excess spending penalty. Notwithstanding any provision of law to the contrary, the excess spending penalty under 16 V.S.A. § 4001(6)(B) and 32 V.S.A. § 5401(12) is suspended during fiscal years 2024–2029.

(b) Suspension of hold harmless provision. Notwithstanding any provision of law to the contrary, the hold harmless provision under 16 V.S.A. § 4010(e) is suspended during fiscal years 2025–2029.

(c) Suspension of ballot language requirement. Notwithstanding 16 V.S.A. § 563(11)(D), which requires specified language for a school budget ballot, this requirement is suspended during fiscal years 2025–2029.

* * * Universal Income Declaration Form * * *

Sec. 9. UNIVERSAL INCOME DECLARATION FORM

(a) It is the intention of the General Assembly that, beginning with the 2023–24 school year and thereafter, the determination of whether a pupil is from an economically deprived background be changed from qualification for nutrition benefits to eligibility based upon family income of 185 percent or less of the current year Federal Poverty Level, with data collected from a universal income declaration form.

(b) A universal income declaration form is used by some other states and school districts in Vermont with universal school meals programs to collect household size and income information. A universal income declaration form is used to collect income bracket information from all families, reducing stigma and resulting in the collection of more accurate pupil eligibility counts throughout a school district.

(c) On or before October 1, 2022, the Agency of Education shall convene a working group that includes school staff and hunger and nutrition experts to develop the universal income declaration form that shall be fully accessible to all Vermont families both in paper form and electronically. On or before July 1, 2023, the new form shall be implemented statewide for the 2023–24 school year and thereafter.

(d) The Agency of Education shall establish a process for verifying the accuracy of data collected through the universal income declaration form on a community level, which may include using other sources of income data available to the Agency, including census and direct certification for free and reduced-priced meals.

(e) The sum of $200,000.00 is appropriated from the General Fund to the Agency of Education for fiscal year 2023 to fund operating expenses associated with the creation of the electronic universal income declaration form.

* * * English Learners * * *

Sec. 10. 16 V.S.A. § 4013 is added to read:

§ 4013. ENGLISH LEARNERS SERVICES; STATE AID

(a) Definitions. As used in this section:

(1) "Applicable federal laws" mean the Equal Education Opportunities Act (20 U.S.C. § 1703), Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq.), and Titles I and III of the Elementary and Secondary Education Act of 1965 (20 U.S.C. §§ 6301 et seq. and 20 U.S.C. §§ 6801 et

seq.), each as amended.

(2) "EL services" mean instructional and support personnel and services that are required under applicable federal laws for EL students and their families.

(3) "EL students" or "EL pupils" mean students who have been identified as English learners through the screening protocols required under 20 U.S.C. § 6823(b)(2).

(b) Required EL services. Each school district shall:

(1) screen students to determine which students are EL students and therefore qualify for EL services;

(2) assess and monitor the progress of EL students;

(3) provide EL services;

(4) budget sufficient resources through a combination of State and federal categorical aid and local education spending to provide EL services;

(5) report expenditures on EL services annually to the Agency of Education through the financial reporting system as required by the Agency; and

(6) evaluate the effectiveness of their EL programs and report educational outcomes of EL students as required by the Agency and applicable federal laws.

(c) Agency of Education support and quality assurance. The Agency of Education shall:

(1) provide guidance and program support to all school districts with EL students as required under applicable federal law, including:

(A) professional development resources for EL teachers and support personnel; and

(B) information on best practices and nationally recognized language development standards; and

(2) prescribe, collect, and analyze financial and student outcome data from school districts to ensure that districts are providing high-quality EL services and expending sufficient resources to provide these services.

(d) Categorical aid. In addition to the EL weight under section 4010 of this title, a school district that has, as determined annually on October 1 of the year:

(1) one to five EL students enrolled shall receive State aid of $25,000.00 for that school year; or

(2) six to 25 EL students enrolled shall receive State aid of $50,000.00 for that school year.

(e) Annual appropriation. Annually, the General Assembly shall include in its appropriation for statewide education spending under subsection 4011(a) of this title an appropriation to provide aid to school districts for EL services under this section.

(f) Payment. On or before November 1 of each year, the State Treasurer shall withdraw from the Education Fund, based on warrant of the Commissioner of Finance and Management, and shall forward to each school district the aid amount it is owed under this section.

Sec. 11. JOINT FISCAL OFFICE REPORT; ENGLISH LEARNERS SERVICES; CATEGORICAL AID

(a) On or before December 15, 2022, the Joint Fiscal Office shall issue a written report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance on the advantages and disadvantages of:

(1) changing the weight for EL students under 16 V.S.A. § 4010, as amended by this act, to reflect the cost of providing different levels of required EL services, such as different services levels based on the degree of English proficiency of EL students; and

(2) changing the amount or eligibility, or both, for the categorical aid provided to school districts with 25 or fewer EL students under 16 V.S.A. § 4013(d) as added by this act.

(b) The Joint Fiscal Office shall consult with the Agency of Education in drafting its report under subsection (a) of this section. On or before September 1, 2022, the Agency of Education shall provide the Joint Fiscal Office with information on the different levels of required EL services and the number of EL students in each service-level category and shall assist the Joint Fiscal Office in estimating the cost of providing EL services for each service level category.

(c) The Joint Fiscal Office may contract with a third party to perform the work required of it under this section.

* * * Agency of Education; Staffing * * *

Sec. 12. AGENCY OF EDUCATION; STAFFING

(a) The following five positions are created in the Agency of Education:

(1) one full-time, classified position to provide guidance and support to school districts for English learner students;

(2) two full-time, classified positions to develop and maintain the universal income declaration form and provide guidance to school districts on its use; and

(3) two full-time, classified positions to provide financial and data analysis for the Agency of Education.

(b) There is appropriated to the Agency of Education from the General Fund for fiscal year 2023 the amount of $200,000.00 for salaries, benefits, and operating expenses for the positions created under subdivision (a)(2) of this section.

(c) On or before December 15, 2022, the Agency of Education shall submit a plan as part of the budget process to the House and Senate Committees on Education and on Appropriations, House Committee on Ways and Means, and Senate Committee on Finance that sets out the duties of each position under subdivisions (a)(1) and (3) of this section and identifies the funding source or sources for these positions in the transition to the new pupil weights under this act.

* * * Education Quality Standards; Evaluation and Reporting * * *

Sec. 13. 16 V.S.A. § 165 is amended to read:

* * *

(g) In addition to the education quality standards provided in section (a) of this section, each Vermont school district shall meet the school district quality standards adopted by rule of the Agency of Education regarding the business, facilities management, and governance practices of school districts. These standards shall include a process for school district quality reviews to be conducted by the Agency of Education. Annually, the Secretary shall publish metrics regarding the outcomes of school district quality reviews.

Sec. 14. EDUCATION QUALITY STANDARDS; RULEMAKING

On or before February 1, 2023, the Agency of Education shall initiate rulemaking to update education quality standards as required under 16 V.S.A. § 165. Prior to the filing of the draft updated rules with the Interagency Committee on Administrative Rules, the Agency of Education shall engage

stakeholders for input on the draft rules in accordance with a written plan approved by the State Board of Education.

Sec. 15. EVALUATION AND REPORTING ON IMPLEMENTATION OF ACT

The Joint Fiscal Office shall design and contract for an evaluation of the impact of the changes required under this act in achieving the goals under Sec. 2 of this act. On or before December 15, 2029, the Joint Fiscal Office shall submit to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance its written evaluation report.

* * * Career Technical Education * * *

Sec. 16. [Deleted.]

Sec. 17. FUNDING AND GOVERNANCE STRUCTURES OF CAREER TECHNICAL EDUCATION IN VERMONT

(a) The Joint Fiscal Office shall contract for services to:

(1) complete a systematic examination of the existing funding structures of career technical education (CTE) in Vermont and how these structures impede or promote the State's educational and workforce development goals;

(2) examine CTE governance structures in relationship to those funding structures;

(3) examine the funding and alignment of early college and dual enrollment as they relate to CTE;

(4) examine the barriers to enrollment in CTE, early college, and dual enrollment and provide recommendations for addressing these barriers; and

(5) identify and prioritize potential new models of CTE funding and governance structures to reduce barriers to enrollment and to improve the quality, duration, impact, and access to CTE statewide.

(b) The contractor shall work with the consultant, the Agency of Education, and any other stakeholders who were involved in completing the report on the design, implementation, and costs of an integrated and coherent adult basic education, adult secondary education, and postsecondary career and technical education system pursuant to 2021 Acts and Resolves No. 74, Sec. H.3.

(c) On or before March 1, 2023, the Joint Fiscal Office shall issue a written report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee

on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance on the work performed pursuant to subsection (a) of this section.

(d)(1) The Agency of Education shall consider the work performed and report issued pursuant to subsection (c) of this section and shall develop an implementation plan, including recommended steps to design and implement new funding and governance models.

(2) On or before July 1, 2023, the Agency shall issue a written report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance that describes the results of its work under this subsection and the implementation plan and makes recommendations for legislative action.

* * * Education Tax-Related Reports * * *

Sec. 18. REPORT; INCOME-BASED EDUCATION TAX SYSTEM; DEPARTMENT OF TAXES

On or before January 1, 2023, the Department of Taxes, in consultation with the Agency of Education and the Joint Fiscal Office, shall submit a written report to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance that makes recommendations regarding the implementation of an income-based education tax system to replace the homestead property tax system, including:

(1) restructuring the renter credit under 32 V.S.A. chapter 154 or creating a new credit or other mechanisms to ensure that Vermonters who rent a primary residence participate fairly in the education income tax system;

(2) transitioning from the current homestead property tax system to the new income-based education tax system;

(3) accurate modelling, given the differences between household income for homestead property tax purposes and adjusted gross income for income tax purposes; and

(4) administering a new proposed education income tax system.

Sec. 19. REPORTS; PROPERTY TAX RATES; JOINT FISCAL OFFICE

Vermont's system of equalized pupils within a shared education fund creates significant opportunities to meet the needs of schools and students. However, certain aspects of the current system distort or prevent a fully equitable and progressive education finance system. Therefore, the Joint

Fiscal Office shall explore the issues set forth in this section. On or before January 15, 2023, the Joint Fiscal Office shall examine and provide options to the House Committees on Education and on Ways and Means and the Senate Committees on Education and on Finance for structuring the following:

(1) methods for cost containment that create equity in school districts' ability to spend sufficiently on education to meet student needs;

(2) in collaboration with the Department of Taxes and the Agency of Education, the mechanics for setting the yields in a manner that creates a constitutionally adequate education spending amount for school districts at a level that is determined by education funding experts to be sufficient to meet student needs; and

(3) funding similar school districts in an equitable manner regardless of their per pupil education spending decisions.

* * * Joint Fiscal Office; Appropriation * * *

Sec. 20. JOINT FISCAL OFFICE; APPROPRIATION

There is appropriated to the Joint Fiscal Office from the General Fund for fiscal year 2023 the amount of $205,000.00 for the studies and reports required by the Joint Fiscal Office under this act.

* * * Conforming and Technical Changes to Titles 16 and 32 * * *

Sec. 21. 16 V.S.A. § 828 is amended to read:

§ 828. TUITION TO APPROVED SCHOOLS; AGE; APPEAL

A school district shall not pay the tuition of a student except to a public school, an approved independent school, an independent school meeting education quality standards, a tutorial program approved by the State Board, an approved education program, or an independent school in another state or country approved under the laws of that state or country, that complies with the reporting requirement under subsection 4010(c) of this title, nor shall payment of tuition on behalf of a person be denied on account of age. Unless otherwise provided, a person who is aggrieved by a decision of a school board relating to eligibility for tuition payments, the amount of tuition payable, or the school ~~he or she~~ the person may attend, may appeal to the State Board and its decision shall be final.

Sec. 22. 16 V.S.A. § 1531 is amended to read:

§ 1531. RESPONSIBILITY OF STATE BOARD

* * *

(c) For a school district that is geographically isolated from a Vermont career technical center, the State Board may approve a career technical center in another state as the career technical center that district students may attend. In this case, the school district shall receive transportation assistance pursuant to section 1563 of this title and tuition assistance pursuant to ~~section~~ subsection 1561(c) of this title. Any student who is a resident in the Windham Southwest Supervisory Union and who is enrolled at public expense in the Charles H. McCann Technical School or the Franklin County Technical School shall be considered to be attending an approved career technical center in another state pursuant to this subsection, and, if the student is from a school district eligible for a ~~small schools~~ merger support grant pursuant to section 4015 of this title or a small school weight pursuant to section 4010 of this title, the student's full-time equivalency shall be computed according to time attending the school.

Sec. 23. 16 V.S.A. § 1546 is amended to read:

§ 1546. COMPREHENSIVE HIGH SCHOOLS

* * *

(c) Two or more comprehensive high schools for which the State Board has designated a service region shall be a career technical center for the purposes of accountability to the State Board under subchapter 2 of this chapter, responsibilities of the career technical center under subchapter 3 of this chapter, and receiving State financial assistance under subchapter 5 of this chapter, excluding the ~~per equalized pupil~~ general State support grant under subsection 1561(b) of this title. The regional advisory board shall determine how funds received under subchapter 5 shall be distributed. A comprehensive high school aggrieved by a decision of the regional advisory board may appeal to the Secretary who, after opportunity for hearing, may affirm or modify the decision.

Sec. 24. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

* * *

(3) ~~"Equalized pupils" means the long-term weighted average daily membership multiplied by the ratio of the statewide long-term average daily membership to the statewide long-term weighted average daily membership~~. [Repealed.]

* * *

(7) "Long-term membership" of a school district in any school year means the:

(A) ~~mean~~ average of the district's average daily membership, excluding full-time equivalent enrollment of State-placed students, over two school years, the latter of which is the current school year, plus

(B) full-time equivalent enrollment of State-placed students for the most recent of the two years.

* * *

(8) ~~"Poverty ratio" means the number of persons in the school district who are aged six through 17 and who are from economically deprived backgrounds, divided by the long-term membership of the school district. A person from an economically deprived background means a person who resides with a family unit receiving nutrition benefits. A person who does not reside with a family unit receiving nutrition benefits but for whom English is not the primary language shall also be counted in the numerator of the ratio. The Secretary shall use a method of measuring the nutrition benefits population that produces data reasonably representative of long-term trends. Persons for whom English is not the primary language shall be identified pursuant to subsection 4010(e) of this title.~~ [Repealed.]

* * *

(14) ~~"Adjusted education payment" means the district's education spending per equalized pupil~~ "Per pupil education spending" of a school district in any school year means the per pupil education spending of that school district as determined under subsection 4010(f) of this title.

* * *

Sec. 25. 16 V.S.A. § 4011 is amended to read:

§ 4011. EDUCATION PAYMENTS

* * *

(c) Annually, each school district shall receive an education spending payment for support of education costs. An unorganized town or gore shall receive an amount equal to its ~~adjusted education payment~~ per pupil education spending for that year for each student ~~based on the weighted average daily membership count, which shall not be equalized~~. ~~In fiscal years 2007 and after, no~~ No district shall receive more than its education spending amount.

* * *

(i) Annually, ~~by~~ on or before October 1, the Secretary shall send to school boards for inclusion in town reports and publish on the Agency website the following information:

(1) the statewide average district ~~spending per equalized pupil~~ per pupil education spending for the current fiscal year ~~and 125 percent of that average spending~~; and

(2) a statewide comparison of student-teacher ratios among schools that are similar in number of students and number of grades.

Sec. 26. 16 V.S.A. § 4015 is amended to read:

§ 4015. ~~SMALL SCHOOL~~ MERGER SUPPORT FOR MERGED DISTRICTS

~~(a) In this section:~~

~~(1) "Eligible school district" means a school district that:~~

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

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

~~(i) the lengthy driving times or inhospitable travel routes between the school and the nearest school in which there is excess capacity; or~~

~~(ii) the academic excellence and operational efficiency of the school, which shall be based upon consideration of:~~

~~(I) the school's measurable success in providing a variety of high-quality educational opportunities that meet or exceed the educational quality standards adopted by the State Board pursuant to section 165 of this title;~~

~~(II) the percentage of students from economically deprived backgrounds, as identified pursuant to subsection 4010(d) of this title, and those students' measurable success in achieving positive outcomes;~~

~~(III) the school's high student-to-staff ratios; and~~

~~(IV) the district's participation in a merger study and submission of a merger report to the State Board pursuant to chapter 11 of this title or otherwise.~~

~~(2) "Enrollment" means the number of students who are enrolled in a school operated by the district on October 1. A student shall be counted as one whether the student is enrolled as a full-time or part-time student.~~

(3) "Two-year average enrollment" means the average enrollment of the two most recently completed school years.

(4) "Average grade size" means two-year average enrollment divided by the number of grades taught in the district on October 1. For purposes of this calculation, kindergarten and prekindergarten programs shall be counted together as one grade.

(5) "AGS factor" means the following factors for each average grade size:

Average grade size		
More than: -	but less than or equal to:	Factor:
0	7	0.19
7	9	0.175
9	10	0.16
10	11	0.145
11	12	0.13
12	13	0.115
13	14	0.10
14	15	0.085
15	16	0.070
16	17	0.055
17	18	0.040
18	19	0.025
19	20	0.015

(6) "School district" means a town, city, incorporated, interstate, or union school district or a joint contract school established under chapter 11, subchapter 1 of this title.

(b) Small schools support grant. Annually, the Secretary shall pay a small schools support grant to any eligible school district. The amount of the grant shall be the greater of:

(1) the amount determined by multiplying the two-year average enrollment in the district by $500.00 and subtracting the product from $50,000.00, with a maximum grant of $2,500.00 per enrolled student; or

(2) the amount of 87 percent of the base education amount for the current year, multiplied by the two-year average enrollment, multiplied by the AGS factor.

(c) [Repealed.]

(d) [Repealed.]

~~(e) In the event that a school or schools that have received a grant under this section merge in any year following receipt of a grant, and the consolidated school is not eligible for a grant under this section or the small school grant for the consolidated school is less than the total amount of grant aid the schools would have received if they had not combined, the consolidated school shall continue to receive a grant for three years following consolidation. The amount of the annual grant shall be:~~

~~(1) in the first year following consolidation, an amount equal to the amount received by the school or schools in the last year of eligibility;~~

~~(2) in the second year following consolidation, an amount equal to two-thirds of the amount received in the previous year; and~~

~~(3) in the third year following consolidation, an amount equal to one-third of the amount received in the first year following consolidation.~~

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

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

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

(a) A school district that was voluntarily formed under 2010 Acts and Resolves No. 153, 2012 Acts and Resolves No. 156, or 2015 Acts and Resolves No. 46, each as amended, and received a merger support grant shall continue to receive that merger support grant, subject to the provisions in subsection (c) of this section.

(b) A school district that was involuntarily formed under the Final Report of Decisions and Order on Statewide School District Merger Decisions Pursuant to Act 46, Secs. 8(b) and 10 dated November 28, 2018 and that

received a small schools grant in fiscal year 2020 shall receive an annual merger support grant in that amount, subject to the provisions in subsection (c) of this section.

(c)(1) Payment of a merger support grant under this section shall not be made in any year that the school district receives a small school weight under section 4010 of this title.

(2) Payment of a merger support grant under this section shall continue annually unless explicitly repealed by the General Assembly; provided, however, that the Secretary shall discontinue payment of the grant in the fiscal year following the cessation of operations of the school that made the district originally eligible for the grant, and further provided that if the building that houses the school that made the district originally eligible for the grant is consolidated with another school into a renovated or new school building, then the Secretary shall continue to pay the grant during the repayment term of any bonded indebtedness incurred in connection with the consolidation-related renovation or construction.

Sec. 27. 16 V.S.A. § 4030 is amended to read:

§ 4030. DATA SUBMISSION; CORRECTIONS

* * *

(b) The Secretary shall use data submitted on or before January 15 prior to the fiscal year that begins the following July 1~~,~~ in order to calculate the amounts due each school district for any fiscal year for ~~the following:~~

~~(1)~~ transportation aid due under section 4016 of this title~~; and~~

~~(2) the small school support grant due under section 4015 of this title~~.

* * *

(d) The Secretary shall not use data corrected due to an error submitted following the deadlines to recalculate ~~the equalized pupil ratio under subdivision 4001(3)~~ weighted long-term membership under section 4010 of this title. The Secretary shall not adjust average daily membership counts if an error or change is reported more than three fiscal years following the date that the original data was due.

* * *

Sec. 28. 32 V.S.A. § 5401 is amended to read:

§ 5401. DEFINITIONS

As used in this chapter:

* * *

(13)(A) "Education property tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending~~, per equalized pupil,~~ for the school year, and the denominator is the property dollar equivalent yield for the school year, as defined in subdivision (15) of this section.

(B) "Education income tax spending adjustment" means the greater of one or a fraction in which the numerator is the district's per pupil education spending plus excess spending~~, per equalized pupil,~~ for the school year, and the denominator is the income dollar equivalent yield for the school year, as defined in subdivision (16) of this section.

* * *

(15) "Property dollar equivalent yield" means the amount of per pupil education spending ~~per equalized pupil~~ that would result if the homestead tax rate were $1.00 per $100.00 of equalized education property value, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

(16) "Income dollar equivalent yield" means the amount of per pupil education spending ~~per equalized pupil~~ that would result if the income percentage in subdivision 6066(a)(2) of this title were 2.0 percent, and the statutory reserves under 16 V.S.A. § 4026 and section 5402b of this title were maintained.

Sec. 29. 32 V.S.A. § 5402(e) is amended to read:

(e) The Commissioner of Taxes shall determine a homestead education tax rate for each municipality that is a member of a union or unified union school district as follows:

(1) For a municipality that is a member of a unified union school district, use the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based upon the per pupil education spending ~~per equalized pupil~~ of the unified union.

(2) For a municipality that is a member of a union school district:

(A) Determine the municipal district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending ~~per total equalized pupil~~ in the municipality who attends a school other than the union school.

(B) Determine the union district homestead tax rate using the base rate determined under subdivision (a)(2) of this section and a spending adjustment under subdivision 5401(13) of this title based on the per pupil education spending ~~per equalized pupil~~ of the union school district.

(C) Determine a combined homestead tax rate by calculating the weighted average of the rates determined under subdivisions (A) and (B) of this subdivision (2), with weighting based upon the ratio of union school ~~equalized pupils~~ long-term membership, as defined in 16 V.S.A. § 4001(7), from the member municipality to total ~~equalized pupils~~ long-term membership of the member municipality; and the ratio of ~~equalized pupils~~ long-term membership attending a school other than the union school to total ~~equalized pupils~~ long-term membership of the member municipality. Total ~~equalized pupils~~ long-term membership of the member municipality is based on the number of pupils who are legal residents of the municipality and attending school at public expense. If necessary, the Commissioner may adopt a rule to clarify and facilitate implementation of this subsection (e).

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

(a) The following sections shall take effect on July 1, 2022:

(1) Sec. 1 (findings);

(2) Sec. 2 (goals);

(3) Sec. 3 (intent of act);

(4) Sec. 5 (collaboration by the Agency of Education and Joint Fiscal Office);

(5) Sec. 6 (Vermont Center for Geographic Information);

(6) Sec. 7 (calculation of tax rates; tax rate review; fiscal years 2025–2029);

(7) Sec. 8 (suspension of laws);

(8) Sec. 9 (universal income declaration form);

(9) Sec. 11 (Joint Fiscal Office report; English learners services; categorical aid);

(10) Sec. 12 (Agency of Education; staffing);

(11) Sec. 14 (education quality standards; rulemaking);

(12) Sec. 15 (evaluation and reporting on implementation of act);

(13) Sec. 17 (funding and governance structures of career technical education in Vermont);

(14) Sec. 18 (report; income-based education tax system; Department of Taxes);

(15) Sec. 19 (reports; property tax rates; Joint Fiscal Office);

(16) Sec. 20 (Joint Fiscal Office; appropriation); and

(17) this section (effective dates).

(b) The following sections shall take effect on July 1, 2024:

(1) Sec. 4 (amendment to 16 V.S.A. § 4010; determination of weighted long-term membership and per pupil education spending);

(2) Sec. 10 (adding 16 V.S.A. § 4013; English learners services; State aid);

(3) Sec. 13 (amendment to 16 V.S.A. § 165; education quality standards);

(4) Sec. 21 (amendment to 16 V.S.A. § 828; tuition to approved schools; age; appeal);

(5) Sec. 22 (amendment to 16 V.S.A. § 1531; responsibility of State Board);

(6) Sec. 23 (amendment to 16 V.S.A. § 1546; comprehensive high schools);

(7) Sec. 24 (amendment to 16 V.S.A. § 4001; definitions);

(8) Sec. 25 (amendment to 16 V.S.A. § 4011; education payments);

(9) Sec. 26 (amendment to 16 V.S.A. § 4015; merger support for merged districts);

(10) Sec. 27 (amendment to 16 V.S.A. § 4030; data submission; corrections);

(11) Sec. 28 (amendment to 32 V.S.A. § 5401; definitions); and

(12) Sec. 29 (amendment to 32 V.S.A. § 5402(e); determination of homestead education tax rate).

House Proposal of Amendment to Senate Proposal of Amendment

H. 736

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

The House concurs in the Senate proposal of amendment with further amendments thereto as follows:

First: In Sec. 2, fiscal year 2023 transportation investments, by inserting the words and the Climate Action Plan following "the Comprehensive Energy Plan"

Second: In Sec. 2, fiscal year 2023 transportation investments, by inserting a new subdivision (8)(D) to read as follows:

(D) eBike Incentives. Sec. 5(d) of this act authorizes $50,000.00 for incentives under a continuation of the eBike incentives, which will be the State's programs to provide incentives towards the purchase of electric bicycles, and capped administrative costs.

and by relettering subdivision (8)(D) to be (8)(E)

Third: In Sec. 2, fiscal year 2023 transportation investments, in newly relettered subdivision (8)(E), by striking out "Sec. 5(d)" and inserting in lieu thereof Sec. 5(e)

Fourth: In Sec. 2, fiscal year 2023 transportation investments, subdivision (12), by striking out "Secs. 55–57" and inserting in lieu thereof Secs. 54–56

Fifth: In Sec. 5, vehicle incentive programs, by inserting a new subsection (d) to read as follows:

(d) eBike Incentives. The Agency is authorized to spend up to $50,000.00 as appropriated in the fiscal year 2023 budget on a continuation of the eBike incentives as established in 2021 Acts and Resolves No. 55, Sec. 28.

And by relettering the remaining subsections to be alphabetically correct

Sixth: In Sec. 5, vehicle incentive programs, in newly relettered subsection (f), by striking out "(a)–(c)" and inserting in lieu thereof (a)–(d)

Seventh: In Sec. 5, vehicle incentive programs, in newly relettered subsection (h), by striking out the word "and" preceding the words "Replace Your Ride", by inserting , and eBike incentives following the words "Replace Your Ride", and by striking out subsection (e) and inserting in lieu thereof subsection (f)

Eighth: In Sec. 7, Vermont Association of Snow Travelers (VAST) authorizations, in subsection (a), by striking out ", through the Department of Motor Vehicles," following "The Agency of Transportation"

Ninth: By striking out Sec. 13, town highway structures and town highway class 2 roadway, in its entirety and inserting in lieu thereof the following:

Sec. 13. TOWN HIGHWAY STRUCTURES

Within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Town Highway Structures, authorized spending is amended as follows:

FY23	As Proposed	As Amended	Change
Grants	6,333,500	7,200,000	866,500
Total	6,333,500	7,200,000	866,500
Sources of funds			
State	6,333,500	7,200,000	866,500
Total	6,333,500	7,200,000	866,500

Sec. 13a. TOWN HIGHWAY CLASS 2 ROADWAY

Within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Town Highway Class 2 Roadway, authorized spending is amended as follows:

FY23	As Proposed	As Amended	Change
Grants	7,648,750	8,600,000	951,250
Total	7,648,750	8,600,000	951,250
Sources of funds			
State	7,648,750	8,600,000	951,250
Total	7,648,750	8,600,000	951,250

Sec. 13b. HIGHWAY MAINTENANCE

(a) Within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance, authorized spending is amended as follows:

FY23	As Proposed	As Amended	Change
Person. Svcs.	44,709,478	44,709,478	0
Operat. Exp.	61,554,303	59,736,553	-1,817,750
Total	106,263,781	104,446,031	-1,817,750
Sources of funds			
State	105,517,966	103,700,216	-1,817,750
Federal	645,815	645,815	0
Inter Unit	100,000	100,000	0
Total	106,263,781	104,446,031	-1,817,750

(b) Restoring the fiscal year 2023 Maintenance Program appropriation and authorization to the level included in the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program shall be the Agency's top priority if there is unexpended State fiscal year 2022 appropriations of Transportation Fund Monies. Accordingly:

(1) At the close of State fiscal year 2022, an amount up to $1,817,750.00 of any unencumbered Transportation Fund monies appropriated in 2021 Acts and Resolves No. 74, Secs. B.900–B.922, as amended by 2022 Acts and Resolves No. 83, Secs. 41–45, that would otherwise be authorized to carry forward is reappropriated for the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance 30 days after the Agency sends written notification of the request for the unencumbered Transportation Fund monies to be reappropriated to the Joint Transportation Oversight Committee, provided that the Joint Transportation Oversight Committee does not send written objection to the Agency.

(2) If any unencumbered Transportation Fund monies are reappropriated pursuant to subdivision (1) of this subsection, then, within the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance, authorized spending is further amended to increase operating expenses by not more than $1,817,750.00 in Transportation Fund monies.

(3) Notwithstanding subdivisions (1) and (2) of this subsection, the Agency may request further amendments to the Agency of Transportation's Proposed Fiscal Year 2023 Transportation Program for Maintenance through the State fiscal year budget adjustment act.

Tenth: In Sec. 16, one-time public transit monies, by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Implementation. The Agency of Transportation shall, in its sole discretion, distribute the authorization in subsection (b) of this section to transit agencies in the State that are eligible to receive grant funds pursuant to 49 U.S.C. § 5307 or 5311, or both. The authorization shall, as practicable and in the sole discretion of the transit agencies in the State, only be used for the following during fiscal year 2023:

(1) operate routes other than commuter and LINK Express on a zero-fare basis; and

(2) provide service at pre-COVID-19 levels.

Eleventh: By striking out Sec 17, Burlington International Airport Study Committee; report, and its corresponding reader assistance heading in their entireties and inserting in lieu thereof the following:

* * * Burlington International Airport Working Group; Report * * *

Sec. 17. BURLINGTON INTERNATIONAL AIRPORT WORKING GROUP; REPORT

(a) Creation. There is created the Burlington International Airport Working Group (Working Group) to discuss current issues of regional concern at the Burlington International Airport (Airport).

(b) Membership. The Working Group shall be composed of the following facilitator and six members:

(1) the Secretary of Transportation or designee, who shall be the facilitator of the Working Group, but shall not be considered a member of the Working Group;

(2) one member designated by the city council of the City of Burlington;

(3) one member to represent Airport leadership designated by the mayor of the City of Burlington;

(4) one member to represent the general aviation organizations at the Airport designated by the mayor of the City of Burlington;

(5) one member designated by the city council of the City of South Burlington;

(6) one member designated by the city council, inclusive of the mayor and deputy mayor, of the City of Winooski; and

(7) the Director of the Chittenden County Regional Planning Commission or designee, who shall be a member of the Working Group.

(c) Duties. The Working Group shall:

(1) review prior reports and recommendations prepared on the governance structure of the Airport, including the January 1, 2020 memorandum from Eileen Blackwood, Burlington City Attorney to Mayor Miro Weinberger and the City Council regarding Burlington International Airport and Regional Governance Questions; the June 10, 2013 Burlington International Airport, Airport Strategic Planning Committee Recommendations; and the December 1985 Final Report of the Burlington Airport Study Group;

(2) discuss current issues of regional concern regarding the Airport;

(3) explore opportunities for regional collaboration regarding the Airport;

(4) analyze what actions could address any issues of regional concern regarding the Airport; and

(5) prepare a report, based on the determination of the members of the Working Group, that:

(A) summarizes any current issues of regional concern regarding the Airport;

(B) identifies and discusses any opportunities for regional collaboration regarding the Airport; and

(C) identifies and discusses any actions that could address any issues of regional concern regarding the Airport.

(d) Report. On or before January 15, 2023, the Secretary of Transportation or designee shall submit the written report of the Working Group to the House and Senate Committees on Transportation.

(e) Meetings.

(1) The Secretary of Transportation or designee shall call the first meeting of the Working Group to occur on or before September 30, 2022.

(2) The Working Group shall only meet if a majority of the membership is present.

(3) The Working Group shall cease to exist on July 1, 2023.

Twelfth: By inserting a new section to be Sec. 59a and its reader assistance heading to read as follows:

* * * Relinquishment of Vermont Route 36 in the Town of St. Albans * * *

Sec. 59a. RELINQUISHMENT OF VERMONT ROUTE 36 IN THE TOWN OF ST. ALBANS

(a) Pursuant to 19 V.S.A. § 15(a)(2), the General Assembly approves the Secretary of Transportation to enter into an agreement with the Town of St. Albans to relinquish to the Town's jurisdiction a segment of the State highway in the Town of St. Albans known as Vermont Route 36. The authority shall expire on June 30, 2032. The segment authorized to be relinquished begins at the 0.000 mile marker, just east of the "Black Bridge" (B2), and continues 14,963 feet (approximately 2.834 miles) easterly to mile marker 2.834, where Vermont Route 36 meets the boundary of the City of St. Albans, and includes the 0.106 mile westbound section of Vermont Route 36 and approaches at the entrance to the St. Albans Bay Town Park.

(b) Following relinquishment, control of the segment of highway shall be under the jurisdiction of the Town of St. Albans, but the Town shall not own any of the land or easements within the highway right-of-way.

(c) The Town of St. Albans shall not sell or abandon any portion of the relinquished segment or allow any encroachments within the relinquished segment without written permission of the Secretary of Transportation.

Thirteenth: By striking out Secs. 63, 24 V.S.A. § 4413(i), and 64, effective dates, and their reader assistance headings in their entireties and inserting in lieu thereof the following:

* * * Transportation Network Companies (TNC);
Preemption; Sunset Extension; Report * * *

Sec. 63. 23 V.S.A. § 754 is amended to read:

§ 754. PREEMPTION; SAVINGS CLAUSE

(a) Municipal ordinances, resolutions, or bylaws regulating transportation network companies are preempted to the extent they are inconsistent with the provisions of this chapter.

(b) Subsection (a) of this section shall not apply to a municipal ordinance, resolution, or bylaw regulating transportation network companies adopted by a municipality with a population of more than 35,000 residents based on the 2010 census and in effect on July 1, 2017. This subsection shall be repealed on July 1, ~~2022~~ 2025.

Sec. 64. TRANSPORTATION NETWORK COMPANIES (TNC) REPORT

(a) The Commissioner of Motor Vehicles, in consultation with the City of Burlington; the Vermont League of Cities and Towns; and transportation network companies (TNCs), as defined in 23 V.S.A. § 750(a)(4), doing business in Vermont, shall file a written report with recommendations on how, if at all, to amend 23 V.S.A. § 754 and, as applicable, 23 V.S.A. chapter 10 with the House Committees on Commerce and Economic Development, on Judiciary, and on Transportation and the Senate Committees on Finance, on Judiciary, and on Transportation on or before March 15, 2024.

(b) In preparing the report, the Commissioner of Motor Vehicles shall review the following related to TNCs:

(1) changes in ridership and consumer practices for calendar years 2018 to 2023, including market penetration across the State;

(2) the results of and process for audits conducted on a State or municipal level;

(3) an analysis prepared by the City of Burlington and TNCs of the differences between the State's regulatory scheme and the City of Burlington's regulatory scheme, including whether allowing those inconsistencies is or will be detrimental or beneficial to any of the following: the State, the traveling public, TNCs, the City of Burlington, or other municipalities; and

(4) significant regulatory changes on a national level.

* * * Effective Dates * * *

Sec. 65. EFFECTIVE DATES

(a) This section and Secs. 57 (amendment to sunset of 32 V.S.A. § 604), 59 (extension of authority to relinquish State highway right-of-way for Vermont Route 207 Extension), and 63 (transportation network companies regulation preemption; 23 V.S.A. § 754(b)) shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Secs. 21–24 (amendments to the 2021 Transportation Bill) shall take effect retroactively on July 1, 2021.

(c) All other sections shall take effect on July 1, 2022.

NEW BUSINESS

Third Reading

H. 96.

An act relating to creating the Truth and Reconciliation Commission.

H. 279.

An act relating to miscellaneous changes affecting the duties of the Department of Vermont Health Access.

H. 410.

An act relating to the use and oversight of artificial intelligence in State government.

H. 500.

An act relating to prohibiting the sale of mercury lamps in the State.

H. 546.

An act relating to racial justice statistics.

Proposal of amendment to H. 546 to be offered by Senators White and Sears before Third Reading

Senators White and Sears move to amend the Senate proposal of amendment in Sec. 1, 3 V.S.A. chapter 68, after section 5014, by inserting a section 5015 to read as follows:

§ 5015. COUNCIL SERVICES CONTINGENT ON AGENCY COMPLIANCE

(a) On and after July 1, 2023, a law enforcement agency shall be prohibited from having its law enforcement applicants or officers trained by the Vermont Police Academy or from otherwise using the services of the Vermont Criminal Justice Council if the agency is not in compliance with the requirements for providing data to the Division of Racial Justice Statistics pursuant to subdivision 5013(a)(2) of this chapter.

(b) The Council shall adopt procedures to enforce the requirements of this section, which may allow for waivers for agencies under a plan to obtain compliance with this section.

(c) As used in this section:

(1) "Law enforcement agency" means the employer of a law enforcement officer.

(2) "Law enforcement officer" means a member of the Department of Public Safety who exercises law enforcement powers; a member of the State Police; a Capitol Police officer; a municipal police officer; a constable who exercises law enforcement powers; a motor vehicle inspector; an employee of the Department of Liquor and Lottery who exercises law enforcement powers; an investigator employed by the Secretary of State; a Board of Medical Practice investigator employed by the Department of Health; an investigator employed by the Attorney General or a State's Attorney; a fish and game warden; a sheriff; a deputy sheriff who exercises law enforcement powers; a railroad police officer commissioned pursuant to 5 V.S.A. chapter 68, subchapter 8; a police officer appointed to the University of Vermont's Department of Police Services; or the provost marshal or assistant provost marshal of the Vermont National Guard.

H. 551.

An act relating to prohibiting racially and religiously restrictive covenants in deeds.

H. 728.

An act relating to opioid overdose response services.

J.R.H. 18.

Joint resolution relating to the Russian invasion of Ukraine.

NOTICE CALENDAR

GOVERNOR'S VETO

S. 286.

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

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. 286** to the Senate is as follows:

Text of Communication from Governor

"May 2, 2022

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.286, *An act relating to amending various public pension and other postemployment benefits*, without my signature because of my objections described herein.

Since the day after this bill was introduced, before it was voted out of a single committee, in either chamber of the General Assembly, I have been clear it does not include enough structural change to solve the enormous unfunded liability problems the State faces. I offered balanced solutions, which were disregarded.

It is unfortunate this veto will likely be easily overridden, not for me, but for Vermont taxpayers and State employees who will bear the burden in the future. I will acknowledge, this bill takes some positive steps, and the easiest

thing for me to do would be to sign it, assure the public we solved the problem, and move on.

But given the scope of this problem and the risk it poses to the financial health of our state, I cannot bring myself to do that. It would be disingenuous because I know we could have done better.

The fact is, in several years – despite adding a quarter of a billion dollars in *additional* money (on top of the roughly $400 million for our regular, required payment) from taxpayers – the state will be faced with the same unsustainable system we have today.

I won't be governor when those chickens come home to roost, and many of you will not be serving in your current roles, either. But the Legislature's unwillingness to question the deal reached between a handful of union and legislative representatives will come back to haunt our state in the not-too-distant future.

And when it does, we won't have the unprecedented level of federal funds and state surplus dollars at our disposal, and the fix will be tougher on both taxpayers and public employees.

Sincerely,

/s/Philip B. Scott
Governor"

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

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

* * * Intent * * *

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:

(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 health care 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 health care 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.

* * * 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" means:

(A) For a Group A ~~and a,~~ Group F, or Group G member, the average annual earnable compensation of a member during the three consecutive fiscal years beginning July 1 and ending June 30 of creditable service affording the highest average, or during all of the years of creditable service if fewer than three years. If the member's highest three years of earnable compensation are the three years prior to separation of service and 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 two fiscal years.

(iii) The remaining service credit that is needed to complete the three full years, which shall be factored from the fiscal year preceding the two fiscal years described in subdivision (ii) of this subdivision (A). 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.

* * *

(C) For purposes of determining average final compensation for Group A or Group C members, a member who has accumulated unused sick leave at retirement shall be deemed to have worked the full normal working

time for ~~his or her~~ the member's position for 50 percent of such leave, at ~~his or her~~ the member's full rate of compensation in effect at the date of ~~his or her~~ the member's retirement. For purposes of determining average final compensation for Group F or Group G members, unused annual or sick leave, termination bonuses, and any other compensation for service not actually performed shall be excluded. The average final compensation for a State's Attorney and the Defender General shall be determined by the State's Attorney's or the Defender General's highest annual compensation earned during ~~his or her~~ the member's creditable service.

(D) For purposes of determining average final compensation for a member who has accrued service in more than one group plan within the System, the highest consecutive years of earnings shall be based on the formulas set forth in subdivision (A) or (B) of this subdivision (4) using the earnable compensation received while a member of the System.

(E) For Group A, C, ~~or~~ F, or G members who retire on or after July 1, 2012, an increase in compensable hours in any year used to calculate average final compensation that exceeds 120 percent of average compensable hours shall be excluded from that year when calculating average final compensation.

(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.

* * *

(11) "Member" ~~shall mean~~ means any employee included in the membership of the Retirement System under section 457 of this title.

(A) "Group A members" ~~shall mean~~ means employees classified under subdivision (A) of subdivision (9) of this subsection (a).

(B) [Repealed.]

(C) "Group C members" ~~shall mean~~ means employees classified under subdivision (B) of subdivision (9) of this subsection (a) who become members as of the date of establishment, any person who is first included in the membership of the System on or after July 1, 1998, any person who was a Group B member on June 30, 1998, who was in service on that date, and any person who was a Group B member on June 30, 1998, who was absent from service on that date who returns to service on or after July 1, 1998.

(D) "Group D members" ~~shall mean~~ means Justices of the Supreme Court, Superior judges, district judges, environmental judges, and probate judges.

(E) "Group F member" ~~shall mean~~ means any person who is first included in the membership of the System on or after January 1, 1991, any person who was a Group E member on December 31, 1990, who was in service on that date, and any person who was a Group E member on December 31, 1990, who was absent from service on that date who returns to service on or after January 1, 1991.

(F) "Group G member" means the following employees who are first employed in the positions listed in this subdivision (F) on or after July 1, 2022, or who are members of the System as of June 30, 2022 and make an irrevocable election to prospectively join Group G on or before June 30, 2023,

pursuant to the terms set by the Board: facility employees of the Department of Corrections, as Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, as employees of a facility for justice-involved youth, or as Vermont State Hospital employees or as employees of its successor in interest, who provide direct patient care.

* * *

(13) "Normal retirement date" ~~shall mean~~ means:

(A) with respect to a Group A member, the first day of the calendar month next following (i) attainment of ~~age~~ 65 years of age, 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 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 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 years of age 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.

(E) with respect to a Group G member:

(i) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and

treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, or employees of the Vermont State Hospital or its successor in interest, who provide direct patient care, who were first included in the membership of the System on or before June 30, 2008, who were employed as of June 30, 2022, and who made an irrevocable election to prospectively join Group G on or before July 1, 2023, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of (I) 62 years of age and following completion of five years of creditable service, (II) completion of 30 years of creditable service, or (III) 55 years of age and following completion of 20 years of creditable service; or

(ii) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, as employees of a facility for justice-involved youth, or employees of the Vermont State Hospital or its successor in interest, who provide direct patient care, who were first included in the membership of the System on or after July 1, 2008, who were employed as of June 30, 2022, and who made an irrevocable election to prospectively join Group G on or before July 1, 2023, pursuant to the terms set by the Board, the first day of the calendar month next following the earlier of (I) 65 years of age and following completion of five years of creditable service, (II) attainment of 87 points reflecting a combination of the age of the member and number of years of service, or (III) 55 years of age and following completion of 20 years of creditable service; or

(iii) for facility employees of the Department of Corrections, Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community, employees of a facility for justice-involved youth, or employees of the Vermont State Hospital or its successor in interest, who provide direct patient care, who first become a Group G member on or after July 1, 2023, the first day of the calendar month next following attainment of 55 years of age and following completion of 20 years of creditable service.

* * *

Sec. 3. 3 V.S.A. § 457 is amended to read:

§ 457. MEMBERS

* * *

(d) Should any Group A, C, D, ~~or~~ F, or G member who has less than five years of creditable service in any period of five consecutive years after last becoming a member be absent from service more than three years or should ~~he~~

~~or she~~ the member withdraw his or her contributions, or become a beneficiary or die, ~~he or she~~ the member shall thereupon cease to be a member. However, the membership of any employee entering such classes of military or naval service of the United States as may be approved by resolution of the Retirement Board, shall be continued during such military or naval service if ~~he or she~~ the member does not withdraw his or her contributions, but no such member shall be considered in the service of the State for the purpose of the Retirement System during such military or naval service, except as provided in subsection 458(e) of this title.

* * *

Sec. 4. 3 V.S.A. § 458 is amended to read:

§ 458. CREDITABLE SERVICE; MILITARY SERVICE

* * *

(b) All service of a ~~group~~ Group A, ~~group~~ Group C, ~~group~~ Group D, ~~or group~~ Group F, or Group G member since ~~he or she~~ the member last became a member on account of which contributions are made shall be credited as membership service.

* * *

Sec. 5. 3 V.S.A. § 459 is amended to read:

§ 459. NORMAL AND EARLY RETIREMENT

(a) Normal retirement.

(1) Group A, ~~group~~ Group D, ~~and group~~ Group F, and Group G members. Any ~~group~~ Group A, ~~group~~ Group D, ~~or group~~ Group F, or Group G member who has reached ~~his or her~~ the member's normal retirement date may retire on a normal retirement allowance on the first day of any month after ~~his or her~~ the member's separation from service by filing an application in the manner outlined in subdivision (3) of this subsection.

(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~~ the member 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~~ that 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~~ 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 30.

(2)(A) Upon normal retirement, a ~~group~~ Group C member shall receive a normal retirement allowance ~~which~~ that 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 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 (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.]

* * *

(6)(A) Upon normal retirement pursuant to subdivisions 455(a)(13)(E)(i) and (iii) of this chapter, a group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 50 percent of average final compensation.

(B) Upon normal retirement pursuant to subdivision 455(a)(13)(E)(ii) of this chapter, a Group G member shall receive a normal retirement allowance equal to two and one-half of a percent of the member's average final compensation times years of membership service in Group G. The maximum retirement allowance shall be 60 percent of average final compensation.

(c) Early retirement.

* * *

(4) Group G members. Any Group G member who has attained 55 years of age and has completed five years of creditable service may retire on an early retirement allowance.

(d) Early retirement allowance.

* * *

(3) Upon early retirement, a ~~group~~ Group D member shall receive an early retirement allowance ~~which~~ that shall be equal to the normal retirement allowance reduced by one-quarter of one percent for each month the member is under ~~age 62~~ the member's normal retirement date at the time of early retirement.

(4)(A) Upon early retirement, a Group G member who was previously a Group F member first included in the membership of the System on or before

June 30, 2008, and who elected to transfer into Group G on July 1, 2023 pursuant to the terms set by the Board, shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by the lesser of (i) one-half of one percent for each month equal to the difference between the 240 months and the member's months of creditable service, or (ii) an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

(B) Upon early retirement, a Group G member who was previously a Group F member first included in the membership of the System on or after July 1, 2008, and who elected to transfer into Group G on July 1, 2023 pursuant to the terms set by the Board, shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by the lesser of (i) five-ninths of one percent for each month equal to the difference between the 240 months and the member's months of creditable service, or (ii) an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

(C) Upon early retirement, all Group G members other than those specified in subdivision (d)(4)(A) of this section shall receive an early retirement allowance that shall be equal to the normal retirement allowance reduced by an amount that shall be the actuarial equivalent of the normal retirement allowance computed under subsection (b) of this section.

~~(4)~~(5) Notwithstanding subdivisions (1) and (2) of this subsection, an employee of the Department of Fish and Wildlife assigned to law enforcement duties, an employee of the Military Department assigned to airport firefighting duties, or a ~~group~~ Group C member shall, upon early retirement, receive an early retirement allowance ~~which~~ that shall be equal to ~~his or her~~ the normal retirement allowance computed under subsection (b) of this section.

~~(5)~~(6) Notwithstanding subdivisions (1) and (2) of this subsection, a State's Attorney, the Defender General, or sheriff who has completed 20 years of creditable service, of which 15 years has been as a State's Attorney, the Defender General, or sheriff, shall receive an early retirement allowance equal to the normal retirement allowance, at ~~age~~ 55 years of age, without reductions.

* * *

Sec. 6. 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~~ the beneficiary 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~~ the beneficiary's 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~~ the beneficiary was last restored to service, the member's contributions plus accumulated interest shall be returned to ~~him or her~~ the beneficiary.

(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 or more years 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 service actually performed during the period beginning with the member's last restoration to service.

Sec. 7. 3 V.S.A. § 460 is amended to read:

§ 460. ORDINARY DISABILITY RETIREMENT

(a) Upon the application of a member or of ~~his or her~~ the member's department head not later than 90 days, or longer for cause shown, after the date the member may have separated from service, any ~~group~~ Group A, ~~group~~ Group C, ~~group~~ Group D, ~~or group~~ Group F, or Group G member who has had five or more years of creditable service may be retired by the retirement board on an ordinary disability retirement allowance, not less than 30 nor more than 90 days after filing such application; provided ~~he or she~~ the member is not eligible for accidental disability retirement; provided ~~he or she~~ the member has requested application prior to death; and provided that the Medical Board, after a medical examination of such member, shall certify that the member is mentally or physically incapacitated for the further performance of duty, that such incapacity has existed since the time of the member's separation from service and is likely to be permanent, and that he or she should be retired. The Retirement Board may consider, or may ask the Medical Board or a certified vocational rehabilitation counselor to consider whether the individual is disabled from performing other types of suitable work. However, if disability is denied because the individual is found to be suitable for other work, the member shall be advised at the time of denial of the following provisions ~~which~~ that shall apply:

(1) the individual will retain ~~his or her~~ the individual's existing retirement accrual status;

(2) the State shall provide any necessary retraining;

(3) there shall be no loss in pay;

(4) involuntary geographical moves beyond normal commuting distance are not permitted; and

(5) before any individual who is reassigned to another position rather than retired on disability may be terminated for performance reasons, the individual must first be reconsidered for disability retirement by the Retirement Board.

(b)(1) Upon ordinary disability retirement, a ~~group~~ Group A, ~~group~~ Group D, ~~or group~~ Group F, or Group G member shall receive a normal retirement allowance equal to the normal retirement benefit accrued to the effective date of the disability retirement; provided, however, that such allowance shall not be less than 25 percent of ~~his or her~~ the member's average final compensation at the time of ~~his or her~~ the member's disability retirement.

(2) Employees who are not eligible for representation by the Vermont State Employees' Association, including managerial, confidential, elected, and appointed officials, judicial, legislative, and exempt employees, who are employed on February 1, 1997, and whose application for the State's long-term disability plan is denied solely because of a preexisting condition, shall, if they are otherwise eligible for ordinary disability retirement, be entitled to a retirement allowance which, when added to Social Security and/or other disability payments, equals 662/3 percent of ~~his or her~~ the employee's final average compensation at the time of the disability retirement.

* * *

Sec. 8. 3 V.S.A. § 464 is amended to read:

§ 464. ACCIDENTAL AND OCCUPATIONALLY RELATED DEATH BENEFIT

(a) If the Retirement Board shall find on the basis of such evidence as may come before it that a ~~group~~ Group A, ~~group~~ Group D, ~~or group~~ Group F, or group G member in service died prior to his or her retirement under the system as the natural and proximate result of an accident occurring at a definite time and place during the course of his or her performance of duty as an employee and that such accident was not the result of the member's own gross negligence or willful misconduct, a retirement allowance shall be paid to ~~his or~~

~~her~~ the member's designated dependent beneficiary during ~~his or her~~ the member's life.

* * *

Sec. 9. 3 V.S.A. § 465 is amended to read:

§ 465. TERMINATION OF SERVICE; ORDINARY DEATH BENEFIT

* * *

(c) If a Group A, Group D, ~~or~~ Group F, or Group G member dies in service after becoming eligible for early retirement or after completing 10 years of creditable service, a retirement allowance will be payable to the member's designated dependent beneficiary during ~~his or her~~ the member's life. If the designated dependent beneficiary so elects, however, the return of the member's accumulated contributions shall be made in lieu thereof.

* * *

Sec. 10. 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. Beginning January 1, 2023 and each year thereafter, 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. In the event that there is an increase or decrease of less than one percent, the net percentage increase shall be assigned a value of one percent and shall not be subject to further adjustment pursuant to subsection (d) of this section.

(F) For Group F and Group G 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) Retired and vested deferred on or before June 30, 2022. For all members who are retired or vested deferred on or before June 30, 2022, other than those Group F members on an early retirement allowance who have not reached normal retirement age, as specified in subdivision (4) of this subsection, 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) In service on or before June 30, 2022. For all 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.

(3) In service on or after July 1, 2022. For all Group A, C, F, and G 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.

(4) Special rule for Group F and Group G early retirement. A Group F or Group G 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 purposed 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, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent;

(B) Group D members first appointed or elected on or before June 30, 2022, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent; and

(C) commencing January 1, 2014, any active contributing member of the Group F or Group G plan on or after June 30, 2008, and who retires as a Group F or Group G 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, provided that the net increase following the application of any offset as provided in this section equals or exceeds one percent, 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. 11. 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~~ that 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 8.93 percent of compensation.

(ii) Commencing the first full pay period in fiscal year 2024, the contribution rate for Group C members shall be 9.43 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 9.93 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 6.55 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, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.05 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, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.55 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, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation;

(IV) commencing in fiscal year 2026, 8.55 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.05 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 rates of pay, the contribution rate shall be 6.55 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, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation; and

(III) commencing in fiscal year 2025 and annually thereafter, 8.05 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, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation; and

(IV) commencing in fiscal year 2026 and annually thereafter, 8.55 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, 7.05 percent of compensation;

(II) commencing in fiscal year 2024, 7.55 percent of compensation;

(III) commencing in fiscal year 2025, 8.05 percent of compensation;

(IV) commencing in fiscal year 2026, 8.55 percent of compensation; and

(V) commencing in fiscal year 2027 and annually thereafter, 9.05 percent of compensation.

(E) Group G members. Commencing on July 1, 2023, the contribution rate for Group G 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 G 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 G member hourly rates of pay, the contribution rate shall be 11.23 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 G member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2024, 12.23 percent of compensation; and

(II) commencing in fiscal year 2025 and annually thereafter, 12.73 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 G member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2024, 12.23 percent of compensation;

(II) commencing in fiscal year 2025, 12.73 percent of compensation; and

(III) commencing in fiscal year 2026 and annually thereafter, 13.23 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 G member hourly rates of pay, the contribution rate shall be as follows:

(I) commencing in fiscal year 2024, 12.23 percent of compensation;

(II) commencing in fiscal year 2025, 12.73 percent of compensation;

(III) commencing in fiscal year 2026, 13.23 percent of compensation; and

(IV) commencing in fiscal year 2027 and annually thereafter, 13.73 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~~ that 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, and Group G 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 when the Fund is calculated to have a funded ratio of less than 90 percent, the amount of $15,000,000.00.

* * *

Sec. 12. 3 V.S.A. § 477a is amended to read:

§ 477a. ELECTIONS

* * *

(h) When a Group F member has a minimum of 25 years of creditable service, ~~he or she~~ the member may elect to purchase up to five years of additional service credit. A member who makes an election under this subsection shall deposit in the fund by a single contribution~~,~~ an amount computed at regular interest to be sufficient to provide at normal retirement an annuity equal to 1-2/3 percent of the member's average final compensation multiplied by the number of years purchased.

Sec. 13. 3 V.S.A. § 479 is amended to read:

§ 479. GROUP INSURANCE

(a) As provided under section 631 of this title, a member who is insured by the respective group insurance plans immediately preceding the member's effective date of retirement shall be entitled to continuation of group insurance as follows:

(1)(A) coverage in the group medical benefit plan provided by the State of Vermont for active State employees; or

(B) for a Group F and Group G plan member first included in the membership of the system on or after July 1, 2008, coverage in the group medical benefit plan offered by the State of Vermont for active State employees and pursuant to the following, provided:

(i) a member who has completed five years and less than 10 years of creditable service at ~~his or her~~ the member's retirement shall pay the full cost of the premium;

(ii) a member who has completed 10 years and less than 15 years of creditable service at ~~his or her~~ the member's retirement shall pay 60 percent of the cost of the premium;

(iii) a member who has completed 15 years and less than 20 years of creditable service at his or her retirement shall pay 40 percent of the cost of the premium;

(iv) a member who has completed 20 years or more of creditable service at his or her retirement shall pay 20 percent of the cost of the premium; and

(2) members who have completed 20 years of creditable service at their effective date of retirement shall be entitled to the continuation of life insurance in the amount of $10,000.00.

* * *

(g) A member of the Group F or Group G plan who is first included in the membership of the System on or after July 1, 2008, who separates from service prior to being eligible for retirement benefits under this chapter, who has at least 20 years of creditable service, and who participated in the group medical benefit plan at the time of separation from service shall have a one-time option at the time retirement benefits commence to reinstate the same level of coverage, in the group medical benefit plan provided by the State of Vermont for active State employees, that existed at the date of separation from service. Premiums for the plan shall be prorated between the retired member and the Retirement System pursuant to subsection 479(a) of this title.

* * *

Sec. 14. ONE-TIME IRREVOCABLE ELECTION FOR CERTAIN CORRECTIONS WORKERS

(a) On or before September 15, 2022, the Department of Human Resources, in consultation with the State Treasurer's office, shall establish a list of positions eligible for Group G of the Vermont State Employees' Retirement System. The list of Group G-eligible positions shall be limited to the following State employees:

(1) facility employees of the Department of Corrections;

(2) Department of Corrections employees who provide direct security and treatment services to offenders under supervision in the community;

(3) employees of a facility for justice-involved youth; and

(4) employees of the Vermont State Hospital or its successor in interest, who provide direct patient care.

(b) It is the intent of the General Assembly that Group G-eligible positions include those positions that are currently eligible for unreduced early retirement pursuant to 3 V.S.A. § 459(d)(2).

(c) In establishing any new corrections position on and after July 1, 2023, the Department of Human Resources shall identify that position as eligible for either Group G, pursuant to the criteria set forth in subsection (a), or Group F.

(d)(1) Each person employed in a Group G-eligible position on or before June 30, 2023 shall have a one-time option to transfer to the Group G plan pursuant to the following schedule:

(A) For Group G-eligible employees who are employed on or before March 31, 2023, election to join Group G under this subsection (d) shall be made on or before June 1, 2023.

(B) For Group G-eligible employees who are first employed on or after April 1, 2023, election to join Group G under this subsection (d) shall be made not more than 60 days from the employee's date of hire.

(2) Election to join the Group G plan under this subsection shall be irrevocable.

(e) The effective date of participation in a new group plan for those employees covered under this section and who elect to transfer shall be the first full pay period in fiscal year 2024. All past service accrued through the date of transfer shall be calculated based upon the plan in which it was accrued, with all provisions and penalties, if applicable, applied.

* * * Other Postemployment Benefits * * *

Sec. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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~~ 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.

(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~~, ~~including~~ the following shall apply:

(i) Beginning on July 1, 2022, a Group C member shall have the rate set forth in this subdivision (b)(2)(B)(i) applied to the member's total earnable compensation for the fiscal year, which shall include compensation paid for absence as provided by subsection 1933(d) of this title, and any additional stipends identified as of July 1. A member's rate shall not be adjusted during the fiscal year. For a member who works a part-time equivalency status, the rate shall apply to the member's total earnable compensation and not to an amount equal to an annualized base salary. If a member is employed on a part-time equivalency status with two or more employers, the highest rate shall be applied to the amounts deducted from each employer. A member's rate shall be calculated according to the following rates and income brackets:

(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 $50,000.00, the rate is 6.05 percent.

(III) If a member's base salary is $50,000.01 or more but not more than $60,000.00, the rate is 6.10 percent.

(IV) If a member's base salary is $60,000.01 or more but not more than $70,000.00, the rate is 6.20 percent.

(V) If a member's base salary is $70,000.01 or more but not more than $80,000.00, the rate is 6.25 percent.

(VI) If a member's base salary is $80,000.01 or more but not more than $90,000.00, the rate is 6.35 percent.

(VII) If a member's base salary is $90,000.01 or more but not more than $100,000.00, the rate is 6.50 percent.

(VIII) If a member's base salary is $100,000.01 or more, the rate is 6.65 percent.

(ii) Beginning on July 1, 2023, a Group C member shall have the rate set forth in this subdivision (b)(2)(B)(ii) applied to the member's total earnable compensation for the fiscal year, which shall include compensation paid for absence as provided by subsection 1933(d) of this title, and any additional stipends identified as of July 1. A member's rate shall not be adjusted during the fiscal year unless the member's full-time equivalency status changes, which shall require that the member's rate be recalculated and the new rate applied for the remainder of that fiscal year. For a member who works a part-time equivalency status, the rate shall apply to the member's total earnable compensation and not to an amount equal to an annualized base

salary. If a member is employed on a part-time equivalency status with two or more employers, the highest rate shall be applied to the amounts deducted from each employer. A member's rate shall be calculated according to the following rates and income brackets:

(I) If a member's base salary is at or below $40,000.00, the rate is 6.10 percent.

(II) If a member's base salary is $40,000.01 or more but not more than $50,000.00, the rate is 6.15 percent.

(III) If a member's base salary is $50,000.01 or more but not more than $60,000.00, the rate is 6.25 percent.

(IV) If a member's base salary is $60,000.01 or more but not more than $70,000.00, the rate is 6.35 percent.

(V) If a member's base salary is $70,000.01 or more but not more than $80,000.00, the rate is 6.50 percent.

(VI) If a member's base salary is $80,000.01 or more but not more than $90,000.00, the rate is 6.75 percent.

(VII) If a member's base salary is $90,000.01 or more but not more than $100,000.00, the rate is 7.0 percent.

(VIII) If a member's base salary is $100,000.01 or more, the rate is 7.25 percent.

(iii) Beginning on July 1, 2024 and annually thereafter, a Group C member shall have an effective rate, rounded to the nearest hundredth of a percent, that is calculated based on the member's base salary as of July 1 each year, which equals the member's total earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title, and any additional stipends identified as of July 1 for the next fiscal year. A member's effective rate shall not be adjusted during any fiscal year unless the member's full-time equivalency status changes, which shall require that the member's effective rate be recalculated and the new rate applied for the remainder of that fiscal year. For a member who works a part-time equivalency status, the effective rate shall apply to the member's total earnable compensation and not to an amount equal to an annualized base salary. If a member is employed on a part-time equivalency status with two or more employers, the highest effective rate shall be applied to the amounts deducted from each employer. A member's effective rate shall be calculated according to the following marginal rates and income brackets:

(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 is $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; and

(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. 20. FISCAL YEAR 2025; VERMONT STATE TEACHERS' RETIREMENT SYSTEM; CONTRIBUTION RATES; STUDY

(a) The Secretary of Digital Services and the State Treasurer, in consultation with the Vermont Association of School Business Officers, the Vermont Superintendents Association, and the Vermont-NEA, shall study and make recommendations on the implementation of the marginal rates set forth in 16 V.S.A. § 1944(b)(2)(B)(iii) in FY 2025 and annually thereafter, including whether any adjustments need to be made to the marginal rate structure.

(b) On or before January 15, 2023, the Secretary of Digital Services and the State Treasurer shall submit a report on the study and recommendations described in subsection (a) of this section to the Joint Pension Oversight Committee and the House and Senate Committees on Appropriations and on Government Operations.

Sec. 21. 16 V.S.A. § 1949a is added to read:

§ 1949a. POSTRETIREMENT ADJUSTMENT ALLOWANCE ACCOUNT

(a) Intent. It is the intent of the General Assembly to recognize members who are in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023 and members who are in active service on or after July 1, 2022 and made contributions for at least one year, as part of a broader effort to improve the health of the System. As an acknowledgment of these additional contributions, once the System is in a healthier financial position, it is the intent of the General Assembly that these members should receive postretirement adjustment allowances that will more fully reflect the net percentage increase in the Consumer Price Index. It is also the intent of the General Assembly that the postretirement adjustment allowance formula should be incrementally increased to 100 percent of the net percentage increase in the Consumer Price Index, but that no increase should occur to the formula unless the funded ratio of the System is at least 80 percent funded on an actuarial value basis and the accumulated assets of the Account are equal to or exceed the present value of the benefits to accrue to members.

(b) Creation. There is established the Postretirement Adjustment Allowance Account, to be maintained under the Retirement System, which shall be used to provide funding for postretirement adjustment formula

enhancements or other benefits that may accrue to eligible members pursuant to the requirements of subsection (d) of this section.

(c) Funds. The Account shall consist of:

(1) any amounts transferred to it from the General Fund Balance Reserve established in 32 V.S.A. § 308c;

(2) any amounts transferred or appropriated to it by the General Assembly; and

(3) interest earned pursuant to subsection (d) of this section.

(d) Account administration. The Postretirement Adjustment Allowance Account shall be subordinate to the retirement benefits provided by the Retirement System. Contributions to the Account shall be irrevocable, and it shall be impossible at any time before satisfaction of all liabilities to provide funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members for any part of the corpus or income of the Account to be used for, or diverted to, any purpose other than providing funding for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members. All balances in the Account at the end of the fiscal year shall be carried forward, and interest earned shall remain in the Account.

(e) Recommendation of Board. In any fiscal year, the Board may recommend to the General Assembly that the monies in the Account be used to provide for postretirement adjustment formula enhancements or other benefits that may accrue to eligible members in the System, provided that:

(1) an evaluation has been conducted pursuant to section 1949b of this chapter;

(2) the actuary has certified that the System has a funded ratio of at least 80 percent in the most recent fiscal year; and

(3) the actuary has certified that the Account has sufficient assets to pay for the present value of any benefit being recommended.

(f) Use of funds. In the event that the General Assembly approves of the Board's recommended postretirement adjustment formula enhancements or other benefit change pursuant to subsection (e) of this section, the Board may direct that funds sufficient to pay the present value of change be charged from the Account for that purpose.

(g) Account charges. In no event shall the funds charged from the Account exceed the outstanding Account balance.

(h) Account assets.

(1) For funding purposes, any asset value utilized in the calculation of the actuarial value of assets of a system shall exclude the Account as of the asset determination date for such calculation.

(2) For all purposes other than funding, the funds in the Account shall be considered assets of the System.

(i) Definition. As used in this section, "eligible member" means:

(1) a member of the System who is in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023; or

(2) a member of the System who is in active service on or after July 1, 2022 and made contributions for at least one year.

Sec. 22. 16 V.S.A. § 1949b is added to read:

§ 1949b. POSTRETIREMENT ADJUSTMENT TO RETIREMENT ALLOWANCE; FORMULA; EVALUATION

(a) On or before September 1, 2027 and every three years thereafter, or at the request of the Board in conjunction with any proposed changes to the amortization schedule, the Board shall consider the intent set forth in subsection 1949a(a) of this chapter and evaluate whether to modify the postretirement adjustment formula or any other benefit that may accrue to the members of the System who are in active service on or before June 30, 2022 and made contributions for the duration of fiscal year 2023 and members in active service on or after July 1, 2022 and made contributions for at least one year. The evaluation shall only include a proposed benefit change if the Postretirement Adjustment Allowance Fund has sufficient assets to pay for the present value of that benefit.

(b) On or before January 15, 2028 and every three years thereafter, or following a request for an evaluation by the Board, the Board shall submit a report to the House and Senate Committees on Government Operations with the results of the evaluation described in subsection (a) of this section.

Sec. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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. 29. 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 Postretirement Adjustment Allowance Account established in 16 V.S.A. § 1949a.

* * *

* * * Effective Dates * * *

Sec. 30. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Sec. 28 (FY 2022 appropriation) shall take effect on passage.

Second Reading

Favorable with Proposal of Amendment

H. 175.

An act relating to the beverage container redemption system.

Reported favorably with recommendation of proposal of amendment by Senator Bray for the Committee on Natural Resources and Energy.

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. chapter 53 is amended to read:

CHAPTER 53. BEVERAGE CONTAINERS; DEPOSIT-REDEMPTION SYSTEM

§ 1521. DEFINITIONS

~~For the purpose of~~ As used in this chapter:

(1) "Beverage" means ~~beer or other malt beverages and mineral waters, mixed wine drink, soda water and carbonated soft~~ all drinks in liquid form and intended for human consumption, except for milk, dairy products, plant-based beverages, infant formula, meal replacement drinks, nonalcoholic cider, or wine in glass containers. As of January 1, 1990, "beverage" also ~~shall mean~~ means liquor.

(2) "Biodegradable material" means material that is capable of being broken down by bacteria into basic elements.

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

(A) containers made of biodegradable material;

(B) noncarbonated beverage containers with a volume greater than two and one-half liters and carbonated beverage containers with a volume greater than three liters; or

(C) pouches.

(4) "Distributor" means every person who engages in the sale of consumer products in containers to a dealer in this State including any manufacturer who engages in such sales. Any dealer or retailer who sells, at the retail level, beverages in containers without having purchased them from a person otherwise classified as a distributor, ~~shall be~~ is a distributor.

(5) "Manufacturer" means every person bottling, canning, packing, or otherwise filling containers for sale to distributors or dealers.

(6) "Recycling" means the process of sorting, cleansing, treating, and reconstituting waste and other discarded materials for the purpose of reusing the materials in the same or altered form.

(7) "Redemption center" means a store or other location where any person may, during normal business hours, redeem the amount of the deposit for any empty beverage container labeled or certified pursuant to section 1524 of this title.

(8) "Secretary" means the Secretary of Natural Resources.

(9) "Mixed wine drink" means a beverage containing wine and more than 15 percent added plain, carbonated, or sparkling water; and that contains added natural or artificial blended material, such as fruit juices, flavors, flavoring, adjuncts, coloring, or preservatives; that contains not more than 16 percent alcohol by volume; or other similar product marketed as a wine cooler.

(10) "Liquor" means spirits as defined in 7 V.S.A. § 2.

(11) "Plant-based beverage" means a liquid intended for human consumption that imitates dairy milk, consists of plant material suspended in water, and the primary protein source in the beverage is from plant material or a derivative of plant materials. Plant-based beverages include beverages made from rice, soy, nuts, oats, and hemp.

§ 1522. BEVERAGE CONTAINERS; DEPOSIT

(a) Except with respect to beverage containers that contain liquor, a deposit of not less than five cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. With respect to beverage containers of volume greater than 50 ml. that contain liquor, a deposit of 15 cents shall be paid by the consumer on each beverage container sold at the retail level and refunded to the consumer upon return of the empty beverage container. The difference between liquor bottle deposits collected and refunds made is hereby retained by the Liquor Control Enterprise Fund for administration of this subsection.

(b) A retailer or a person operating a redemption center who redeems beverage containers shall be reimbursed by the manufacturer or distributor of such beverage containers in an amount that is three and one-half cents per container for containers of beverage brands that are part of a commingling program and ~~four~~ five cents per container for containers of beverage brands that are not part of a commingling program.

(c) [Repealed.]

(d) Containers shall be redeemed during no fewer than 40 hours per week during the regular operating hours of the establishment.

§ 1522a. ~~RULES~~

~~The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter. These rules may include the following:~~

~~(1) Provisions to ensure that beverage containers not labeled in~~

~~accordance with section 1524 of this title are not redeemed.~~

~~(2) Provisions to ensure that beverage containers are commingled.~~

~~(3) Administrative penalties for the failure by a redemption center or retailer to remove beverage containers that are not labeled prior to pickup by a distributor or manufacturer. Penalties may include nonpayment of the deposit and handling fee established under section 1522 of this title for a reasonable period of time and for the number of beverage containers that were not labeled.~~

~~(4) Any other provision that may be necessary for the implementation of this chapter.~~ [Repealed.]

§ 1523. ACCEPTANCE OF BEVERAGE CONTAINERS

(a) Except as provided in section 1522 of this title:

(1) A retailer shall not refuse to accept from any person any empty beverage containers, labeled in accordance with section 1524 of this title, of the kind, size, and brand sold by the retailer, or refuse to pay to that person the refund value of a beverage container as established by section 1522 of this title, except as provided in subsection (b) of this section.

(2) A manufacturer or distributor may not refuse to pick up from a retailer that sells its product or a person operating a certified redemption center any empty beverage containers, labeled in accordance with section 1524 of this title, of the kind, size, and brand sold by the manufacturer or distributor, or refuse to pay the retailer or a person operating a redemption center the refund value of a beverage container as established by section 1522 of this title.

(b) A retailer~~, with the prior approval of the Secretary,~~ may refuse to redeem beverage containers if a ~~redemption center or centers are established that serve the public need~~ stewardship plan that meets the requirements of section 1532 of this title has been implemented by a producer responsibility organization in the State and the retailer's building is less than 5,000 square feet.

(c) A retailer or a person operating a redemption center may refuse to redeem beverage containers that are not clean~~,~~ or are broken~~,~~ and shall not redeem beverage containers that are not labeled in accordance with section 1524 of this title.

§ 1524. LABELING

(a) Every beverage container sold or offered for sale at retail in this State shall clearly indicate by embossing ~~or,~~ imprinting on the normal product label, or ~~in the case of a metal beverage container on the top of the container,~~ other

approved method secured to the container the word "Vermont" or the letters "VT" ~~and the refund value of the container~~ in not less than one-eighth inch type size or such other alternate indications as may be approved by the Secretary. The label shall be on the top lid of the beverage container, the side of the beverage container, or in a clearly visible location of the beverage container. This subsection does not prohibit including names or abbreviations of other states with deposit legislation comparable to this chapter.

(b) Each beverage container sold or offered for sale in the State that has a deposit pursuant to section 1522 of this title shall include a Universal Product Code and barcode. Each distributor shall provide the Universal Product Code and barcode as part of its beverage registration or within 60 days of March 1, 2024, whichever occurs first.

(c) The Commissioner of Liquor and Lottery may allow, in the case of liquor bottles, a conspicuous, adhesive sticker to be attached to indicate the deposit information required in subsection (a) of this section, provided that the size, placement, and adhesive qualities of the sticker are as approved by the Commissioner. The stickers shall be affixed to the bottles by the manufacturer, except that liquor that is sold in the State in quantities less than 100 cases per year may have stickers affixed by personnel employed by the Division of Liquor Control.

~~(c)~~(d) This section shall not apply to permanently labeled beverage containers.

* * *

§ 1527. ~~PENALTY~~

~~A person who violates a provision of this chapter shall be fined not more than $1,000.00 for each violation.~~ [Repealed.]

§ 1528. BEVERAGE REGISTRATION

No distributor or manufacturer shall sell a beverage container in the State of Vermont without ~~the manufacturer registering the beverage container with the Agency of Natural Resources prior to sale,~~ registering 30 days in advance of initiating sale of the beverage container and participating in a stewardship plan approved by the Secretary unless distributed by the Department of Liquor and Lottery. ~~This registration shall take place on a form provided by the Secretary and include the following:~~

~~(1) the name and principal business address of the manufacturer;~~

~~(2) the name of the beverage and the container size;~~

~~(3) whether the beverage is a part of an approved commingling~~

~~agreement; and~~

~~(4) the name of the person picking up the empty beverage container, if that person is different from the manufacturer.~~

§ 1529. REDEMPTION CENTER CERTIFICATION

A person operating a redemption center may obtain a certification from the Secretary. A redemption center certification shall include the following:

(1) Specification of the name and location of the facility~~;~~.

(2) ~~If the certified redemption center redeems more than 250,000 containers per year, a requirement that the certified redemption center shall participate in an approved commingling agreement; and~~

~~(3)~~ Additional conditions, requirements, and restrictions as the Secretary may deem necessary to implement the requirements of this chapter. This may include requirements concerning reporting, recording, and inspections of the operation of the site.

* * *

§ 1531. MANUFACTURER PARTICIPATION IN PRODUCER RESPONSIBILITY ORGANIZATION

(a) No manufacturer or distributor may sell or distribute a beverage container in this State without participating in a Secretary-approved producer responsibility organization.

(b) On or before January 1, 2023, a manufacturer or manufacturers representing at least 51 percent of the beverage containers sold or distributed within the State may apply to the Secretary to form a producer responsibility organization.

(c) The Secretary may approve, for a period not longer than 10 years, a producer responsibility organization, provided that:

(1) the producer responsibility organization has the capacity to administer the requirements of a stewardship plan required by section 1532 of this title; and

(2) the producer responsibility organization does not create any unreasonable barriers to joining the producer responsibility organization and shall take into the consideration the needs of small manufacturers that do not generate a significant volume of containers.

(d) After approval, a producer responsibility organization shall maintain a website that identifies:

(1) the name and principal business address of each manufacturer participating in the producer responsibility organization; and

(2) the name of each beverage and the container size covered by the stewardship plan.

(e) If a producer responsibility organization fails to implement the requirements of this chapter, the rules adopted by the Secretary, or an approved stewardship plan, the Secretary may dissolve the producer responsibility organization.

(f) If no producer responsibility organization is formed, the Secretary may require the formation of a producer responsibility organization or adopt and administer a plan that meets the requirements of section 1532 of this title. If the Secretary administers the plan adopted under section 1532, the Secretary shall charge each manufacturer the costs of plan administration, the Agency's oversight costs, and a recycling market development assessment of 10 percent of the plan's total cost to be deposited Waste Management Assistance Fund, Solid Waste Account for the purpose of providing grants to develop markets to recycle materials.

(g) The producer responsibility organization shall reimburse the Agency of Natural Resources for all oversight costs in administering this chapter.

§ 1532. STEWARDSHIP PLAN; MINIMUM REQUIREMENTS

(a) Plan elements. On or before October 1, 2023, an approved producer responsibility organization shall submit a stewardship plan to the Secretary. A stewardship plan shall, at a minimum, meet all of the following the requirements of this section:

(1) Convenience of collection. A plan shall ensure that consumers have convenient opportunities to redeem beverage containers. The plan shall take reasonable efforts to site points of collection in areas with high population density or located in centers designated under 24 V.S.A. chapter 76A. A plan shall document how redemption services will be available to consumers as follows:

(A) at least three points of redemption per county that provide an immediate return of a deposit to a consumer unless a waiver is granted by the Secretary;

(B) at least one point of redemption per municipality with a population of 7,000 or more persons that provides an immediate return of a deposit to a consumer unless a waiver is granted by the Secretary; and

(C) statewide coverage of points of redemption so that consumers are not required to drive more than 15 minutes unless a waiver is granted by the Secretary.

(2) Fair operation and compensation to redemption centers. The plan shall satisfy all of the following requirements.

(A) The plan shall describe how all locations that redeem beverage containers are fairly compensated for their participation in the collection program.

(B) There shall not be barriers to the participation in the collection program for a redemption center, except for restrictions that are authorized by the Secretary, by rule.

(C) The plan shall describe how management and sorting of containers at redemption centers is minimized. The plan shall document how brand sorting will be eliminated at points of redemption.

(D) The plan shall describe how materials will be picked up from redemption centers on a timely basis.

(E) The plan shall maximize the use of existing infrastructure when establishing points of collection under subdivision (a)(1) of this section.

(3) Impacts to municipal recycling. The plan shall document how facilities certified under chapter 159 of this title that process beverage containers to make them usable as recycled commodities will be compensated by the producer responsibility organization.

(4) Education to consumers. The plan shall describe what education efforts will be undertaken to increase the number of beverage containers redeemed in the State.

(5) Consultation with stakeholders. The producer responsibility organization shall consult with stakeholders on the development of the plan. The plan shall include processes for regular consultation, which shall be not less than annually, with stakeholders including the Agency, redemption centers, municipal and private recycling. organizations, and other stakeholders.

(b) Reporting. At a frequency required by the Secretary but not less than annually, the producer responsibility organization shall report the following to the Secretary:

(1) the name, address, and business hours of each redemption center participating in the approved stewardship plan;

(2) the amount, in containers and tons, and material type of beverage containers redeemed under the plan;

(3) the location and amount of beverage container material that was recycled and what products that beverage container material was recycled into;

(4) the carbon impacts associated with the administration of the stewardship plan;

(5) the costs associated with administration of the stewardship plan, including the costs of collection, management, and transportation of redeemed containers and the amount received for commodities;

(6) a description of any improvements made in the reporting year to increase ease and convenience for consumers to return beverage containers for redemption;

(7) efforts taken by or on behalf of the distributor to reduce environmental impacts throughout the product life cycle and to increase reusability or recyclability at the end of the life cycle by material type;

(8) efforts taken by or on behalf of the producer responsibility organization to improve the environmental outcomes of the program by improving operational efficiency, such as reduction of truck trips through improved material handling or compaction or the increased use of refillable containers in a local refilling system;

(9) a description and copies of educational materials and educational strategies the producer uses for the purposes of this program; and

(10) any additional information required by the Secretary.

(c) Secretary of Natural Resources approval. The plan shall be submitted to the Secretary, and after concluding that the elements of the plan will maximize diversion of recyclable materials, provide convenience to users, and create a more circular economy, the Secretary's approval pursuant to this subsection shall be for a period not greater than five years.

§ 1533. PROGRAM AND FISCAL AUDIT

(a) Program audit. Every five years, the producer responsibility organization shall conduct an independent third-party program audit of the operation of the stewardship plan. The audit shall make recommendations to improve the operation of the collection program established by this chapter.

(b) Fiscal audit. Annually, the producer responsibility organization shall conduct an independent third-party fiscal audit of the program. The fiscal audit shall provide a transparent fiscal analysis of the producer responsibility

organization, its expenditures, the number of beverage containers collected, and the amount of unclaimed deposits. The audit shall also provide the redemption rate of beverage containers redeemed in the State after approval by the Secretary.

§ 1534. BEVERAGE CONTAINER REDEMPTION RATE GOAL; REPORT

(a) It is a goal of the State that the following minimum beverage container redemption rates shall be satisfied by the specified dates:

(1) Beginning on July 1, 2025: 75 percent.

(2) Beginning on July 1, 2030: 80 percent.

(3) Beginning on July 1, 2035: 85 percent.

(4) Beginning on July 1, 2050: 90 percent.

(b) Beginning July 1, 2025 and every five years thereafter, the Secretary of Natural Resources shall submit to the Senate Committees on Natural Resources and Energy and on Finance and the House Committees on Natural Resources, Fish, and Wildlife and on Ways and Means a written report containing:

(1) the current beverage container redemption rate in the State; and

(2) a recommendation of whether the beverage container deposit should be increased to improve redemption of beverage containers.

§ 1535. RULEMAKING

The Secretary may adopt rules, in accordance with 3 V.S.A. chapter 25, necessary for the administration of this chapter.

Sec. 2. 10 V.S.A. § 1530(c)(1) is amended to read:

(c)(1) ~~On or before January 1, 2020, and quarterly thereafter,~~ Every quarter, at the time a report is filed pursuant to subsection (d) of this section, each deposit initiator shall remit to the Commissioner of Taxes ~~any~~ 50 percent of the abandoned beverage container deposits from the preceding quarter. The remaining 50 percent of the abandoned beverage container deposits shall be retained by the producer responsibility organization implementing the requirements of this chapter for the deposit initiator. The amount of abandoned beverage container deposits for a quarter is the amount equal to the amount of deposits that the deposit initiator collected in the quarter less the amount of the total refund value paid out by the deposit initiator for beverage containers during the quarter.

Sec. 3. 10 V.S.A. § 1530(c)(1) is amended to read:

(c)(1) Every quarter, at the time a report is filed pursuant to subsection (d) of this section, each deposit initiator shall remit to the Commissioner of Taxes ~~50 percent of the~~ any abandoned beverage container deposits from the preceding quarter. ~~The remaining 50 percent of the abandoned beverage container deposits shall be retained by the producer responsibility organization implementing the requirements of this chapter for the deposit initiator.~~ The amount of abandoned beverage container deposits for a quarter is the amount equal to the amount of deposits that the deposit initiator collected in the quarter less the amount of the total refund value paid out by the deposit initiator for beverage containers during the quarter.

Sec. 4. 10 V.S.A. § 7714 is amended to read:

§ 7714. TYPE 3 PROCEDURES

(a) Purpose; scope.

(1) The purpose of this section is to establish the public notice and comment requirements that the Department must follow when adopting general permits, except for general permits governed by section 7712 of this chapter, and when considering other permits listed in this section.

(2) The procedures under this section shall be known as Type 3 Procedures. This section governs each of the following:

(A) Each general permit issued pursuant to the Secretary's authority under this title other than a general permit subject to section 7712 of this chapter. However, this section does not apply to a notice of intent under a general permit.

(B) Issuance of a dam safety order under chapter 43 of this title, except for an unsafe dam order under section 1095 of this title.

(C) An application or request for approval of:

(i) an aquatic nuisance control permit under chapter 50 of this title;

(ii) a change in treatment for a public water supply under chapter 56 of this title;

(iii) a collection plan for mercury-containing lamps under section 7156 of this title;

(iv) an individual plan for the collection and recycling of electronic waste under section 7554 of this title; ~~and~~

(v) a primary battery stewardship plan under section 7586 of this title; and

(vi) approval of a stewardship plan required under chapter 53 of this title.

(b) Notice of application. The Secretary shall provide notice of an administratively complete application through the environmental notice bulletin.

(c) Notice of draft decision; comment period. The Secretary shall provide notice of the draft decision through the environmental notice bulletin and shall post the draft decision to the bulletin. The Secretary shall provide a public comment period.

(d) Public meeting. The Secretary shall hold a public meeting whenever any person files a written request for such a meeting. The Secretary otherwise may hold a public meeting at ~~his or her~~ the Secretary's discretion.

(e) Notice of final decision. The Secretary shall provide notice of the final decision through the environmental notice bulletin and shall post the final decision to the bulletin. The Secretary shall provide a response to comments.

Sec. 5. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the Clean Water Fund to be administered by the Secretary of Administration. The Fund shall consist of:

(1) revenues from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a;

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) 50 percent of the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title;

(4) six percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225; and

(5) other revenues dedicated for deposit into the Fund by the General Assembly.

(b) Notwithstanding any contrary provisions of 32 V.S.A. chapter 7, subchapter 5, unexpended balances and any earnings shall remain in the Fund from year to year.

Sec. 6. 10 V.S.A. § 6618(a) is amended to read:

(a) There is hereby created in the State Treasury a fund to be known as the Waste Management Assistance Fund, to be expended by the Secretary of Natural Resources. The Fund shall have three accounts: one for Solid Waste Management Assistance, one for Hazardous Waste Management Assistance, and one for Electronic Waste Collection and Recycling Assistance. The Hazardous Waste Management Assistance Account shall consist of a percentage of the tax on hazardous waste under the provisions of 32 V.S.A. chapter 237, as established by the Secretary, the toxics use reduction fees under subsection 6628(j) of this title, and appropriations of the General Assembly. In no event shall the amount of the hazardous waste tax that is deposited to the Hazardous Waste Management Assistance Account exceed 40 percent of the annual tax receipts. The Solid Waste Management Assistance Account shall consist of the franchise tax on waste facilities assessed under the provisions of 32 V.S.A. chapter 151, subchapter 13; 50 percent of the unclaimed beverage container deposits remitted to the State under chapter 53 of this title, and appropriations of the General Assembly. The Electronic Waste Collection and Recycling Account shall consist of the program and implementation fees required under section 7553 of this title. All balances in the Fund accounts at the end of any fiscal year shall be carried forward and remain a part of the Fund accounts, except as provided in subsection (e) of this section. Interest earned by the Fund shall be deposited into the appropriate Fund account. Disbursements from the Fund accounts shall be made by the State Treasurer on warrants drawn by the Commissioner of Finance and Management.

Sec. 7. SYSTEMS ANALYSIS OF BEVERAGE CONTAINER SYSTEM

On or before January 15, 2028, the Agency of Natural Resources shall submit to the House Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy a written report on the total system costs associated with the implementation of the beverage container redemption system under 10 V.S.A. chapter 53, including climate impacts.

Sec. 8. BEVERAGE CONTAINER IMPLEMENTATION STUDY

(a) On or before January 15, 2023, the Secretary of Natural Resources shall submit to the House Committee on Natural Resources, Fish, and Wildlife and the Senate Committee on Natural Resources and Energy a written report including all of the following:

(1) Recommendations on whether a minimum size limit should be included under 10 V.S.A. chapter 53 (beverage containers; deposit redemption system).

(2) A recommendation on whether glass wine bottles should be included under 10 V.S.A. chapter 53 and recommendations on the deposit amount for glass wine bottles. If the recommendation is to not include wine bottles under 10 V.S.A. chapter 53, the report shall explain the impacts of wine bottles on municipal recycling infrastructure, the costs in handling wine bottles within the municipal recycling infrastructure, and recommendation on an assessment on wine bottles to address the impacts of wine bottles on municipal recycling infrastructure and to develop markets for the use of recycled glass.

(b) The Secretary of Natural Resources shall convene a stakeholder process or processes when developing recommendations required by subsection (a) of this section.

Sec. 9. EFFECTIVE DATES

This act shall take effect July 1, 2022, except that:

(1) In Sec. 1, 10 V.S.A. § 1521(1) (expansion of the definition of beverage types) shall take effect on January 1, 2025;

(2) In Sec. 1, 10 V.S.A. § 1523 (requiring product registration to take place with the producer responsibility organization) shall take effect on March 1, 2024;

(3) In Sec. 1, 10 V.S.A. § 1524(b) (requiring a UPC label on containers) shall take effect on March 1, 2024;

(4) In Sec. 1, 10 V.S.A. § 1531(a) (prohibiting the sale or distribution without participating in a producer responsibility organization) shall take effect on March 1, 2024;

(5) Sec. 2 (remittance of abandoned beverage container deposits) shall take effect on January 1, 2025.

(6) Sec. 3. (repeal of remittance of beverage container deposit) shall take effect on July 1, 2030.

(7) Sec. 5 (changing the amount of funds deposited in the Clean Water Fund) shall take effect on January 1, 2025; and

(8) Sec. 6 (Waste Management Assistance Fund) shall take effect on July 1, 2030.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for April 16, 2021, pages 627-684)

Reported favorably by Senator Pearson for the Committee on Finance.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Natural Resources and Energy.

(Committee vote: 7-0-0)

H. 265.

An act relating to the Office of the Child, Youth, and Family Advocate.

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

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 33 V.S.A. chapter 32 is added to read:

CHAPTER 32. OFFICE OF THE CHILD, YOUTH, AND FAMILY ADVOCATE

§ 3201. DEFINITIONS

As used in this chapter:

(1) "Child, Youth, and Family Advocate" or "Advocate" means an individual who leads the Office of the Child, Youth, and Family Advocate.

(2) "Department" means the Department for Children and Families.

(3) "Office" means the Office of the Child, Youth, and Family Advocate.

(4) "State agency" means any office, department, board, bureau, division, agency, or instrumentality of the State.

§ 3202. OFFICE OF THE CHILD, YOUTH, AND FAMILY ADVOCATE

There is established the Office of the Child, Youth, and Family Advocate for the purpose of advancing the interests and welfare of Vermont's children and youths. The Office shall advocate for the welfare of children and youths receiving services from the Department and those involved in the child protection and juvenile justice systems. The Office shall promote reforms necessary to better serve Vermont's children, youths, and families in a manner that addresses racial and social equity. The Office shall act independently of any State agency in the performance of its duties.

§ 3203. DUTIES AND AUTHORITY

(a) The Office shall:

(1) work in collaboration with relevant parties to strengthen services for children, youths, and families;

(2) analyze and monitor the development and implementation of federal, State, and local laws; regulations; and policies relating to child, youth, and family welfare and recommend changes when appropriate;

(3) review complaints concerning the actions of the Department and of any entity that provides services to children, youths, and families through funds provided by the Department; make appropriate referrals; and investigate those complaints where the Advocate determines that a child, youth, or family may be in need of assistance from the Office;

(4) support children, youths, and families by providing information about service recipients' rights and responsibilities;

(5) provide systemic information concerning child, youth, and family welfare to the public, the Governor, State agencies, legislators, and others, as necessary; and

(6) notwithstanding 2 V.S.A. § 20(d), submit to the General Assembly and the Governor on or before December 1 of each year a report addressing services provided by the Department, including:

(A) the conditions of placements for Vermont's children and youths;

(B) findings related to services for and assistance to children, youths, and families within the child protection and juvenile justice systems;

(C) recommendations related to improving services for children, youths, and families; and

(D) data disaggregated by race, ethnicity, gender, geographic location, disability status, and any other categories that the Advocate deems necessary.

(b) The Office may:

(1) review current systems to assess to what extent children and youths placed in the custody of the Department or who are receiving services under the supervision of the Department receive humane and dignified treatment at all times, including consideration by the Advocate as to what extent the system protects and enhances the child's or youth's personal dignity, right to privacy, and right to appropriate health care and education in accordance with State and federal law;

(2) address any challenges accessing information or records that are necessary for carrying out the provisions of this chapter; and

(3) as part of its annual report pursuant to subdivision (a)(6) of this section, include findings and recommendations related to other services provided to children, youths, and families.

§ 3204. CHILD, YOUTH, AND FAMILY ADVOCATE

(a) The Office shall be directed by the Child, Youth, and Family Advocate, an individual who shall be qualified by reason of education, expertise, and experience and who may have a professional degree in law, social work, public health, or a related field. The Child, Youth, and Family Advocate shall serve on a full-time basis and shall be exempt from classified service.

(b)(1) The Oversight Commission on Children, Youths, and Families established pursuant to section 3211 of this chapter shall recommend qualified applicants for the position of the Child, Youth, and Family Advocate to the Governor for consideration. Subject to confirmation by the Senate, the Governor shall appoint an Advocate within 45 days from among those applicants recommended by the Oversight Commission for a term of four years. The appointment for Advocate shall be made without regard to political affiliation and on the basis of integrity and demonstrated ability. The Advocate shall hold office until reappointed or until a successor is appointed.

(2) The Governor, upon a majority vote of the Oversight Commission, may remove the Child, Youth, and Family Advocate for cause, which includes only neglect of duty, gross misconduct, conviction of a crime, or inability to perform the responsibilities of the Office. The Speaker of the House and President Pro Tempore shall simultaneously receive notification from the Governor of the Advocate's removal. Any vacancy shall be filled by the appointment process set forth in subdivision (1) of this subsection for the remainder of the unexpired term.

(c) The Child, Youth, and Family Advocate shall appoint a Deputy Child, Youth, and Family Advocate, whose duties shall be performed at the direction of the Advocate.

(d) Upon any vacancy in the position of the Advocate, and until such time as a replacement is appointed and confirmed, the Deputy Child, Youth, and Family Advocate shall serve as the acting Child, Youth, and Family Advocate. The acting Child, Youth, and Family Advocate shall have the full responsibilities of the Advocate and shall be entitled to the same compensation as the outgoing Child, Youth, and Family Advocate.

§ 3205. CHILD, YOUTH, AND FAMILY ADVISORY COUNCIL

(a) Purpose and membership. The Child, Youth, and Family Advocate shall appoint and convene an Advisory Council composed of nine stakeholders who have been impacted by child welfare services provided by the Department for Children and Families. The Advisory Council's membership shall reflect the growing diversity of Vermont's children and families, including individuals who are Black, Indigenous, and Persons of Color, as well as with regard to socioeconomic status, geographic location, gender, sexual identity, and disability status. Members shall provide advice and guidance to the Office of the Child, Youth, and Family Advocate regarding the routine administration and operation of the Office, including providing advice and guidance to the Advocate upon request.

(b) Meetings.

(1) The Advocate shall call the first meeting of the Advisory Council to occur on or before March 15, 2023.

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

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

(4) The Advisory Council shall cease to exist on July 1, 2028.

(c) Confidentiality. In seeking the advice and guidance of the Advisory Council, the Child, Youth, and Family Advocate shall not disclose to the Advisory Council, or any member thereof, individually identifiable information about a child or youth unless the information is already known to the public.

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

§ 3206. INCIDENTS AND FATALITIES

(a) The Department shall notify the Office of all incidents of actual physical injury to children or youths in the custody of the Commissioner or at significant risk of such harm.

(b) The Department shall notify the Office within 48 hours of:

(1) any fatality of a child or youth in its custody; and

(2) the restraint or seclusion of any child or youth in its custody.

§ 3207. ACCESS TO INFORMATION AND FACILITIES

(a) Notwithstanding any other provision of law, the Child, Youth, and Family Advocate and the Deputy Advocate shall, upon request, have timely access, including the right to inspect and copy, to records necessary to carry out the provisions of this chapter, including relevant records produced and held by State entities and third parties. As used in this subsection, "third parties" does not include Vermont's Statistical Analysis Center.

(b) If the Child, Youth, and Family Advocate determines that doing so advances the welfare of a child or youth, the Advocate and Deputy Advocate may:

(1) communicate privately and visit with any child or youth who is in the custody of the Department; and

(2) upon first obtaining the consent of a child or youth's parent or guardian, communicate privately and visit with a child or youth who is not in the custody of the Department.

(c) Facilities and providers delivering services to children and youths shall permit the Child, Youth, and Family Advocate or the Deputy Advocate to access their facilities.

§ 3208. COOPERATION OF STATE AGENCIES

All State agencies shall comply with reasonable requests of the Child, Youth, and Family Advocate and Deputy Advocate for information and assistance.

§ 3209. CONFIDENTIALITY

(a) The Office shall maintain the confidentiality of all case records, third-party records, and court records, as well as any information gathered in the course of investigations and systems monitoring duties. These records are exempt from public inspection and copying under the Public Records Act and shall be kept confidential except as provided in subsections (b) and (c) of this section.

(b) In the course of carrying out the provisions of this chapter, if the Child, Youth, and Family Advocate or Deputy Advocate reasonably believes that the health, safety, or welfare of a child or youth is at imminent risk, the Advocate or Deputy Advocate may disclose relevant documents or information to the Department or any of the individuals or entities listed in subdivision 4921(e)(1) of this title or both. Determinations of relevancy shall be made by the Advocate.

(c) Notwithstanding subsection (a) of this section, the Child, Youth, and Family Advocate or Deputy Advocate may publicly disclose any patterns of conduct or repeated incidents identified by the Advocate or Deputy Advocate in carrying out the provisions of this chapter if the Advocate or Deputy Advocate reasonably believes that public disclosure is likely to mitigate a risk posed to the health, safety, and welfare of a child or youth, except the Advocate or Deputy Advocate shall not publicly disclose either of the following:

(1) individually identifiable information about a child or youth, or the child's or youth's family, foster family, or kin in a kinship placement unless the information is already known to the public; and

(2) investigation findings where there is a pending law enforcement investigation or prosecution.

§ 3210. CONFLICT OF INTEREST

The Child, Youth, and Family Advocate, the Advocate's employees or contractors, and members of the Oversight Commission on Children, Youths, and Families shall not have any conflict of interest with the Department or with any entity that provides services to children, youths, and families through funds provided by the Department relating to the performance of their responsibilities under this chapter. For the purposes of this section, a conflict of interest exists whenever the Child, Youth, and Family Advocate, the Advocate's employees or contractors, or a member of the Oversight Commission on Children, Youths, and Families:

(1) has direct involvement in the licensing, certification, or accreditation of a provider or facility delivering services to children, youths, and families;

(2) has a direct ownership interest in a provider or facility delivering services to children, youths, and families;

(3) is employed by or participates in the management of a provider or facility delivering services to children, youths, and families; or

(4) receives or has the right to receive, directly or indirectly, remuneration under a compensation arrangement with a provider or facility delivering services to children, youths, and families.

§ 3211. OVERSIGHT COMMISSION ON CHILDREN, YOUTHS, AND FAMILIES

(a) Creation. There is created the Oversight Commission on Children, Youths, and Families to provide guidance and recommendations to the Office of the Child, Youth, and Family Advocate.

(b) Membership. The Commission shall be composed of the following members who shall not have a conflict of interest with the Department for Children and Families:

(1) one current member of the House of Representatives who serves on the House Committee on Human Services, who shall be appointed by the Speaker of the House;

(2) one current member of the Senate who serves on the Senate Committee on Health and Welfare, who shall be appointed by the Committee on Committees;

(3) a member with professional expertise in childhood trauma, adverse childhood experiences, or child welfare, who shall be appointed by the Governor;

(4) the Executive Director of Racial Equity established pursuant to 3 V.S.A. § 5001 or designee;

(5) one member of a child advocacy group, board, or commission, who shall be appointed by the Speaker of the House;

(6) one member of a child advocacy group, board, or commission, who shall be appointed by the Committee on Committees;

(7) one member of a child advocacy group, board, or commission, who shall be appointed by the Governor;

(8) an adult who was in the custody of the Department for Children and Families within the past five years, who shall be appointed by the Vermont Foster and Adoptive Family Association; and

(9) the relative caregiver of a child or youth involved in the child protection system, who shall be appointed by Vermont Kin as Parents.

(c) Powers and duties. The Commission shall:

(1) recommend qualified applicants for the position of the Child, Youth, and Family Advocate to the Governor for consideration pursuant to section 3204 of this chapter within 45 days following a vacancy; and

(2) provide oversight of the Office in its efforts to support an equitable, comprehensive, and coordinated system of services and programs for children, youths, and families.

(d) Assistance. The Commission shall have the administrative assistance of the Agency of Administration.

(e) Meetings.

(1) The member representing the House Committee on Human Services shall call the first meeting of the Commission to occur on or before August 1, 2022.

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

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

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Commission serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than four meetings annually.

(2) Other members of the Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than four meetings annually. These payments shall be made from monies appropriated to the Office of the Child, Youth, and Family Advocate.

Sec. 2. 33 V.S.A. § 4913 is amended to read:

§ 4913. REPORTING CHILD ABUSE AND NEGLECT; REMEDIAL ACTION

(a) A mandated reporter is any:

* * *

(11) camp counselor; ~~or~~

(12) member of the clergy; or

(13) employee of the Office of the Child, Youth, and Family Advocate established pursuant to chapter 32 of this title.

* * *

Sec. 3. 33 V.S.A. § 4921 is amended to read:

§ 4921. DEPARTMENT'S RECORDS OF ABUSE AND NEGLECT

* * *

(d) Upon request, Department records created under this subchapter shall be disclosed to:

* * *

(4) law enforcement officers engaged in a joint investigation with the Department, an Assistant Attorney General, or a State's Attorney; ~~and~~

(5) other State agencies conducting related inquiries or proceedings; and

(6) the Office of the Child, Youth, and Family Advocate for the purpose of carrying out the provisions in chapter 32 of this title.

* * *

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

§ 5117. RECORDS OF JUVENILE JUDICIAL PROCEEDINGS

* * *

(b)(1) Notwithstanding the foregoing, inspection of such records and files by or dissemination of such records and files to the following is not prohibited:

* * *

(H) the Human Services Board and the Commissioner's Registry Review Unit in processes required under chapter 49 of this title; ~~and~~

(I) the Department for Children and Families; and

(J) the Office of the Child, Youth, and Family Advocate for the purpose of carrying out the provisions in chapter 32 of this title.

* * *

Sec. 5. [Deleted.]

Sec. 6. TRANSITION

The initial term of the Child, Youth, and Family Advocate established pursuant to 33 V.S.A. chapter 32 shall begin on January 1, 2023.

Sec. 7. APPROPRIATION

The sum of $120,000.00 is appropriated to the Office of the Child, Youth, and Family Advocate from the General Fund in fiscal year 2023 for carrying out the purposes of this act.

Sec. 8. [Deleted.]

Sec. 9. EFFECTIVE DATES

This act shall take effect on July 1, 2022, except that Secs. 2 (reporting child abuse and neglect; remedial action), 3 (Department's records of abuse and neglect), 4 (records of juvenile judicial proceedings), and 7 (appropriation) shall take effect on January 1, 2023.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for April 22, 2021, pages 699-708)

Reported favorably by Senator Sears for the Committee on Appropriations.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Health and Welfare.

(Committee vote: 6-0-1)

Amendments to proposal of amendment of the Committee on Health and Welfare to H. 265 to be offered by Senators Hardy, Baruth, Kitchel, Nitka, Sears, Starr and Westman

Senators Hardy, Baruth, Kitchel, Nitka, Sears, Starr and Westman move to amend the proposal of amendment of the Committee on Health and Welfare as follows:

First: In Sec. 1, 33 V.S.A. chapter 32, section 3202, by striking out the second sentence in its entirety and inserting a new sentence in lieu thereof to read as follows:

The Office shall advocate for the welfare of children and youths receiving services from the Department directly, or through funds provided by the Department, and those involved in the child protection and juvenile justice systems.

Second: In Sec. 1, 33 V.S.A. chapter 32, section 3203, subsection (a), subdivision (3), by striking out "investigate" and inserting in lieu thereof respond to

Third: In Sec. 1, 33 V.S.A. chapter 32, section 3206, by striking out subsections (a) and (b) in their entireties and inserting in lieu thereof the following:

(a) The Department shall notify the Office of:

(1) all incidents of actual physical injury to children or youths in the custody of the Commissioner or at significant risk of such harm; and

(2) instances of restraint or seclusion of any child or youth in custody of the Commissioner.

(b) The Department shall notify the Office within 48 hours of any fatality of a child or youth in its custody.

Fourth: In Sec. 1, 33 V.S.A. chapter 32, section 3209, subsection (a), by striking out "investigations and systems monitoring duties" and inserting in lieu thereof carrying out individual complaint and systems reviews

Fifth: In Sec. 1, 33 V.S.A. chapter 32, section 3209, subsection (c), subdivision (2), before the word "findings" by striking out the word "investigation"

H. 466.

An act relating to surface water withdrawals and interbasin transfers.

Reported favorably with recommendation of proposal of amendment by Senator McCormack for the Committee on Natural Resources and Energy.

The Committee recommends that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 10 V.S.A. chapter 41, section 1002, subdivision (20), after "ponds, lakes," and before "and all bodies of surface waters" by striking out the words and springs

and by striking out subdivision (20)(D) in its entirety and inserting in lieu thereof a new subdivision (20)(D) to read as follows:

(D) constructed off-stream farm ponds or other off-stream impoundments that are used for irrigation or watering of livestock.

Second: In Sec. 1, 10 V.S.A. chapter 41, subchapter 4, section 1042, subsection (a), by striking out the first full sentence in its entirety and inserting in lieu thereof the following:

Beginning on January 1, 2023, any person withdrawing 10,000 gallons or more of surface water within a 24-hour period or 150,000 gallons over any 30-day period shall register with the Secretary.

and by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Methods of reporting withdrawals.

(1) Except as provided in subdivision (2) of this subsection, the following methods shall be used to report the amounts of withdrawn surface water required to be reported under subsection (b) of this section:

(A) Withdrawals of between 10,000 and 50,000 gallons of surface water within a 24-hour period or 150,000 gallons over any 30-day period shall either provide an estimate of total volume withdrawn or provide meter data. The report shall describe how any estimate was calculated.

(B) Withdrawals of more than 50,000 gallons of surface water within a 24-hour period or 1,500,000 gallons over any 30-day period shall provide meter data or measured data by a technically appropriate method approved by the Secretary.

(2) Withdrawals for irrigation or watering of livestock of more than 10,000 gallons of surface water within a 24-hour period or 150,000 gallons over any 30-day period may provide an estimate of the total volume withdrawn based on log records pursuant to a technically appropriate method approved by the Secretary.

Third: In Sec. 1, 10 V.S.A. chapter 41, in subchapter 4, section 1043, by striking out subsection (c) in its entirety and inserting in lieu thereof the following:

(c) Permits.

(1) The Secretary may issue a general permit to authorize certain withdrawal activities.

(2) The Secretary shall issue a general permit under this chapter for the withdrawal of surface water for State or municipal infrastructure projects. The general permit shall establish a rate and withdrawal volume that only requires notification of the Secretary and does not require Secretary approval prior to withdrawal.

(3) A permit issued under this subchapter shall be for a period of not longer than 10 years from the date of issuance.

Fourth: By inserting a new section to be Sec. 4a to read as follows:

Sec. 4a. IMPLEMENTATION; RULEMAKING

The Secretary of Natural Resources shall conduct public input and outreach with interested parties prior to initiating formal rulemaking pursuant to the Administrative Procedure Act for surface water withdrawals as set forth in 10 V.S.A. § 1045. The public input and outreach shall include an opportunity for interested parties to comment on a draft rule for surface water withdrawals.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for January 27, 2022, page 149)

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

The Committee recommends that the Senate propose to the House to amend the bill as recommended by the Committee on Natural Resources and Energy with the following amendment thereto by striking out the First through Fourth proposals of amendment of the Committee on Natural Resources and by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. chapter 41 is amended to read:

CHAPTER 41. REGULATION OF STREAM FLOW

* * *

§ 1002. DEFINITIONS

~~Wherever~~ As used ~~or referred to~~ in this chapter~~, unless a different meaning clearly appears from the context:~~

(1) "Artificial regulation of stream flow" means the intermittent or periodic manipulation of water levels and the intermittent or periodic regulation of discharge of water into the stream below the dam.

(2) "Banks" means that land area immediately adjacent to the bed of the stream, which is essential in maintaining the integrity thereof.

(3) "Basin" means the third-level, six-digit unit of the hydrologic unit hierarchy as defined by the U.S. Geological Survey (USGS), Federal Standards and Procedures for the National Watershed Boundary Dataset, Chapter 3 of Section A, Book 11. "Basin" is also referred to as "Hydrologic Unit Code 6" or "HUC-6".

(4) "Bed" means the maximum area covered by waters of the stream for not less than 15 consecutive days in one year.

(5) "Berm" means a linear fill of earthen material on or adjacent to the bank of a watercourse that constrains waters from entering a flood hazard area or river corridor, as those terms are defined in subdivisions 752(3) and (11) of this title.

~~(4)~~(6) "Board" means the Natural Resources Board.

(7) "Capacity" means the maximum volume of water capable of being withdrawn by the water withdrawal system.

~~(5)~~(8) "Cross section" means the entire channel to the top of the banks.

~~(6)~~(9) "Dam" applies to any artificial structure on a stream, or at the outlet of a pond or lake, that is utilized for holding back water by ponding or storage together with any penstock, flume, piping, or other facility for transmitting water downstream to a point of discharge, or for diverting water from the natural watercourse to another point for utilization or storage.

~~(7)~~(10) "Department" means the Department of Environmental Conservation.

(11) "Existing surface withdrawal" means a surface water withdrawal that exists prior to January 1, 2023.

(12) "Frequency" means how often water will be withdrawn from a surface water over a period of time.

~~(8)~~(13) "Instream material" means:

(A) all gradations of sediment from silt to boulders;

(B) ledge rock; or

(C) large woody debris in the bed of a watercourse or within the banks of a watercourse.

(14) "Interbasin transfer" means the conveyance of surface water withdrawn from a basin for use in another basin.

(15) "Large woody debris" means any piece of wood within a watercourse with a diameter of 10 or more inches and a length of 10 or more feet that is detached from the soil where it grew.

~~(9)~~(16) "Person" means any individual; partnership; company; corporation; association; unincorporated association; joint venture; trust; municipality; the State of Vermont or any agency, department, or subdivision of the State; any federal agency; or any other legal or commercial entity.

(17) "Rate of withdrawal" means the volume of surface water that is withdrawn over a period of time, as reported in gallons per minute.

(18) "Reasonable and feasible" means available and capable of being implemented after consideration of cost, existing technology, logistics in light of the overall project purpose, environmental impact, and ability to obtain all necessary approvals for implementation.

(19) "Secretary" means the Secretary of Natural Resources or the Secretary's duly authorized representative.

(20) "Surface water" means all rivers, streams, creeks, brooks, reservoirs, ponds, lakes, and all bodies of surface waters that are contained within, flow through, or border upon the State or any portion of it. "Surface water" does not include the following:

(A) groundwater as defined in section 1391 of this title;

(B) artificial waterbodies as defined under section 29A-101(d) of the Vermont Water Quality Standards;

(C) treatment ponds, lagoons, or wetlands created solely to meet the requirements of a permit issued for a discharge; and

(D) constructed off-stream farm ponds or other off-stream impoundments that are used for irrigation for farming or watering of livestock.

(21) "Vermont Water Quality Standards" means the standards adopted pursuant to chapter 47 and subdivision 6025(b) of this title.

~~(10)~~(22) "Watercourse" means any perennial stream. "Watercourse" ~~shall~~ does not include ditches or other constructed channels primarily associated with land drainage or water conveyance through or around private or public infrastructure.

~~(11) "Secretary" means the Secretary of Natural Resources, or the Secretary's duly authorized representative.~~

(23) "Watershed" means a region containing waters that drain into a particular brook, stream, river, or other body of water.

(24) "Withdrawal" means the intentional diversion from a surface water by pumping, gravity, or other method for the purpose of being used for irrigation, industrial uses, snowmaking, livestock watering, water supply, aquaculture, or other off-stream uses. "Withdrawal" does not include hydroelectric projects that are regulated by the Federal Energy Regulatory Commission or the Public Utility Commission. "Withdrawal" does not include direct consumption of surface water by livestock.

~~(12) "Berm" means a linear fill of earthen material on or adjacent to the bank of a watercourse that constrains waters from entering a flood hazard area or river corridor, as those terms are defined in subdivisions 752(3) and (11) of this title.~~

~~(13) "Large woody debris" means any piece of wood within a watercourse with a diameter of 10 or more inches and a length of 10 or more feet that is detached from the soil where it grew.~~

* * *

Subchapter 4. Surface Water Withdrawals and Interbasin Transfers

§ 1041. POLICY ON SURFACE WATER WITHDRAWALS FOR OFF-STREAM USES OTHER THAN SNOWMAKING

(a) This subchapter is intended to establish policy and standards for surface water withdrawals that are consistent with section 1001 and chapter 41 of this title, including the Vermont Water Quality Standards.

(b) The policy established under this subchapter is to:

(1) assure the protection, maintenance, and restoration of the chemical, physical, and biological water quality, including water quantity, necessary to sustain aquatic communities and stream function;

(2) help to provide for and enhance the viability of those sectors and industries that rely on the use of surface waters and are important to Vermont's economy;

(3) permit surface water withdrawals and the construction of appurtenant facilities and related systems for uses other than snowmaking, based on an analysis of the need for water and the consideration of alternatives and consistent with this and related policies and other applicable laws and rules; and

(4) recognize that existing users of the State's waters for off-stream uses that may have an adverse effect on water quality should have time and opportunity to improve water quality.

§ 1042. REGISTRATION AND REPORTING; EXCEPTIONS

(a) Registration. Beginning on January 1, 2023, any person withdrawing 10,000 gallons or more of surface water within a 24-hour period or 150,000 gallons or more of surface water over any 30-day period shall register with the Secretary:

(1) the location of each withdrawal, including each impacted surface water;

(2) the frequency and rate of each withdrawal;

(3) a description of the use or uses of the water to be withdrawn;

(4) the capacity of the system to be used for the withdrawal; and

(5) a schedule for the withdrawal.

(b) Report. Beginning on January 1, 2023, a person that is required to register a surface water withdrawal pursuant to subsection (a) of this section shall file an annual report with the Secretary. Reports shall be filed annually

by January 15 of the following year. The report shall be made on a form provided by the Secretary and shall include all of the following information:

(1) the total amount of water withdrawn each month;

(2) the location of each withdrawal, including each impacted surface water;

(3) the daily maximum withdrawal for each month;

(4) the date of daily maximum withdrawal; and

(5) any other information required by the Secretary.

(c) Methods of reporting withdrawals. The following methods shall be used to report the amounts of withdrawn surface water required to be reported under subsection (b) of this section:

(1) For withdrawals of between 10,000 and 50,000 gallons of surface water within a 24-hour period or 150,000 gallons or more of surface water over any 30-day period, the person shall either provide an estimate of total volume withdrawn or provide meter data. The report shall describe how any estimate was calculated.

(2) For withdrawals of 50,000 gallons or more of surface water within a 24-hour period or 1,500,000 gallons or more of surface water over any 30-day period, the person shall provide meter data or measured data by a technically appropriate method approved by the Secretary.

(d) Exceptions. The following withdrawals shall not be subject to the requirements of subsection (a) or (b) of this section:

(1) surface water withdrawals for fire suppression or other public emergency response purposes;

(2) surface water withdrawals required to report under subchapter 3 of this chapter for snowmaking uses;

(3) surface water withdrawals approved pursuant to chapter 56 of this title on public water supply and the rules adopted thereunder for use as a public drinking water supply;

(4) surface water withdrawals for irrigation for farming, livestock watering, or other uses for farming, as the term "farming" is defined in 6 V.S.A. § 4802; and

(5) a surface water withdrawal reported to the Secretary under any project that requires the reporting of substantially similar data.

§ 1043. PERMIT REQUIREMENT; PROGRAM DEVELOPMENT

(a) Program development. On or before July 1, 2026, the Secretary shall implement a surface water withdrawal permitting program that is consistent with section 1041 of this subchapter. The program shall be developed to:

(1) require a permit or other authorization for surface water withdrawals based on potential impacts to surface waters or other factors, and establish conditions of operation necessary to protect surface waters and the Vermont Water Quality Standards;

(2) consider surface water withdrawal registration and reporting information submitted pursuant to section 1042 of this chapter in the establishment of permitting thresholds and other permitting requirements;

(3) require efficient use and conservation of surface water;

(4) ensure that withdrawals comply with the Vermont water quality standards;

(5) establish limitations on withdrawals based on low flow or drought conditions and the development of potential alternatives to meet surface water withdrawal needs in such cases; and

(6) require assessment of any reasonable and feasible alternatives to proposed withdrawals that may have less of an impact on surface water quality.

(b) Application. Application for a permit to withdraw surface water under the program established under subsection (a) of this section shall be made on a form provided by the Secretary, and shall include the following information:

(1) the location of each withdrawal, including the identification and type of each impacted surface water;

(2) a description of the use or uses of the water to be withdrawn;

(3) a description of the proposed method of water withdrawal;

(4) the frequency and rate of the withdrawal;

(5) an estimated schedule for the withdrawal;

(6) the capacity of the system to be used for the withdrawal;

(7) the location of the proposed return flow of the withdrawn water, and whether the withdrawal is an interbasin transfer;

(8) an estimate of the volume of water needed for the proposed use or uses;

(9) a description of the alternative means considered for the proposed uses of water that will have less of an impact on surface water quality; and

(10) any other information required by the Secretary.

(c) Permits.

(1) The Secretary may issue a general permit to authorize certain withdrawal activities.

(2) The Secretary shall issue a general permit under this chapter for the withdrawal of surface water for State or municipal infrastructure projects. The general permit shall establish a rate and withdrawal volume that only requires notification of the Secretary and does not require Secretary approval prior to withdrawal.

(3) A permit issued under this subchapter shall be for a period of not longer than 10 years from the date of issuance.

(d) Exceptions. A permit required under this subchapter shall not be required for:

(1) surface water withdrawals for fire suppression or other public emergency response purposes; or

(2) surface water withdrawals for irrigation for farming, livestock watering, or other uses for farming, as the term "farming" is defined in 6 V.S.A. § 4802.

(e) Existing surface water withdrawals.

(1) Snowmaking withdrawals. Existing withdrawals approved pursuant to subchapter 3 of this chapter for snowmaking shall be reviewed pursuant to subdivision (f)(1) of this section.

(2) Nonsnowmaking withdrawals.

(A) A permit required under this subchapter shall not be required until July 1, 2030 for an existing surface water withdrawal for nonsnowmaking purposes, provided that:

(i) the existing surface water withdrawal is both registered and reported to the Secretary pursuant to section 1042 of this title on an annual basis; and

(ii) no expansion of the existing surface water withdrawal occurs on or after January 1, 2023.

(B) For purposes of this subdivision (2), an expansion includes an increase in reported surface water withdrawal rate or volume or increase in reported capacity of the system.

(f) Surface water withdrawals for snowmaking.

(1) Existing withdrawals. Existing surface water withdrawals for snowmaking purposes that have been reviewed and approved pursuant to subchapter 3 of this chapter shall not require additional technical review by the Secretary under this subchapter, provided that the approved snowmaking activity is operated in compliance with the terms and conditions of the Secretary's approval. For such activities, the Secretary may issue a permit under the rules adopted pursuant to this subchapter.

(2) New withdrawals. Proposed surface water withdrawals for new snowmaking activities that require review pursuant to subchapter 3 of this chapter shall be reviewed by the Secretary in accordance with the rules adopted pursuant to section 1032 of this title. If the Secretary determines that the proposed activity is consistent with those rules, the Secretary shall issue a permit required by section 1043 of this section for that activity.

(g) Enforcement.

(1) The Secretary may require a person to obtain a permit under this subchapter when the Secretary, in the Secretary's discretion, determines that a withdrawal or other action circumvents the requirements of this subchapter.

(2) If the Secretary finds that a withdrawal subject to this subchapter results in the construction, installation, operation, or maintenance of any facility or condition that results in or can reasonably be expected to result in a violation of the Vermont Water Quality Standards, the Secretary may issue an order establishing reasonable and proper methods and procedures for the control of that activity in order to reduce or eliminate the violation.

(h) Reservation. Nothing in this subchapter shall be interpreted to supersede, limit, or otherwise effect the Secretary's authority to take action pursuant to section 1272 of this title or other applicable provision of law or rule.

§ 1044. INTERBASIN TRANSFERS OF SURFACE WATERS

(a) Review of HUC 6 interbasin transfers. The Secretary shall review any interbasin transfer pursuant to the Vermont Water Quality Standards and other requirements of State law listed in subdivision 1253(h)(1) of this title. This review shall be in addition to any applicable standards and permitting requirements adopted pursuant to subsection 1043(a) of this title.

(b) Review of other transfers likely to violate Vermont Water Quality Standards. The Secretary may review any other surface water withdrawal that includes the transfer of surface water from one watershed to another watershed under the requirements of subsection (a) of this section if the Secretary determines that the activity is likely to result in a violation of the Vermont Water Quality Standards. The Secretary shall make a determination under this subsection based on a review of information set forth under subsection 1043(b) of this title that is readily available to the Secretary.

§ 1045. REPORT TO GENERAL ASSEMBLY

Beginning February 15, 2023 and annually thereafter, the Secretary of Natural Resources, after consultation with the Secretary of Agriculture, Food and Markets, shall submit to the Senate Committees on Agriculture and on Natural Resources and Energy and the House Committees on Agriculture and Forestry and on Natural Resources, Fish, and Wildlife the data submitted to the Secretary pursuant to subsections 1042(a) and (b) of this title, data submitted as part of a permit required under section 1043 of this title, and the data submitted to the Secretary of Agriculture, Food and Markets under 6 V.S.A. § 4927.

§ 1046. RULEMAKING

The Secretary shall adopt rules to implement the requirements of this subchapter.

Sec. 2. 10 V.S.A. § 1253(h)(1) is amended to read:

(h)(1) The Secretary shall administer a Clean Water Act Section 401 certification program to review activities that require a federal license or permit or activities subject to regulation under chapter 47, subchapter 4 of this title to ensure that a proposed activity complies with the Vermont Water Quality Standards, as well as with any other appropriate requirement of State law, including:

(A) 10 V.S.A. chapter 37 (wetlands protection and water resources management);

(B) 10 V.S.A. chapter 41 (regulation of stream flow);

(C) 10 V.S.A. § 1264 (stormwater management);

(D) 29 V.S.A. chapter 11 (management of lakes and ponds); and

(E) the Agency of Natural Resources Rules for Water Withdrawals for Snowmaking.

Sec. 3. 10 V.S.A. § 8003(a)(4) is amended to read:

(4) 10 V.S.A. chapters 41 and 43, relating to dams, surface water withdrawals, interbasin transfers, and stream alterations;

Sec. 4. 10 V.S.A. § 8503(a)(1)(C) is amended to read:

(C) chapter 41 (relating to dams, surface water withdrawals, interbasin transfers, and stream alterations, and regulation of stream flow);

Sec. 5. 6 V.S.A. chapter 215, subchapter 6A is added to read:

Subchapter 6A. Surface Water Withdrawals for Farming

§ 4926. DEFINITIONS

As used in this subchapter:

(1) "Surface water" means all rivers, streams, creeks, brooks, reservoirs, ponds, lakes, and all bodies of surface waters that are contained within, flow through, or border upon the State or any portion of it. "Surface water" does not include the following:

(A) groundwater as defined in 10 V.S.A. § 1391;

(B) artificial waterbodies as defined under section 29A-101(d) of the Vermont Water Quality Standards;

(C) treatment ponds, lagoons, or wetlands created solely to meet the requirements of a permit issued for a discharge; and

(D) constructed off-stream farm ponds or other off-stream impoundments that are used for irrigation for farming or watering of livestock.

(2) "Withdrawal" means the intentional diversion from a surface water by pumping, gravity, or other method for the purpose of being used for irrigation for farming, livestock watering, or other uses for farming. "Withdrawal" does not include direct consumption of surface water by livestock.

§ 4927. REPORT OF SURFACE WATER WITHDRAWALS FOR IRRIGATION, LIVESTOCK WATERING, OR OTHER FARMING USE

(a) Report of withdrawal. Beginning on January 15, 2023 and annually thereafter, any person who withdrew 10,000 gallons or more of surface water within a 24-hour period in the preceding calendar year or 150,000 gallons or more of surface water over any 30-day period in the preceding calendar year shall file a report with the Secretary of Agriculture, Food and Markets. The report shall be made on a form provided by the Secretary and shall include all of the following information:

(1) an estimate of the total amount of water withdrawn in the preceding calendar year;

(2) the location of the withdrawals;

(3) the daily maximum withdrawal for each month;

(4) the date of each daily maximum withdrawal; and

(5) any other information related to surface water withdrawal required by the Secretary of Agriculture, Food and Markets.

(c) Sharing of data. Beginning February 1, 2023 and annually thereafter, the Secretary of Agriculture, Food and Markets shall submit to the Secretary of Natural Resources the data collected under this section for the purposes of the report to the General Assembly required by 10 V.S.A. § 1045.

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(Committee vote: 5-0-0)

Reported without recommendation by Senator Pearson for the Committee on Finance.

The Committee reports the same without recommendation.

(Committee vote: 6-0-1)

H. 572.

An act relating to the retirement allowance for interim educators.

Reported favorably with recommendation of proposal of amendment by Senator Clarkson for the Committee on Government Operations.

The Committee recommends that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. FY 2023; RESTORATION OF SERVICE; VERMONT STATE TEACHERS' RETIREMENT SYSTEM

(a) Authority. Notwithstanding 16 V.S.A. § 1939 or any other provision of law, in fiscal year 2023, a beneficiary who retired from the System as a Group A or a Group C member may resume service, as that term is defined in 16 V.S.A. § 1931, to serve as an interim school educator for a period not to exceed one school year and receive the beneficiary's retirement allowance for the entire period that service is resumed, provided that:

(1) the beneficiary has received a retirement allowance for six months or more immediately preceding the resumption of service;

(2) the employer of the beneficiary is subject to the assessment set forth in 16 V.S.A. § 1944d on behalf of the beneficiary and remits payment to the Benefits Fund; and

(3) the employer of the beneficiary remits a one-time fee of $2,500.00 to the State Treasurer for administrative costs associated with the beneficiary resuming service.

(b) Period of service. A person who resumes service under subsection (a) of this section shall not make any contributions to the System during the person's period of service and shall not be entitled to a retirement allowance separately computed for the period that service was resumed.

(c) Employment certification. Each superintendent who hires an interim school educator pursuant to subsection (a) of this section shall certify to the Board that the district exhausted all reasonable options to employ a qualified active educator prior to employing a beneficiary as an interim school educator.

(d) Renewal.

(1) In fiscal years 2024 and 2025, the State Treasurer is authorized to grant not more than two renewals for a one-fiscal-year period to the authority described in subsection (a) of this section. The State Treasurer shall make the determination to renew the authority not earlier than June 1 but not later than June 30 in each fiscal year and shall notify the House and Senate Committees on Government Operations of the determination.

(2) In the event the State Treasurer makes a determination to renew the authority pursuant to subdivision (1) of this subsection, a beneficiary may only resume service during each one-year renewal period if service is performed in a different interim school educator position.

(e) Repeal. This section shall be repealed on June 30, 2026.

Sec. 2. EFFECTIVE DATE

This act shall take effect on July 1, 2022.

(Committee vote: 5-0-0)

(For House amendments, see House Journal for March 11, 2022, pages 518-519)

Reported favorably by Senator Brock for the Committee on Finance.

The Committee recommends that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations.

(Committee vote: 6-0-1)

House Proposals of Amendment

S. 11

An act relating to prohibiting robocalls

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

Sec. 1. IMMEDIATE STRATEGIES AND FUNDING FOR EXPANDING THE LABOR FORCE; INCREASING THE NUMBER OF PARTICIPANTS AND PARTICIPATION RATES; APPROPRIATIONS

(a) In fiscal year 2023, the following amounts are appropriated from the General Fund to the following recipients for the purposes specified:

(1) $2,500,000.00 to the University of Vermont Office of Engagement, in consultation with the Vermont Student Assistance Corporation, to administer a statewide forgivable loan program of $5,000.00 per graduate for recent college graduates across all Vermont higher education institutions who commit to work in Vermont for two years after graduation.

(2) $387,000.00 to Vermont Technical College to develop a skilled meat cutter training and apprenticeship facility.

(b) In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Human Services to provide grants, which may be administered through a performance-based contract, to refugee- or New American-focused programs working in Vermont to support increased in-migration or retention of recent arrivals.

Sec. 2. [Reserved.]

Sec. 3. [Reserved.]

Sec. 4. INVESTMENT IN THE UP-SKILLING OF PRIVATE SECTOR EMPLOYERS TO SUPPORT THE EVOLUTION OF BUSINESS AND ORGANIZATIONAL MODELS; APPROPRIATIONS

In fiscal year 2023, the amount of $250,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for a performance-based contract to provide statewide delivery of business coaching and other forms of training to BIPOC business owners, networking and special convenings, and career fairs, workshops and paid internships, career guidance, and other support for BIPOC workers across the State.

Sec. 5. REGIONAL WORKFORCE EXPANSION SYSTEM

(a) Findings. The General Assembly finds:

(1) Vermont is experiencing an acute labor shortage in 2022.

(2) According to the Employment and Labor Marketing Information Division of the Vermont Department of Labor:

(A) There are approximately 28,000 job openings in Vermont as of December 2021.

(B) 9,945 individuals meet the federal statistical definition of unemployed as of January 2022.

(C) 4,500 individuals are receiving unemployment insurance assistance as of March 2022.

(D) The workforce has shrunk by 26,000 individuals from 2019 to 2022, yet the unemployment rate is just three percent as of January 2022.

(E) The workforce participation rate has fallen from 66 percent to 60.6 percent.

(3) The Department receives approximately 80 percent of its funding from federal sources, which constrains the Department and its employees from adjusting its work to meet immediate needs.

(4) The federal funding for field staff in the Workforce Development Division has declined significantly over the past 20 years, supporting 75 persons in 2022 as compared to 135 in 2003.

(5) Though Vermont has a small population, the unique characteristics of its region's employers, educational institutions, demographics, and socioeconomic conditions make it best to address efforts to connect individuals with training and job placement on a regional basis.

(b) Regional Workforce Expansion System. The amount of $1,500,000.00 is appropriated from the General Fund to the Department of Labor for a two-year pilot program to launch and lead a coordinated regional system, beginning in three regions of the State, to work toward accomplishing the following goals:

(1) increase local labor participation rate;

(2) decrease the number of open positions reported by local employers;

(3) increase the wages of workers as they transition to new jobs; and

(4) collect, organize, develop, and share information related to local career pathways with workforce development partners.

(c) Duties. In order to meet the goals specified in subsection (b) of this section, the Department shall:

(1) create new capacity to address and support State activities related to workforce development, expansion, and alignment;

(2) focus on the overarching goal of helping workers find jobs and employers find workers;

(3) support employers in communicating and tailoring their work requirements, conditions, and expectations to better access local workers; and

(4) collaborate with local education and training providers and regional workforce partners to create and regularly distribute data related to local labor force supply and demand.

(d) System infrastructure. The Department shall make investments that improve and expand regional capacity to strengthen networks who assist jobseekers, workers, and employers in connecting.

(1) The Department is authorized to create four classified, two-year limited-service positions, with funding allocated to perform the work described in this section, who shall report to the Workforce Development Division and of whom:

(A) three shall be Workforce Expansion Specialists assigned, one each, to three different regions of the State; and

(B) one shall provide oversight and State-level coordination of activities.

(2)(A) The Department shall use funds allocated to develop systems for coordination, information sharing, and enhanced support to regional partners, host regional meetings, develop regional plans, and provide localized resources

including labor market information, training and development opportunities, and support services.

(B) The Department shall develop labor market information reports to support discussion and decision making that will address local labor market challenges and opportunities and support a regional approach to solving local or unique labor supply challenges.

(e) Coordination.

(1) The Department shall convene regional meetings of education, training, business, and service provider partners; coordinate local workforce information collection and distribution; and assist in developing localized career resources, such as information for career counseling, local job fairs, and career expos, that will be available to a wide range of stakeholders.

(2) Service provider partners shall include community partners who directly serve mature workers, youth, individuals with disabilities, individuals who have been involved with the correction system, BIPOC Vermonters, New Americans, and other historically marginalized populations in efforts to align service delivery, share information, and achieve greater employment outcomes for Vermonters.

(f) Interim report. On or before January 15, 2023, the Department shall provide a narrative update on the progress made in hiring staff, establishing interagency agreements, developing regional information exchange systems, and supporting State-level work to expand the labor force to the House and Senate committees of jurisdiction.

(g) Implementation. The Department of Labor shall begin implementing the Regional Workforce Expansion System on or before July 1, 2022.

Sec. 6. INCARCERATED INDIVIDUALS; WORKFORCE DEVELOPMENT; PILOT PROGRAM

(a) Purpose. The purpose of this section is to facilitate the education and vocational training of incarcerated individuals so that they have a greater likelihood of obtaining gainful employment and positively contributing to society upon reintegration into the community.

(b) Policy; appropriations.

(1)(A) In fiscal year 2023, the amount of $420,000.00 is appropriated from the General Fund to the Department of Corrections, in consultation with the Vermont Department of Labor, to address education and vocational enhancement needs. These funds shall not be allocated from any amounts budgeted for Justice Reinvestment II initiatives.

(B) The Department shall use the funds allocated for the development of education and vocational training for incarcerated individuals residing in a Vermont correctional facility prior to community reintegration. The Department may allocate the funds over three years, consistent with the following:

(i) $270,000.00 for transition development, including equipment and mobile labs in one or more sites;

(ii) $100,000.00 for training partner support; and

(iii) $50,000.00 for curriculum development.

(2) In fiscal year 2023, the amount of $300,000.00 is appropriated from the General Fund to the Department of Corrections, which may be allocated over not more than three years, to establish a community-based pilot reentry program at the Chittenden Regional Correctional Facility in consultation with the Vermont Department of Labor. The Department of Corrections shall designate a service provider to administer the pilot program's goals to:

(A) provide continuity of services for incarcerated individuals;

(B) expand current employment readiness programs within the facility by building pathways for coordinated transition to employment;

(C) focus on the first six months after individuals are released from the facility;

(D) coordinate with local community resources, parole and probation offices, and other supports to ensure successful transition into the community;

(E) assist individuals in successfully transitioning into new jobs; and

(F) work with employers to support successful hiring and best practices to support incarcerated individuals.

(c) Report. On or before January 15, 2023, the Department of Corrections shall create and submit a report on workforce and education training programs in correctional facilities to the Joint Legislative Justice Oversight Committee; the House Committees on Corrections and Institutions and on Commerce and Economic Development; and the Senate Committees on Economic Development, Housing and General Affairs and on Judiciary. The report shall:

(1) identify program design, logistical needs, and policy changes to current Department of Corrections facility-based training and educational programs necessary to successfully enable incarcerated individuals' reintegration into their communities, including changes to programs that enhance individuals' skill development, knowledge, and other support needed

to qualify for and secure a position in a critical occupation in Vermont;

(2) identify disparities of outcomes and recommend solutions for incarcerated Black, Indigenous, and Persons of Color concerning facility-based training, educational programming, and successful community reintegration;

(3) provide an update on the Department of Corrections' use of education and vocational enhancement funding in fiscal year 2023;

(4) provide recommendations on what aspects of the pilot program should be replicated in other correctional facilities in Vermont; and

(5) provide recommended legislation for the continuation of the pilot program or any changes.

Sec. 7. INTENT

It is the intent of the General Assembly to improve the recruitment and retention of correctional officers to ensure adequate staffing and safe working conditions in facilities operated by the Department of Corrections.

Sec. 8. IMPROVEMENT OF CORRECTIONAL OFFICER RECRUITMENT AND RETENTION; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioners of Corrections and of Human Resources, shall submit a written report to the House Committees on Appropriations, on Commerce and Economic Development, on Corrections and Institutions, and on Government Operations and the Senate Committees on Appropriations, on Government Operations, and on Judiciary identifying conditions that pose an obstacle to the successful recruitment and retention of correctional officers and setting forth a plan to improve the recruitment and retention of correctional officers.

(b)(1) The report shall specifically analyze the impact of the following on the recruitment and retention of correctional officers:

(A) wages and benefits;

(B) terms and conditions of employment;

(C) working conditions in Department of Corrections facilities, including health and safety issues and the physical condition of the facilities; and

(D) staffing levels and overtime.

(2) The report shall, for each of the issues examined pursuant to subdivision (1) of this subsection, analyze how the following states compare to

Vermont and shall identify any best practices in those states that could improve recruitment and retention of correctional officers in Vermont:

(A) Maine;

(B) New Hampshire;

(C) New York;

(D) Massachusetts;

(E) Rhode Island; and

(F) Connecticut.

(c) The report shall, as part of the plan to improve the recruitment and retention of correctional officers, identify specific administrative and legislative actions that are necessary to successfully improve the recruitment and retention of correctional officers.

Sec. 9. ASSESSMENT OF RECRUITMENT AND RETENTION INITIATIVES; REPORT

(a) On or before January 15, 2023, the Secretary of Human Services, in consultation with the Commissioner of Human Resources, shall submit to the House and Senate Committees on Appropriations a report regarding the use of funds appropriated pursuant to 2022 Acts and Resolves, No. 83:

(1) Sec. 14 for employee recruitment and retention at:

(A) the secure residential recovery facility; and

(B) the Vermont Psychiatric Care Hospital;

(2) Sec. 68 for employee retention with respect to:

(A) the Department of Corrections; and

(B) the Vermont Veteran's Home; and

(3) Sec. 72 for workforce recruitment and retention incentives with respect to designated and specialized service agencies, including shared living providers.

(b) The report shall assess how effective the appropriations identified pursuant to subsection (a) of this section were in addressing issues related to employee recruitment and retention; identify any ongoing or remaining employee recruitment and retention challenges that the recipients have; and identify any potential legislative, administrative, or programmatic changes that can address those ongoing or remaining employee retention issues.

(c) The report shall also include a recommendation as to whether and how to appropriate additional funds in the 2023 Budget Adjustment Act to address ongoing recruitment and retention challenges at:

(1) the Vermont Veteran's Home;

(2) the Vermont Psychiatric Care Hospital;

(3) the secure residential recovery facility;

(4) designated and specialized service agencies; and

(5) the Department of Corrections' facilities with respect to individuals employed as a Correctional Officer I or a Correctional Officer II.

Sec. 10. REPEALS

10 V.S.A. §§ 544 and 545 are repealed.

Sec. 11. 10 V.S.A. § 547 is added to read:

§ 547. WORK-BASED LEARNING AND TRAINING PROGRAM

(a) Vermont Work-Based Learning and Training Program. The Department of Labor shall develop the statewide Work-Based Learning and Training Program that serves transitioning secondary and postsecondary students and Vermonters seeking work-based experience as part of a career experience or change and is designed to:

(1) support Vermonters who are graduating from postsecondary education or a secondary CTE program or who are pursuing a career change with a paid on-the-job work experience lasting 12 weeks or fewer;

(2) establish a statewide platform available to all employers to list their internships, returnships, pre-apprenticeships, and registered apprenticeship opportunities and for jobseekers to view and access information about specific opportunities; and

(3) support employers by providing them with assistance in developing and implementing meaningful work-based learning and training opportunities.

(b) Definitions. As used in this section:

(1) "Internship" means a work-based learning experience with an employer where the participant may, but does not necessarily, receive academic credit.

(2) "Returnship" means an on-the-job learning experience for an individual who is returning to the workforce after an extended absence or is seeking a limited-duration on-the-job work experience in a different occupation or occupational setting as part of a career change.

(c) Activities. The Department may use funds appropriated to it for the Program to:

(1) build and administer the Program;

(2) develop an online platform that will connect students and jobseekers with work-based learning and training opportunities within Vermont;

(3) support work-based learning and training opportunities with public and private employers available to prospective workers located in or relocating to Vermont;

(4) promote work-based learning and training as a valuable component of a talent pipeline; and

(5) assist employers in developing meaningful work-based learning and training opportunities.

(d) Data. The Department shall collect the following data:

(1) the total number of participants served;

(2) the number of participants who received wage assistance or other financial assistance as part of this Program and their employment status one year after completion;

(3) the average wage of participants in subdivision (2) of this subsection at the start of the Program and the average wage of participants one year after completion;

(4) the number of work-based learning or training opportunities listed on the platform; and

(5) the number of employers who offered a work-based learning or training opportunity.

(e) State participation. The Department shall engage appropriate State agencies and departments to expand Program opportunities with State government and with entities awarded State contracts.

(f) Reporting. On or before February 15, 2023, the Department shall report Program data to the relevant committees of jurisdiction.

Sec. 12. WORK-BASED LEARNING AND TRAINING PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $1,500,000.00 is appropriated from the General Fund to the Department of Labor to implement the Vermont Work-Based Learning and Training Program created in Sec. 11 of this act.

Sec. 13. SECONDARY STUDENT INDUSTRY-RECOGNIZED CREDENTIAL PILOT PROJECT

(a) Pilot Project creation. The Department of Labor, in consultation with the Agency of Education, shall design and implement the Secondary Student Industry-Recognized Credential Pilot Project to provide funding for an eligible secondary student to take an eligible adult career and technical education course.

(b) Eligible courses. A course is eligible for the Pilot Project if it is:

(1) offered at a regional CTE center, as defined in 16 V.S.A. § 1522(4), and qualifies as adult career technical education or postsecondary career technical education, as defined in 16 V.S.A. § 1522(11) and (12);

(2) offered during the summer, evening or weekend while secondary school is in session or during the summer; and

(3) included as an element of the student's personalized learning plan and reasonably related to the student's career goals.

(c) Eligible student. A student is eligible for the Pilot Project if:

(1) the student is a Vermont resident attending a Vermont public school or an independent secondary school that is eligible for public funding;

(2) the student has completed grade 11 and has not received a high school diploma; and

(3) the student's secondary school and the regional CTE center determine that the student:

(A) is prepared to succeed in the course;

(B) meets the prerequisites for the course; and

(C) has exhausted other sources of available funding prior to submitting an application.

(d) Administration.

(1) Not later than 30 days after the effective date of this section, the Department of Labor, in consultation with the Agency of Education, shall develop and make available an application for funding that includes:

(A) student's enrollment status;

(B) course information;

(C) a copy of the student's personalized learning plan;

(D) attestation that the secondary and adult career technical education programs find the program of study appropriate for the student;

(E) description of federal and local funding sources that were explored but insufficient or unavailable for use by the student; and

(F) other information the Department requires to determine eligibility.

(2) A student's secondary school shall timely complete and submit an application to the Department of Labor on behalf of the student.

(3) The Department of Labor shall:

(A) review the application and, if appropriate, meet with the student to determine eligibility for existing federal and State programs, including WIOA Title I Youth (in-school) and the Vermont Youth Employment Program; and

(B) provide a copy of the application to the Agency of Education, which shall determine whether Agency funding is available and notify the Department of its determination within 10 business days.

(4) The Department shall provide funding for the tuition cost for one course to eligible students on a first-come, first-served basis:

(A) from State or federal sources that are available through the Department or Agency; or

(B) if funding is unavailable from those sources, from the amounts available in the Department's fiscal year 2023 budget, not to exceed $100,000.00.

(5) For students who meet annual low-income qualifications under the Workforce Innovation and Opportunity Act, the Department may provide funds to purchase books, supplies, exam fees, and equipment.

(6) A regional CTE center shall not receive more than $20,000.00 through the program in each fiscal year.

(e) Regional CTE center report. The Department of Labor shall require a report from each regional CTE center providing information to support the Department's reporting requirements in subsections (f) and (g) of this section.

(f) Interim Report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs on or before the January 15, 2023 regarding the use of funds, including data relating

to student circumstances, levels of participation, and how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program.

(g) Final Report. The Department of Labor and Agency of Education shall report to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, the House Committee on Ways and Means, and the Senate Committee on Finance within 45 days following the end of the fiscal year or exhaustion of funds, whichever comes first, regarding the use of funds, including data relating to the number of participants, student circumstances, levels of participation, what certifications were issued, how local school districts are able or unable to meet the career preparation and training needs of secondary students using the program, and recommendations on how to address gaps in access and funding for secondary students seeking professional certifications not offered through the secondary education system.

Sec. 14. THE VERMONT TRADES SCHOLARSHIP PROGRAM

(a) The Vermont Trades Scholarship Program is created and shall be administered by the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse initial licensing fees, exam fees, and tuition payments under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a scholarship under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled in an industry recognized training and certification program that leads to initial employment or career advancement in a building, mechanical, industrial, or medical trade, or in clean energy, energy efficiency, weatherization, or clean transportation;

(2) demonstrate financial need;

(3) register with the Vermont Department of Labor for the purpose of receiving relevant job referrals, if unemployed; and

(4) agree to work in their profession in Vermont for a minimum of one year following licensure or certification completion for each year of scholarship awarded.

(c)(1) The Corporation shall give preference to students attending a Vermont-based training program or, if one isn't available for their certification, an offer of employment or promotion from a Vermont employer upon completion.

(2) The Corporation shall give priority to applicants who have not received other assistance.

(d) There shall be no deadline to apply for a scholarship under this section. Scholarships shall be awarded on a rolling basis if funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Vermont Student Assistance Corporation in the following fiscal year to award additional scholarships as set forth in this section.

(e) In fiscal year 2023 the amount of $3,000,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for scholarships for trades students under the Vermont Trades Scholarship Program.

Sec. 15. THE VERMONT TRADES LOAN REIMBURSEMENT PROGRAM

(a) The Vermont Trades Loan Repayment Reimbursement Program is created and shall be administered by the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse funds under the Program to eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for loan repayment under the Program, an individual, shall:

(1) be a Vermont resident; and

(2) be employed in an occupation in the building, mechanical, industrial, or medical trades, or in the clean energy, energy efficiency, weatherization, or clean transportation sectors, for an average of at least 30 hours per week for least one full calendar year before applying.

(c) For every year of work in a qualifying occupation, an individual shall be eligible for up to $5,000.00 in loan repayment reimbursement. Reimbursements shall not exceed the total amount of educational debt owed.

(d) There shall be no deadline to apply for loan repayment reimbursement under this section. Loan repayment shall be awarded on a rolling basis if funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Vermont Student Assistance Corporation in the following fiscal year to award additional loan repayment as set forth in this section.

(e) In fiscal year 2023 the amount of $500,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for loan repayment for trades professionals under the Program.

Sec. 16. CTE CONSTRUCTION AND REHABILITATION EXPERIENTIAL LEARNING PROGRAM; REVOLVING LOAN FUND

(a) Purpose. This section authorizes and provides funding for the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund, the purposes of which are to:

(1) expand the experiential and educational opportunities for high school and adult CTE students to work directly on construction projects;

(2) build community partnerships among CTE centers, housing organizations, government, and private businesses;

(3) beautify communities and rehabilitate buildings that are underperforming assets;

(4) expand housing access to Vermonters in communities throughout the State; and

(5) improve property values while teaching high school and adult students trade skills.

(b) Appropriation; creation of fund; administration.

(1) In fiscal year 2023, the amount of $15,000,000.00 is appropriated from the Education Fund to the Vermont Housing and Conservation Board to create and administer the CTE Construction and Rehabilitation Experiential Learning Program and Revolving Loan Fund pursuant to this section.

(2) The Board may use not more than five percent of the Fund for its costs of administration.

(c) Proposals; applications; funding.

(1) A regional CTE center, working in collaboration with one or more housing and community partners, private businesses, nonprofit organizations, or municipalities, shall identify construction projects that would be relevant and appropriate for CTE students enrolled in construction, electrical, plumbing, design, business management, or other CTE programs, including:

(A) rehabilitation of residential properties that are blighted or not code-compliant;

(B) new residential construction projects or improvements to land in cases of critical community need; and

(C) commercial construction projects that have substantial community benefit.

(2) Prior to or during the application process, a CTE center and its partners may consult with the Board to identify and consider potential funding partners to leverage amounts available through the Fund.

(3) A CTE center and its partners shall apply to the Board for funding by submitting a project application that includes the information required by the Board and addresses the following:

(A) the educational benefits for students and fit with the CTE curriculum;

(B) the community benefits for the neighborhood, municipality, or region in which the project is located; and

(C) the partners with whom the CTE center is collaborating and the respective responsibility for the aspects of a project, including:

(i) educational instruction and academic credit;

(ii) project management;

(iii) insurance coverage for students and the property;

(iv) compensation and benefits, including compliance with labor laws, standards, and practices; and

(v) property acquisition, ownership, and transfer.

(4) A CTE center may use funding for, and shall specify in its application the allocation of costs associated with:

(A) acquisition, design, permitting, construction, marketing, and other building-related expenses; and

(B) costs for labor, including for student wages and for instructor compensation during the academic year as well as for summer or other work that is not otherwise budgeted during the academic year.

(d) Eligibility; review; approval. The Board may approve an application that includes the information required by subsection (c) of this section and provide funding for a project that meets the following eligibility criteria:

(1) The project involves the rehabilitation of blighted or otherwise noncode compliant property, or new residential construction projects or improvements to land in cases of critical need, and results in a building with not more than four residential dwelling units.

(2) The project includes a weatherization component.

(3) Students working on the project receive academic credit, a competitive wage, or both.

(e) Affordability; flexibility. If appropriate in the circumstances, the Board may condition funding for a project on the inclusion of one or mechanisms addressing the affordability of the property upon rent or sale.

(f) Funding; proceeds; revolving loans.

(1) The Board shall provide funding for projects from the amounts available in the Fund in the form of zero-interest loans, in an amount, for a period, and upon terms specified by the Board.

(2) The Board shall return to the Fund any proceeds realized to provide funding for future projects.

(g) Report. The Board shall address the implementation of this section in its annual report to the General Assembly.

Sec. 17. EARLY CHILDHOOD EDUCATION; FINDINGS

The General Assembly finds that:

(1) while child care is an essential component of Vermont's economy, research has shown that three out of five of Vermont's youngest children do not have access to the child care needed by their families;

(2) according to the Federal Reserve Bank of New York, early childhood educators are the lowest-paid college graduates of any degree program in the country;

(3) the Council for a Strong America found in a national economic impact study that the U.S. economy loses $57 billion annually due to child care challenges;

(4) the U.S. Chamber of Commerce Foundation found that high-quality child care is a powerful two-generation workforce development strategy that strengthens today's workforce and puts children on the path to develop well and enter kindergarten ready to thrive in school, work, and life;

(5) the Vermont Early Care and Learning Dividend Study found that increased investment in early care and education, as described in the recommendations of Vermont's Blue Ribbon Commission on Financing High-Quality Affordable Child Care, would yield $3.08 for every additional dollar invested into the system;

(6) 2021 Acts and Resolves No. 45 established goals that no Vermont family spend more than 10 percent of its income on child care and that early childhood educators receive compensation commensurate with their peers in similar fields as informed by a systems analysis and financing study;

(7) while the State works toward achieving these goals, the COVID-19 pandemic has exacerbated already pressing challenges, making it even harder for families to find affordable high-quality child care and more difficult for early childhood education programs to find and retain qualified educators; and

(8) according to a recent study by the National Association for the Education of Young Children, 71 percent of center-based child care programs in Vermont reported experiencing a staffing shortage.

Sec. 18. EARLY CHILDHOOD EDUCATION; LEGISLATIVE INTENT

It is the intent of the General Assembly that immediate action is necessary to support Vermont's economy; ensure that all families with young children have access to affordable, high-quality early childhood education; and ensure that Vermont's early childhood educators, the backbone of our economy, are well supported.

Sec. 19. HEALTH CARE WORKFORCE; LEGISLATIVE INTENT

(a) The General Assembly values all health care workers, at every level and in each component of the health care system. The General Assembly also acknowledges the many struggles faced by health care workers and that the pandemic has placed further strain on an already taxed system. Many health care workers have not had their pay adjusted over time to address increases in the cost of living, essentially amounting to pay cuts from year to year. Health care workers have experienced burnout, trauma, and moral injuries due to a history of underfunding and the present stress of the pandemic.

(b) In order to retain and recruit health care workers in Vermont, it is the intent of the General Assembly to invest in multiple solutions aimed at reinforcing our health care workforce in the present and sustaining our health care workers into the future.

Sec. 20. EMERGENCY GRANTS TO SUPPORT NURSE FACULTY AND STAFF

(a) In fiscal year 2023 the amount of $3,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health and shall carry forward for the purpose of providing emergency interim grants to Vermont's nursing schools over three years to increase the compensation for their nurse faculty and staff, with $1,000,000.00 to be distributed in each of fiscal years 2023, 2024, and 2025 to increase the compensation for each full-time-equivalent (FTE) member of the clinical and didactic nurse faculty and staff. The Department shall distribute the funds among the nursing schools in Vermont equitably based on each school's proportion of nursing faculty and staff to the total number of FTE nursing faculty and staff across all nursing schools statewide.

(b) If the nurse faculty or staff, or both, of a nursing school receiving a grant under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the nursing school for those faculty or staff, or both, shall be subject to impact bargaining between the nursing school and the collective bargaining representative of the nurse faculty or staff, or both, to the extent required by the applicable collective bargaining agreement.

Sec. 21. NURSE PRECEPTOR INCENTIVE GRANTS; HOSPITALS; WORKING GROUP; REPORT

(a)(1) In fiscal year 2023 the amount of $2,400,000.00 is appropriated from the General Fund to the Agency of Human Services to provide incentive grants to hospital-employed nurses in Vermont to serve as preceptors for nursing students enrolled in Vermont nursing school programs. The Agency shall distribute the funds to hospitals employing nurses who provide student preceptor supervision based on the number of preceptor hours to be provided, at a rate of $5.00 per preceptor hour, or a lesser hourly rate if the need exceeds the available funds.

(2) If nurse preceptors receiving compensation pursuant to a grant awarded to a hospital under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the hospital for the nurse preceptors shall be subject to impact bargaining between the hospital and the collective bargaining representative of the nurses to the extent required by the collective bargaining agreement.

(b)(1) The Director of Health Care Reform or designee in the Agency of Human Services shall convene a working group of stakeholders representing nursing schools, long-term care facilities, designated and specialized service agencies, federally qualified health centers, home health agencies, primary care practices, and other health care facilities to:

(A) identify ways to increase clinical placement opportunities across a variety of health care settings for nursing students enrolled in Vermont nursing school programs;

(B) establish sustainable funding models for compensating nurses serving as preceptors or for supporting the hiring of additional nurses to alleviate the pressures on nurse preceptors, or both; and

(C) develop an action plan for implementing the clinical placement expansion and sustainable funding models identified and established pursuant to subdivisions (A) and (B) of this subdivision (1), including addressing the need for student housing opportunities.

(2) On or before January 15, 2023, the Director of Health Care Reform shall provide the working group's action plan and any recommendations for legislative action to the House Committees on Health Care, on Commerce and Economic Development, and on Appropriations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Appropriations.

Sec. 22. HEALTH CARE EMPLOYER NURSING PIPELINE AND APPRENTICESHIP PROGRAM

(a) In fiscal year 2023 the amount of $3,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Vermont Student Assistance Corporation and shall carry forward for the purpose of providing grants to health care employers, including hospitals, long-term care facilities, designated and specialized service agencies, federally qualified health centers, and other health care providers, to establish or expand partnerships with Vermont nursing schools to create nursing pipeline or apprenticeship programs, or both, that will train members of the health care employers' existing staff, including personal care attendants, licensed nursing assistants, and licensed practical nurses, to become higher-level nursing professionals. Through a combination of scholarship awards, grants awarded to health care employers pursuant to this section, and the health care employer's contributions, the trainees' tuition and fees shall be covered in full, and trainees shall be provided with assistance in meeting their living costs, such as housing and child care, while attending the program.

(b) In awarding grants pursuant to this section, VSAC shall give priority to health care employer proposals based on the following criteria:

(1) the extent to which the health care employer proposes to participate financially in the program;

(2) the extent of the health care employer's commitment to sustaining the program financially, including providing financial support for nurse preceptors, to create ongoing opportunities for educational advancement in nursing;

(3) the ability of the health care employer's staff to leverage nursing scholarship opportunities to maximize the reach of the grant funds;

(4) the employer's demonstrated ability to retain nursing students in the Vermont nursing workforce;

(5) the employer's geographic location, in order to ensure access to pipeline and apprenticeship programs for nursing staff across Vermont; and

(6) the employer's commitment to advancing the professional development of individuals from marginalized communities, especially those that have been historically disadvantaged in accessing educational opportunities and career advancement in the health care professions.

(c)(1) VSAC shall begin awarding grants under this section expeditiously in order to enable health care employer staff to begin enrolling in nursing school programs that commence in the fall of 2022.

(2) On or before September 15, 2022, VSAC shall provide an update to the Health Reform Oversight Committee on the status of program implementation.

Sec. 23. 18 V.S.A. § 34 is added to read:

§ 34. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM

(a) The Vermont Nursing Forgivable Loan Incentive Program is created and shall be administered by the Department of Health in collaboration with the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse forgivable loan funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled at an approved postsecondary education institution as defined in 16 V.S.A. § 2822;

(2) demonstrate financial need;

(3) demonstrate academic capacity by carrying the minimum grade point average in the individual's course of study prior to receiving the fund award; and

(4) agree to work as a nurse in Vermont for a minimum of one year following licensure for each year of forgivable loan awarded.

(c)(1) First priority for forgivable loan funds shall be given to students pursuing a practical nursing certificate who will be eligible to sit for the NCLEX-PN examination upon completion of the certificate.

(2) Second priority for forgivable loan funds shall be given to students pursuing an associate's degree in nursing who will be eligible to sit for the NCLEX-RN examination upon graduation.

(3) Third priority for forgivable loan funds shall be given to students pursuing a bachelor of science degree in nursing.

(4) Fourth priority shall be given to students pursuing graduate nursing education.

(d) Students attending an approved postsecondary educational institution in Vermont shall receive first preference for forgivable loans.

(e) There shall be no deadline to apply for a forgivable loan under this section. Forgivable loans shall be awarded on a rolling basis as long as funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Department of Health and the Vermont Student Assistance Corporation in the following fiscal year to award additional forgivable loans as set forth in this section.

Sec. 24. REPEAL

18 V.S.A. § 31 (educational assistance; incentives; nurses) is repealed.

Sec. 25. VERMONT NURSING FORGIVABLE LOAN INCENTIVE PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $100,000.00 in General Fund investment funds is appropriated to the Department of Health for forgivable loans for nursing students under the Vermont Nursing Forgivable Loan Incentive Program established in Sec. 23 of this act.

Sec. 26. 18 V.S.A. § 35 is added to read:

§ 35. VERMONT NURSING AND PHYSICIAN ASSISTANT LOAN REPAYMENT PROGRAM

(a) As used in this section:

(1) "Corporation" means the Vermont Student Assistance Corporation established in 16 V.S.A. § 2821.

(2) "Eligible individual" means an individual who satisfies the eligibility requirements for loan repayment under this section.

(3) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(4) "Loan repayment" means the cancellation and repayment of loans under this section.

(5) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by the Corporation under this subchapter for attendance at an eligible school.

(6) "Program" means the Vermont Nursing and Physician Assistant Loan Repayment Program created under this section.

(b) The Vermont Nursing and Physician Assistant Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides loan repayment on behalf of individuals who live and work as a nurse or physician assistant in this State and who meet the eligibility requirements in subsection (d) of this section.

(c) The loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by the Corporation, subject to the appropriation of funds by the General Assembly specifically for this purpose.

(d) To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) have graduated from an eligible school where the individual has, within the past five years, been awarded a nursing degree or a degree in physician assistant studies;

(2) had the minimum grade point average or better or the equivalent as determined by the Corporation if the eligible school does not use grade point averages from the eligible school;

(3) work as a nurse or physician assistant in this State; and

(4) be a resident of Vermont.

(e)(1) An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a nurse or physician assistant in this State.

(2) The Corporation shall award loan repayments in amounts that are sufficient to attract high-quality candidates while also making a meaningful increase in Vermont's health care professional workforce.

(f) The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

Sec. 27. VERMONT NURSING AND PHYSICIAN ASSISTANT LOAN REPAYMENT PROGRAM; APPROPRIATION

In fiscal year 2023 the amount of $2,000,000.00 is appropriated from the General Fund to the Department of Health for loan repayment for nurses and physician assistants under the Vermont Nursing and Physician Assistant Loan Repayment Program established in Sec. 26 of this act.

Sec. 28. 18 V.S.A. § 36 is added to read:

§ 36. NURSE FACULTY FORGIVABLE LOAN AND LOAN REPAYMENT PROGRAM

(a) Definitions. As used in this section:

(1) "Eligible individual" means an individual who satisfies the eligibility requirements under this section for a forgivable loan or loan repayment.

(2) "Eligible school" means an approved postsecondary education institution, as defined under 16 V.S.A. § 2822.

(3) "Forgivable loan" means a loan awarded under this section covering tuition, room, board, and the cost of required books and supplies for up to full-time attendance at an eligible school.

(4) "Gift aid" means grant or scholarship financial aid received from the federal government or from the State.

(5) "Loan repayment" means the cancellation and repayment of loans under this section.

(6) "Loans" means education loans guaranteed, made, financed, serviced, or otherwise administered by the Corporation under this subchapter for attendance at an eligible school.

(7) "Nurse faculty member" or "member of the nurse faculty" means a nurse with a master's or doctoral degree that qualifies the individual to teach at a nursing school in this State.

(8) "Program" means the Nurse Faculty Forgivable Loan and Loan Repayment Program created under this section.

(b) Program creation. The Nurse Faculty Forgivable Loan and Loan Repayment Program is created and shall be administered by the Department of Health in collaboration with the Corporation. The Program provides forgivable loans to students enrolled in an eligible school who commit to working as a member of the nurse faculty at a nursing school in this State and who meet the eligibility requirements in subsection (d) of this section. The Program also provides loan repayment on behalf of individuals who work as nurse faculty members at a nursing school in this State and who meet the eligibility requirements in subsection (e) of this section.

(c) Payment. The forgivable loan and loan repayment benefits provided under the Program shall be paid on behalf of the eligible individual by the Corporation, subject to the appropriation of funds by the General Assembly specifically for this purpose.

(d) Eligibility for forgivable loans. To be eligible for a forgivable loan under the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be enrolled at an eligible school in a program that leads to a graduate degree in nursing;

(2) continually demonstrate satisfactory academic progress by maintaining the minimum grade point average or better or the equivalent as determined by the Corporation if the eligible school does not use grade point averages;

(3) have used any available gift aid;

(4) have executed a contract with the Corporation committing the individual to work as a member of the nurse faculty at a nursing school in this State;

(5) have executed a promissory note that will reduce the individual's forgivable loan benefit, in whole or in part, if the individual fails to complete the period of service required in subsection (f) of this section; and

(6) have completed the Program's application form, the free application for federal student aid (FAFSA), and the Vermont grant application each academic year of enrollment in accordance with a schedule determined by the Corporation.

(e) Eligibility for loan repayment. To be eligible for loan repayment under the Program, an individual shall satisfy all of the following requirements:

(1) graduated from an eligible school where the individual has, within the past five years, been awarded a graduate degree in nursing;

(2) had the minimum grade point average or better or the equivalent as determined by the Corporation if the eligible school does not use grade point averages from the eligible school;

(3) work as a member of the nurse faculty at a nursing school in this State; and

(4) be a resident of Vermont.

(f) Service commitment.

(1) Forgivable loans. For each year of service as a nurse faculty member at a nursing school in this State, an eligible individual shall be entitled to a full academic year of forgivable loan benefit under the Program. If an eligible individual fails to serve as a nurse faculty member at a nursing school in this State for a period that would entitle the individual to the full forgivable loan benefit received by the individual, other than for good cause as determined by the Corporation in consultation with the Vermont Department of Health, then the individual shall receive only partial loan forgiveness for a pro rata portion of the loan pursuant to the terms of the interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(2) Loan repayment. An eligible individual shall be entitled to an amount of loan cancellation and repayment under this section equal to one year of loans for each year of service as a member of the nurse faculty at a nursing school in this State.

(g) Adoption of policies, procedures, and guidelines. The Corporation shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section.

Sec. 29. NURSE FACULTY FORGIVABLE LOAN AND LOAN REPAYMENT PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Health for forgivable loans and loan repayment for nurse faculty members under the Nurse Faculty Forgivable Loan and Loan Repayment Program established in Sec. 28 of this act.

Sec. 30. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

* * *

(10) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs; ~~and~~

(11) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

(12) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; and

(13) consider the salaries for the hospital's executive and clinical leadership and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states.

* * *

Sec. 31. GREEN MOUNTAIN CARE BOARD; FISCAL YEAR 2023 HOSPITAL BUDGET REVIEW; NURSING WORKFORCE DEVELOPMENT INITIATIVES

For hospital fiscal year 2023, the Green Mountain Care Board may exclude all or a portion of a hospital's investments in nursing workforce development initiatives from any otherwise applicable financial limitations on the hospital's budget or budget growth. Notwithstanding any provision of GMCB Rule 3.202, the Board may modify its hospital budget guidance for hospital fiscal year 2023 as needed to comply with this section.

Sec. 32. AGENCY OF HUMAN SERVICES; HEALTH CARE WORKFORCE DATA CENTER

(a) In fiscal year 2023, the amount of $1,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Office of Health Care Reform in the Agency of Human Services to enable the Agency to establish and operate the statewide Health Care Workforce Data Center. In order to enhance the State's public health data systems, respond to the COVID-19 public health emergency, and improve the State's COVID-19 mitigation and prevention efforts, the Center shall collect health care workforce data, shall collaborate with the Director of Health Care Reform to identify and propose solutions to address data gaps, and shall share the data with the Green Mountain Care Board as appropriate to inform the Board's Health Resource Allocation Plan responsibilities pursuant to 18 V.S.A. § 9405.

(b) The Center shall use existing statewide information to the extent practicable to avoid imposing administrative burdens on health care providers and to avoid duplication of efforts underway elsewhere in Vermont. The Center shall expand its data collection practices over two years to include all levels of the health care workforce, beginning with the highest-level licensed health care professionals.

(c) In order to ensure the Center has access to accurate and timely health care workforce data, the Center:

(1) shall have the cooperation of other State agencies and departments in responding to the Center's requests for information;

(2) may enter into data use agreements with institutions of higher education and other public and private entities, to the extent permitted under State and federal law; and

(3) may collect vacancy and turnover information from health care employers.

(d) One permanent classified Health Care Workforce Data Center Manager position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to manage the Health Care Workforce Data Center created pursuant to this section.

(e) The Agency of Human Services may include proposals for additional funding or data access, or both, for the Center as part of the Agency's fiscal year 2024 budget request.

Sec. 33. OFFICE OF PROFESSIONAL REGULATION; BARRIERS TO MENTAL HEALTH LICENSURE; REPORT

The Office of Professional Regulation shall undertake a systematic review of the licensing processes for mental health and substance use disorder treatment professionals to identify barriers to licensure. On or before January 15, 2023, the Office shall provide its findings and recommendations to address any identified barriers to licensure to the House Committees on Health Care, on Human Services, on Commerce and Economic Development, and on Government Operations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Government Operations.

Sec. 34. AGENCY OF HUMAN SERVICES; POSITION; APPROPRIATION

(a) One classified, three-year limited-service Health Care Workforce Coordinator position is created in the Agency of Human Services, Office of Health Care Reform in fiscal year 2023 to support the health care workforce initiatives set forth in this act and in the Health Care Workforce Development Strategic Plan. The Coordinator shall focus on building educational, clinical, and housing partnerships and support structures to increase and improve health care workforce training, recruitment, and retention.

(b) In fiscal year 2023 the amount of $170,000.00 is appropriated from the General Fund to the Agency of Human Services, Office of Health Care Reform for the Health Care Workforce Coordinator position, of which $120,000.00 is for personal services and $50,000.00 is for operating expenses.

Sec. 35. DEPARTMENT OF LABOR; GREEN MOUNTAIN CARE BOARD; SUPPLY AND DEMAND MODELING

On or before January 15, 2023, the Department of Labor, in collaboration with the Green Mountain Care Board, shall explore and recommend to the House Committees on Health Care, on Human Services, and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs a process, methodology, and necessary funding amounts to establish and maintain the capacity to perform health care supply and demand modeling based on information in the Health Care Workforce Data Center, for use by health care employers, health care educators, and policymakers.

Sec. 36. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to access clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide

recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.

* * *

Sec. 37. 33 V.S.A. § 3543 is amended to read:

§ 3543. STUDENT LOAN REPAYMENT ASSISTANCE

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

(2) An eligible individual shall:

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

(ii) if the individual is an employee of a Vermont Head Start program that operates fewer than 48 weeks per year, work a minimum of nine months of the year, inclusive of any employer-approved time off;

(B) receive an annual salary of not more than $50,000.00 through the individual's work in regulated childcare; and

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

* * *

Sec. 38. PILOT PROGRAM; POSITIONS EMBEDDED WITHIN RECOVERY CENTERS

(a)(1) In fiscal year 2023 the amount of $1,290,000.00 is appropriated from the General Fund to the Department for Disabilities, Aging, and Independent Living's Division of Vocation Rehabilitation for the purpose of developing and implementing a two-year pilot program that authorizes 15 FTE new limited-service positions embedded within 12 recovery centers across the State.

(2) The 15 FTE limited-service positions shall be allocated as follows:

(A) Of the total appropriation, $540,000.00 total shall be allocated in equal amounts to fund the following 2.5 FTE at each of two geographically diverse recovery centers:

(i) one FTE to serve as an employment counselor within the Division of Vocation Rehabilitation;

(ii) one FTE to serve as an employment consultant within the Vermont Association of Business Industry and Rehabilitation; and

(iii) 0.5 FTE to serve as Employment Assistance Program staff within the Division of Vocation Rehabilitation.

(B) Of the total appropriation, $75,000.00 shall be allocated in equal amounts to fund one FTE who shall serve as an employment support counselor at each of the 10 remaining recovery centers in the State.

(b) On or before January 1, 2024, the Division of Vocational Rehabilitation, in collaboration with the Vermont Association of Business Industry and Rehabilitation, shall submit a report to the House Committees on Commerce and Economic Development and on Human Services and to the Senate Committees on Economic Development, Housing and General Affairs and on Health and Welfare summarizing the effectiveness of the pilot program, including:

(1) educational attainment and achievement of program recipients;

(2) acquisition of a credential of value pursuant to 10 V.S.A. § 546;

(3) number of job placements; and

(4) job retention rates.

Sec. 39. CREDENTIAL OF VALUE GOAL; PUBLIC-PRIVATE PARTNERSHIP; APPROPRIATION

(a) Duties. In fiscal year 2023, the amount of $150,000.00 is appropriated from the General Fund to the Vermont Student Assistance Corporation for a performance-based contract to perform the following duties, in coordination and alignment with State partners, in support of the State's goal articulated in 10 V.S.A. § 546 that 70 percent of working-age Vermonters hold a credential of value by 2025 (Goal):

(1) increase public awareness of the value of postsecondary education and training to help persons of any age make informed decisions about the value of education and training that would further their advancement in educational pathways and pursuit of career goals, through targeted outreach as outlined in subsection (b) of this section;

(2) promote a broad understanding of the public good and value in achieving the State's Goal and of actions stakeholders can take to increase attainment;

(3) assist or coordinate with stakeholders, such as educational, business, governmental, nonprofit, and philanthropic organizations, in activities that seek to align the delivery of high-quality education and training opportunities with career advancement and support the policy priorities outlined in 10 V.S.A. § 546;

(4) collect and display publicly available, nonconfidential information about postsecondary credentials available to Vermonters;

(5) facilitate conversations or provide information about the national best practices in aligning, recognizing, measuring, tracking, and promoting postsecondary credentials of value to the Vermont Department of Labor and Agency of Education when requested;

(6) maintain web-based resources that provide information about opportunities to obtain a postsecondary credential of value, in coordination with State partners;

(7) support the Vermont Department of Labor and Agency of Education transition or integration of Advance Vermont's web-based resources and collected information referenced in subdivisions (4) and (6) of this subsection into a State-supported system in a coordinated way; and

(8) meet on a quarterly basis with the Vermont Department of Labor and Agency of Education about activities described in this subsection.

(b) Outreach. The contractor may use funds awarded by the State to:

(1) create and distribute public-facing communications and resources related to the duties described in this section; and

(2) offer support to career and education counselors, employment and training counselors, jobseekers and their families, and other stakeholders, consistent with best practice and State policy and programs, to help them better understand the postsecondary education and training landscape.

(c) Reports. The contractor shall provide written reports to:

(1) the Vermont Department of Labor and Agency of Education about anticipated work and activities using a simplified reporting template jointly developed by the contractor and the State entities on a quarterly basis; and

(2) on or before December 15, 2022, the House and Senate committees of jurisdiction regarding the use of funds, activities performed, and outcomes achieved pursuant to this section.

Sec. 40. VERMONT SERVE, LEARN, AND EARN PROGRAM; APPROPRIATION

In fiscal year 2023, the amount of $2,000,000.00 is appropriated from the General Fund to the Department of Forests, Parks and Recreation to provide funding for capital and operating needs of groups participating in the Vermont Serve, Learn, and Earn Program, which supports workforce development goals through creating meaningful paid service and learning opportunities for young adults.

Sec. 41. ADULT EDUCATION AND LITERACY; FINDINGS

The General Assembly finds:

(1) Adult education and literacy services are a key piece of the workforce development system and serve as the entryway into career readiness and workforce development for tens of thousands of our most vulnerable Vermonters, those with low literacy, under-education, or those simply in need of increased skills so that they can succeed.

(2) 36,000 adults in Vermont do not have a high school credential, and tens of thousands more lack the skills to matriculate into and be successful in college, in career training programs, or both. Adult education and literacy providers are the first stop on the path to the transformative opportunities that Vermont is offering for these individuals.

(3) Adult education and literacy services help people build the assets they need to move out of poverty successfully, as well as the confidence to continue to move toward success throughout their lives. Students are supported to identify concrete goals and then break those goals down into steps. Students set goals in the domains of:

(A) family and life;

(B) academics; and

(C) career and college readiness.

Sec. 42. FINDINGS; FOREST FUTURE STRATEGIC ROADMAP

The General Assembly finds for the purposes of this section and Secs. 43 to 45 of this act:

(1) Private and public forestlands:

(A) constitute unique and irreplaceable resources, benefits, and values of statewide importance;

(B) contribute to the protection and conservation of wildlife habitat, air, water, and soil resources of the State;

(C) mitigate the effects of climate change; and

(D) benefit the general health and welfare of the persons of the State.

(2) The forest products sector, including maple sap collection:

(A) is a major contributor to and is valuable to the State's economy by providing nearly 14,000 jobs for Vermonters, generating $2.1 billion in annual sales, and supporting $30.8 million in additional economic activity from trail uses and seasonal tourism;

(B) is essential to the manufacture of forest products that are used and enjoyed by the persons of the State; and

(C) benefits the general welfare of the persons of the State.

(3) Private and public forestlands are critical for and contribute significantly to the State's outdoor recreation and tourism economies.

(4) Eighty percent of Vermont's forestland is held in private ownership, of which 56 percent of private lands are enrolled in the forestland category of Vermont's Use Value Appraisal Program (UVA). UVA is Vermont's most important conservation program and contains the largest foundation of supply to support a vibrant forest-based rural economy.

(5) Economic realities and demand pressures for urban, commercial, and residential land uses throughout the State continue to challenge forest landowners trying to maintain intact forests. Forest fragmentation can adversely affect the natural environment and viable forest management. Addressing the economic and social needs of the forest products sector is paramount to keeping forests intact, viable, and healthy.

(6) The encouragement, development, improvement, and preservation of forestry operations will result in extant, intact, and functioning forests that will provide a general benefit to the health and welfare of the persons of the State and the State's economy.

(7) To strengthen, promote, and protect the Vermont forest products sector, the State should establish the Vermont Forest Future Strategic Roadmap.

Sec. 43. 10 V.S.A. chapter 82 is added to read:

CHAPTER 82. VERMONT FOREST FUTURE STRATEGIC ROADMAP

§ 2531. VERMONT FOREST FUTURE STRATEGIC ROADMAP

(a) Creation. The Commissioner of Forests, Parks and Recreation shall create the Vermont Forest Future Strategic Roadmap to strengthen, modernize, promote, and protect the forest products sector in Vermont. The Commissioner of Forests, Parks and Recreation may contract with a qualified contractor for the creation of the Vermont Forest Future Strategic Roadmap.

(b) Intended outcomes. The intended outcomes of the Vermont Forest Future Strategic Roadmap are to:

(1) increase sustainable economic development and jobs in Vermont's forest economy;

(2) promote ways to expand the workforce and strengthen forest product enterprises in order to strengthen, modernize, promote, and protect the Vermont forest economy into the future;

(3) promote the importance of healthy, resilient, and sustainably managed working forests that provide a diverse array of high-quality products now and in the future; and

(4) identify actionable strategies designed to strengthen, modernize, promote, and protect the forest products sector in Vermont, including opportunities for new product development, opening new markets for Vermont forest products, adopting modern manufacturing processes, and utilizing new ways to market Vermont forest products.

(c) Strategic Roadmap content. In developing the Vermont Forest Future Strategic Roadmap, the Commissioner of Forests, Parks and Recreation or the relevant contractor shall:

(1) review all existing data, plans, and industry-level research completed over the past 10 years, including the Working Lands Enterprise Fund's Forest Sector Systems Analysis, and identify any recommendations in those reports in order to build upon previous efforts;

(2) identify infrastructure investment and funding to support and promote Vermont forest products enterprises;

(3) identify regulatory barriers and propose policy recommendations to support and strengthen the Vermont forest economy;

(4) identify opportunities for all State agencies to engage with and enhance the Vermont forest products sector, including the Department of Buildings and General Services, the Agency of Commerce and Community Development, the Department of Tourism and Marketing, the Agency of Education, the Agency of Transportation, the Department of Public Service, the Agency of Natural Resources, the Department of Financial Regulation, and the Department of Labor;

(5) develop recommendations to support education and training of the current and future workforce of the Vermont forest products sector;

(6) propose alternatives for the modernization of transportation and regulation of Vermont forest products enterprises, including modernization of local and State permits;

(7) identify methods or programs that Vermont forest enterprises can utilize to access business assistance services;

(8) recommend how to maintain access by Vermont forest products enterprises to forestland and how to maintain the stewardship and conservation of Vermont forests as a whole;

(9) propose methods to enhance market development and manufacturing by Vermont forest products enterprises, including value chain coordination and regional partnerships;

(10) recommend consumer education and marketing initiatives; and

(11) recommend how to clarify the roles of various public entities and nongovernmental organizations that provide certain services to the forestry sector and to ensure coordination and alignment of those functions in order to advance and maximize the strength of the forest products industry.

(d) Process for development of Vermont Forest Future Strategic Roadmap.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall develop the Vermont Forest Future Strategic Roadmap and all subsequent revisions through the use of a public stakeholder process that includes and invites participation by interested parties representing all users of Vermont's forests, including representatives of forest products enterprises, State agencies, investors, forestland owners, recreational interests, loggers, foresters, truckers, sawmills, firewood processors, wood products manufacturers, education representatives, and others.

(2) The Commissioner of Forests, Parks and Recreation, in collaboration with forest products sector stakeholders, shall review the Strategic Roadmap periodically and shall update the Strategic Roadmap at least every 10 years.

(e) Advisory panel; administration.

(1) The Commissioner of Forests, Parks and Recreation or relevant contractor shall convene a Vermont Forest Future Strategic Roadmap advisory panel to review and counsel in the development and implementation of the Vermont Forest Future Strategic Roadmap. The advisory panel shall include representatives of forest products enterprises, State agencies, investors, forestland owners, foresters, loggers, truckers, wood products manufacturers, recreational specialists, education representatives, trade organizations, and other partners as deemed appropriate. The Commissioner of Forests, Parks and Recreation shall select representatives to the advisory panel.

(2) The Commissioner of Forests, Parks and Recreation or relevant contractor may seek grants or other means of assistance to support the development and implementation of the Vermont Forest Future Strategic Roadmap.

Sec. 44. IMPLEMENTATION

(a) The Commissioner of Forests, Parks and Recreation or relevant contractor shall submit to the General Assembly:

(1) draft recommendations for the Vermont Forest Future Strategic Roadmap on or before July 1, 2023; and

(2) a final report and recommendations for the Vermont Forest Future Strategic Roadmap on or before January 1, 2024.

(b) Any recommendation submitted under this section shall include recommended appropriations sufficient to implement the recommendation or the Vermont Forest Future Strategic Roadmap as a whole.

Sec. 45. APPROPRIATIONS

In addition to any other funds appropriated to the Department of Forests, Parks and Recreation, in fiscal year 2023 the amount of $250,000.00 is appropriated from the General Fund to the Department to enter a two-year contract in fiscal year 2023 for the purpose of contracting for the development of the Vermont Forest Future Strategic Roadmap required by 10 V.S.A. § 2531.

* * * Community Recovery and Revitalization Grant Program * * *

Sec. 46. 2021 Acts and Resolves No. 74, Sec. H.18 is amended to read:

Sec. H.18 ~~CAPITAL INVESTMENT~~ COMMUNITY RECOVERY AND REVITALIZATION GRANT PROGRAM

(a) Creation; purpose; regional outreach.

(1) The Agency of Commerce and Community Development shall use the $10,580,000 appropriated to the Department of Economic Development in Sec. G.300(a)(12) of this act to design and implement ~~a capital investment grant program~~ the Community Recovery and Revitalization Grant Program consistent with this section.

(2) The purpose of the ~~program~~ Program is to make funding available for ~~transformational~~ projects that will ~~provide each region of the State with the opportunity to attract businesses, retain existing businesses, create jobs, and invest in their communities by encouraging capital investments and economic growth~~ make investments to retain and expand existing businesses and nonprofit organizations, attract new businesses and nonprofit organizations, and create new jobs with a preference for projects located in regions and communities with declining or stagnant grand list values.

(3) The Agency shall collaborate with other State agencies, regional development corporations, regional planning commissions, and other community partners to identify potential regional applicants and projects to ensure the distribution of grants throughout the regions of the State.

(b) Eligible applicants.

~~(1) To be eligible for a grant, an applicant shall meet the following criteria:~~

~~(A) The applicant is located within this State.~~

~~(B) The applicant is:~~

~~(i)(I) a for-profit entity with not less than a 10 percent equity interest in the project; or~~

~~(II) a nonprofit entity; and~~

~~(ii) grant funding from the Program represents not more than 50 percent of the total project cost.~~

(1) To be eligible for a grant, the applicant must be located within the State and:

(A)(i) the applicant is a for-profit entity with not less than a 10 percent equity interest in the project, or a nonprofit entity, which has documented financial impacts from the COVID-19 pandemic; and

(ii) intends to utilize the funds for an enumerated use as defined in the U.S. Treasury Final Rule for Coronavirus State and Fiscal Recovery Funds; or

(B)(i) the applicant is a municipality;

(ii) the municipality needs to make infrastructure improvements to incentivize community development; and

(iii) the proposed infrastructure improvements and the projected development or redevelopment are compatible with confirmed municipal and regional development plans and the project has clear local significance for employment.

~~(C)~~(2) The applicant ~~demonstrates~~ must demonstrate:

~~(i)~~(A) community and regional support for the project;

~~(ii)~~(B) that grant funding is needed to complete the project;

~~(iii)~~(C) leveraging of additional sources of funding from local, State, or federal economic development programs; and

~~(iv)~~(D) an ability to manage the project, with requisite experience and a plan for fiscal viability.

~~(2)~~(3) The following are ineligible to apply for a grant:

(A) a State or local government-operated business;

(B) ~~a municipality;~~

~~(C)~~ a business that, together with any affiliated business, owns or operates more than 20 locations, regardless of whether those locations do business under the same name or within the same industry; and

~~(D)~~(C) a ~~publicly-traded~~ publicly traded company.

(c) Grant funds; eligible uses for municipalities. A municipality is only authorized to utilize program funding under this section if:

(1) the project clearly requires substantial public investment over and above the normal municipal operating or bonded debt expenditures;

(2) the public improvements being requested are integral to the expected private development; and

(3) the project meets one of the following criteria:

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

(B) the development will include at least one entirely new business or business operation or expansion of an existing business within the project, and this business will provide new, quality, full-time jobs that meet or exceed the prevailing wage for the region as reported by the Department of Labor; or

(C) the development will enhance transportation by creating improved traffic patterns and flow or creating or improving public transportation system.

(d) Grant Funds; eligible uses; private and nonprofit entities. A project of a business or nonprofit organization is eligible if:

(1) the project had a COVID-related impact that delayed the project;

(2) project costs have increased as a result of the COVID-19 pandemic; or

(3) the project involves enumerated uses of funds, as defined by the U.S. Treasury Final Fule, and determined by the Agency of Commerce and Community Development.

~~(c)~~(e) Awards; amount; eligible uses.

(1) An award shall not exceed the lesser of ~~$1,500,000.00~~ $1,000,000.00 or ~~the estimated net State fiscal impact of the project based on Agency modeling~~ 20 percent of the total project cost.

(2) ~~A recipient may use grant funds for the acquisition of property and equipment, construction, renovation, and related capital expenses.~~

~~(3)~~ A recipient may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same costs within the same project.

~~(4)~~(3) The Agency shall release grant funds upon determining that the applicant has met all Program conditions and requirements.

~~(5)~~(4) Nothing in this section is intended to prevent a grant recipient from applying for additional grant funds if future amounts are appropriated for the program.

~~(d) Data model; approval.~~

~~(1) The Agency shall collaborate with the Legislative Economist to design a data model and related methodology to assess the fiscal, economic, and societal impacts of proposals and prioritize them based on the results.~~

~~(2) The Agency shall present the model and related methodology to the Joint Fiscal Committee for its approval not later than September 1, 2021.~~

(f) Approval process.

(1) For an application submitted by a municipality pursuant to this section, the Vermont Economic Progress Council shall review each application to determine that the infrastructure improvements proposed to serve the project and the proposed development in the project would not have occurred as proposed in the application, or would have occurred in a significantly different and less desirable manner than as proposed in the application, but for the proposed utilization of the grant application funds.

(2) The review shall take into account:

(A) the amount of additional time, if any, needed to complete the proposed development for the project and the amount of additional cost that might be incurred if the project were to proceed without the grant funding;

(B) how the proposed project components and size would differ, if at all, including, if applicable to the project, in the number of units of affordable housing, as defined in 24 V.S.A. § 4303 without grant funding; and

(C) the lack of new construction in the municipality, indicated by a stagnant or declining grand list value as determined by the Department of Taxes, considering both the total full listed value and the equalized education grand list value.

~~(e)~~(g) Application process; decisions; awards.

(1)(A) ~~The Agency shall accept applications on a rolling basis for three-month periods and shall review and consider for approval the group of applications it has received as of the conclusion of each three-month period~~ Under the grant program established in this section, a municipality, upon approval of its legislative body, may apply to the Vermont Economic Progress Council pursuant to the process set forth in this section to use grant funding for a project.

(B) The Agency shall accept applications from for profit or nonprofit entities on a rolling basis until Program funds are expended.

~~(B) The Agency shall make application information available to the Legislative Economist and the Executive Economist in a timely manner.~~

(2) ~~Using the data model and methodology approved by the Joint Fiscal Committee, the Agency shall analyze the information provided in an application to estimate the net State fiscal impact of a project, including the following factors:~~

~~(A) increase to grand list value;~~

~~(B) improvements to supply chain;~~

~~(C) jobs impact, including the number and quality of jobs; and~~

~~(D) increase to State GDP.~~ [Repealed.]

(3) The Secretary of Commerce and Community Development shall appoint an interagency team, which may include members from among the Department of Economic Development, the Department of Housing and Community Development, the Agency of Agriculture, Food and Markets, the Department of Public Service, the Agency of Natural Resources, or other State agencies and departments, which team shall review, analyze, and recommend projects for funding ~~based on the estimated net State fiscal impact of a project and on other contributing factors, including~~ consistent with the guidelines the Agency develops in coordination with the Joint Fiscal Office and the following:

(A) ~~transformational nature of the project for the region;~~

~~(B)~~ project readiness, quality, and demonstrated collaboration with stakeholders and other funding sources;

~~(C)~~(B) alignment and consistency with regional plans and priorities; and

~~(D)~~(C) creation and retention of workforce opportunities.

(4) The Secretary of Commerce and Community Development shall consider the recommendations of the interagency team and shall give final approval to projects.

~~(f)~~(h) Grant agreements; post award monitoring.

(1) If selected by the Secretary, the applicant and the Agency shall execute a grant agreement that includes audit provisions and minimum requirements for the maintenance and accessibility of records that ensures that the Agency and the Auditor of Accounts have access and authority to monitor awards.

(2) The Agency shall publish on its website not later than 30 days after approving an award a brief project description the name of the grantee and the amount of a grant.

~~(g)~~(i) Report. On or before ~~December 15, 2021~~ February 15, 2023, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the implementation of the ~~program~~ Program;

(2) the promotion and marketing of the program; and

(3) an analysis of the utilization and performance of the ~~program, including the projected revenue impacts and other qualitative and quantitative returns on investment in the program based on available data and modeling~~ Program.

(j) Implementation.

(1) The Agency of Commerce and Community Development shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for grants through the Program.

(2) When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency may designate one or more sectors for priority consideration through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

* * * VEDA Short-Term Forgivable Loans * * *

Sec. 47. VEDA SHORT-TERM FORGIVABLE LOANS

(a) Creation. The Vermont Economic Development Authority shall create a Short-Term Forgivable Loan Program to support Vermont businesses experiencing continued working capital shortfalls as a result of the COVID-19 public health emergency.

(b) Eligible business. An eligible borrower is a for-profit or nonprofit business:

(1) with fewer than 500 employees;

(2) located in Vermont;

(3) that was in operation or had taken substantial steps toward becoming operational as of March 13, 2020; and

(4) that can identify economic harm caused by or exacerbated by the pandemic.

(c) Economic harm.

(1) An applicant shall demonstrate economic harm from lost revenue, increased costs, challenges covering payroll, rent or mortgage interest, or other operating costs that threaten the capacity of the business to weather financial hardships and result in general financial insecurity due to the COVID-19 public health emergency.

(2) The Authority shall measure economic harm by a material decline in the applicant's annual adjusted net operating income before the COVID-19 public health emergency relative to its annual adjusted net operating income during the COVID-19 public health emergency.

(3) When assessing an applicant's adjusted net operating income, the Authority shall consider previous COVID-19 State and federal subsidies, reasonable owner's compensation, noncash expenses, extraordinary items, and other adjustments deemed appropriate. The Authority shall also consider whether other State or federal assistance is or may become available and appropriate for the business and shall not provide assistance for the same costs that are covered by another program.

(4) To be eligible for a loan, the Authority shall determine that a business has experienced at least a 20 percent reduction in its adjusted net operating income in calendar years 2020 and 2021 combined as compared to 2019, or other appropriate basis of comparison where necessary.

(d) Maximum loan. The Authority shall determine the amount of a loan award pursuant to guidelines adopted pursuant to subsection (f) of this section, provided that a loan shall not exceed the lesser of:

(1) $500,000.00;

(2) six months of eligible operating expenses; or

(3) the amount of the cumulative decline in adjusted net operating income during the COVID-19 public health emergency in 2020 and 2021.

(e) Eligible use of loan; loan forgiveness.

(1) A loan recipient may use loan proceeds to pay for eligible operating expenses but shall not use the proceeds for capital expenditures.

(2) The Authority shall approve loan forgiveness based on documentation evidencing loan proceeds were used to pay for eligible operating expenses.

(f) Guidelines. The Vermont Economic Development Authority shall consult with the Legislative Joint Fiscal Office to develop guidelines and approval processes for the VEDA Short-Term Forgivable Loan Program and shall submit the proposed guidelines and processes to the Joint Fiscal Committee and the chairs of the relevant legislative committees of jurisdiction prior to accepting applications for grants through the Program.

(g) Priority sectors. When considering whether and how to prioritize economic sectors that have suffered economic harm due to the COVID-19 pandemic, the Agency of Commerce and Community Development may designate one or more sectors for priority funding through the Program, including the arts and culture, travel, lodging, tourism, agriculture, and child care sectors.

(h) Technical assistance. The Authority shall provide information to applicants on how to access technical assistance from the Small Business Development Center through the Community Navigator Pilot Program.

Sec. 48. WINDHAM COUNTY ECONOMIC DEVELOPMENT

(a) Findings.

(1) In 2014 Acts and Resolves No. 95, Sec. 80 created the Entergy Windham County Economic Development Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, for the deposit and management of funds that were received pursuant to the settlement agreement between the State of Vermont and Entergy Nuclear Vermont Yankee, LLC, dated December 23, 2013.

(2) Pursuant to 2015 Acts and Resolves No. 4, Sec. 69, as further amended by 2016 Acts and Resolves No. 68, Sec. 69, the Secretary of Commerce and Community Development is authorized to make grants, repayable grants, and loans in the Special Fund for the purpose of promoting economic development in Windham County.

(3) From the amounts available in the Special Fund, the Agency of Commerce and Community Development has provided grant funds, and the Vermont Economic Development Authority, working in coordination with the Agency, has provided loans and loan servicing, for economic development projects in Windham County.

(b) Purpose: The purpose of this section is to ensure all program and interest funds received from the revolved loans originating from the Entergy Windham County Economic County Special Fund provide future economic development benefits for Windham County.

(c) Authority; Program Creation: Decisions for the use of any remaining and future funds shall be made through local administration by the Brattleboro Development Credit Corporation.

(d) Agency of Commerce and Community Development; transfer. On or before June 30, 2022 the Agency of Commerce and Community Development shall transfer any amounts remaining in the Entergy Windham County Economic Development Special Fund to the Brattleboro Development Credit Corporation.

(e) Vermont Economic Development Authority; transfer. On or before June 30, 2022, the Vermont Economic Development Authority shall take any steps necessary to transfer to the Brattleboro Development Credit Corporation any loans, loan servicing, future loan payments, and other legal rights, duties, or obligations related to its activities undertaken with funding from the Entergy Windham County Economic Development Special Fund.

(f) Brattleboro Economic Development Corporation; use of funds. The Brattleboro Economic Development Corporation shall use the funds transferred pursuant to this section to provide grants and loans for projects that provide economic development benefits to Windham County.

(g) Entergy Windham County Economic Development Special Fund; termination. The purpose of the Entergy Windham County Economic Development Special Fund has been fulfilled as determined by the General Assembly. Upon the completion of the transfers required in this section, and pursuant to 32 V.S.A. § 587(b) the Entergy Windham County Economic Development Special Fund is terminated.

* * * Downtown Tax Credits * * *

Sec. 49. APPROPRIATION; DOWNTOWN AND VILLAGE CENTER TAX CREDIT PROGRAM

There is appropriated the sum of $2,700,000.00 from the General Fund to the Vermont Downtown and Village Center Tax Credit Program to be used in fiscal years 2023 and 2024. Notwithstanding 32 V.S.A. § 5930ee, the funds shall be used to increase the amount of tax credits that may be awarded to qualified projects. Of those tax credits awarded in fiscal years 2023 and 2024, up to $2,000,000.00 may be awarded to qualified projects located in designated neighborhood development areas.

Sec. 50. [Reserved.]

Sec. 51. [Reserved.]

* * * Appropriations * * *

Sec. 52. APPROPRIATIONS

(a) Reversion. In fiscal year 2022, of the amounts appropriated in 2021 Acts and Resolves No. 74, Sec. G. 300(a)(13), from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Agency of Commerce and Community Development for the Economic Recovery Grant Program, $25,500,000.00 shall revert to the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds.

(b) COVID economic support. In fiscal year 2022, the amount of $28,000,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds as follows:

(1) VEDA Short-Term Forgivable Loan Program. $19,000,000.00 to the Vermont Economic Development Authority for the VEDA Short-Term Forgivable Loan Program.

(2) Creative economy grants. $9,000,000.00 to the Vermont Arts Council to provide grants for monthly operating costs, including rent, mortgage, utilities, and insurance, to creative economy businesses and nonprofits that have sustained substantial losses due to the pandemic.

(c) General Fund.

(1) In fiscal year 2023 the amount of $10,200,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development for the Capital Investment Grant Program.

(2) In fiscal year 2023 the amount of $1,800,000.00 is appropriated from the General Fund to the Agency of Commerce and Community Development to grant to Southeastern Vermont Community Action for the Restaurants and Farmers Feeding the Hungry Program, known as Everyone Eats, to provide State funds to match Federal Emergency Management Agency (FEMA) funds available for the Program.

Sec. 53. 2020 Acts and Resolves No. 3, Sec. 64(c) is amended to read:

(c) Sec. 62 (32 V.S.A. § 3102 (e)(8)) shall take effect on July 1, ~~2022~~ 2024.

* * * COVID-19-Related Paid Leave Grant Program * * *

Sec. 54. FINDINGS AND INTENT

(a) The General Assembly finds that:

(1) COVID-19 has caused increased employee absences due to illness, quarantine, and school and daycare closures.

(2) Many employees do not have sufficient paid time off to cover all of their COVID-19-related absences from work.

(3) Some employers have provided their employees with additional paid time off for COVID-19-related purposes.

(4) The surge in COVID-19 cases caused by the Omicron variant of the virus has made it financially difficult or impossible for employers to provide additional paid time off to their employees for COVID-19-related purposes.

(5) Providing grants to employers to reimburse a portion of the cost of providing paid time off to employees for COVID-19-related purposes will:

(A) help to mitigate some negative economic impacts of the COVID-19 pandemic on employers;

(B) improve employee retention;

(C) prevent the spread of COVID-19 in the workplace; and

(D) provide crucial income to employees and their families.

(6) The Front-Line Employees Hazard Pay Grant Program established pursuant to 2020 Acts and Resolves No. 136, Sec. 6 and expanded pursuant to 2020 Acts and Resolves No. 168, Sec. 1 successfully directed millions of dollars in hazard pay to front-line workers during the first year of the COVID-19 pandemic. By utilizing grants to employers, who in turn provided the hazard pay to their employees, the Program enabled employers to retain employees and reward them for their hard work during the uncertainty of the early months of the COVID-19 pandemic.

(b) It is the intent of the General Assembly that the COVID-19-Related Paid Leave Grant Program created pursuant to Sec. 2a of this act shall be modeled on the Front-Line Employees Hazard Pay Grant Program and shall assist employers in providing paid leave to their employees for COVID-19 related absences.

Sec. 54a. COVID-19-RELATED PAID LEAVE GRANT PROGRAM

(a)(1) There is established in the Department of Financial Regulation the COVID-19-Related Paid Leave Grant Program to administer and award grants to employers to reimburse the cost of providing COVID-19-related paid leave to employees.

(2) The sum of $16,500,000.00 is appropriated from the American Rescue Plan Act (ARPA) – Coronavirus State Fiscal Recovery Funds to the Department of Financial Regulation in fiscal year 2023 for the provision of grants to reimburse employers for the cost of providing COVID-19-related paid leave. Not more than seven percent of the amount appropriated pursuant to this subdivision may be used for expenses related to Program administration and outreach.

(b) As used in this section:

(1) "Commissioner" means the Commissioner of Financial Regulation.

(2) "COVID-19-related reason" means the employee is:

(A) self-isolating because the employee has been diagnosed with COVID-19 or tested positive for COVID-19;

(B) self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because the employee has been exposed to COVID-19 or the employee is experiencing symptoms of COVID-19;

(C) caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child, because:

(i) the school or place of care where that individual is normally located during the employee's workday is closed due to COVID-19;

(ii) that individual has been requested not to attend the school or the place of care where that individual is normally located during the employee's workday due to COVID-19;

(iii) that individual has been diagnosed with or tested positive for COVID-19; or

(iv) that individual is self-isolating pursuant to the recommendation of a health care provider or a State or federal public health official because that individual has been exposed to or is experiencing symptoms of COVID-19;

(D) attending an appointment for the employee or the employee's parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child to receive a vaccine or a vaccine booster for protection against COVID-19; or

(E) experiencing symptoms, or caring for a parent, grandparent, spouse, child, sibling, parent-in-law, grandchild, or foster child who is experiencing symptoms, related to a vaccine or a vaccine booster for protection against COVID-19.

(3) "Department" means the Department of Financial Regulation.

(4) "Employee" means an individual who, in consideration of direct or indirect gain or profit, is employed by an employer to perform services in Vermont.

(5) "Employer" means any person that has one or more employees performing services for it in Vermont. "Employer" does not include the State or the United States.

(6) "Program" means the COVID-19-Related Paid Leave Grant Program established pursuant to this section.

(7) "Program period" means the period beginning on July 1, 2022 and ending on June 30, 2023.

(8) "Spouse" includes a civil union partner or a domestic partner, as that term is defined pursuant to 17 V.S.A. § 2414.

(c)(1) An employer may apply to the Commissioner for quarterly grants to reimburse the employer for the cost of paid leave provided to its employees for COVID-19-related reasons during the Program period.

(2) An employer's grant amount may include reimbursement for retroactively provided COVID-19-related paid leave to employees who took unpaid leave for a COVID-19-related reason during the Program period because the employee did not have sufficient accrued paid leave available at the time that the employee took the leave.

(3) Employers may submit applications for grants during the period beginning on October 1, 2022 and ending on September 30, 2023 and may submit an application not more than once each calendar quarter during that period. Grant applications shall be submitted for paid leave provided during the preceding calendar quarter.

(4) An employer may combine grant funds with funding from other sources but shall not use grant funds from multiple sources for the same instance of paid leave provided to its employees for COVID-19-related reasons. As used in this subdivision, an "instance" means a calendar day in which the employee was absent from work for a COVID-19-related reason.

(5) For the sole purpose of administering grants related to paid leave provided to independent direct support providers for COVID-19-related

reasons, ARIS Solutions, as the fiscal agent for the employers of the independent direct support providers, shall have the authority to apply for grants in the same manner as any employer.

(d)(1) The Commissioner shall:

(A) adopt procedures for implementing the Program, which shall include a simple grant application process, a process to allow employers to certify the amount of paid leave provided for COVID-19-related reasons, and a process to allow employers to report on their use of the grant funds awarded pursuant to this section;

(B) establish deadlines for the submission of quarterly grant applications;

(C) promote awareness of the Program to employers;

(D) provide information to employers regarding Program and application requirements;

(E) award grants to employers on a first-come, first-served basis, subject to available funding; and

(F) develop and implement an audit strategy to assess grant utilization, the performance of the Program, and compliance with Program requirements.

(2)(A) The Commissioner may, with the approval of the Secretary of Administration, delegate administration of one or more aspects of the Program to other agencies and departments of the State.

(B) The Commissioner may enter into agreements, memoranda of understanding, or contracts with private entities as necessary to implement or administer the Program and, notwithstanding any provision of law to the contrary, shall not be required to competitively bid any contracts entered into pursuant to this subdivision (2)(B). For the purposes of the Program, the ongoing public health risk posed by COVID-19 shall be deemed to be an emergency situation that justifies the execution of sole source contracts pursuant to Bulletin 3.5, the State's Procurement and Contracting Procedures.

(e)(1) Employers may apply for grants to either reimburse 67 percent of the cost of COVID-19-related paid leave provided to employees or to provide funds to be used to pay 67 percent of the cost to retroactively provide paid leave to employees who took unpaid leave for COVID-19-related reasons.

(A) For reimbursement of COVID-19-related paid leave that was already provided, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the

number of hours of COVID-19-related paid leave provided to each employee multiplied by the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee's regular hourly wage.

(B) For COVID-19-related paid leave that will be provided retroactively to employees who took unpaid leave for COVID-19-related reasons, the employer may, subject to the limitations of subdivision (2) of this subsection (e), apply for a grant in an amount equal the number of hours of COVID-19-related paid leave to be provided to each employee multiplied by the greater of either the 67 percent of the minimum wage established pursuant to 21 V.S.A. § 384 or 67 percent of the employee's regular hourly wage.

(2)(A) An employer may only apply for a grant in relation to COVID-19-related leave that was taken by an employee during the Program period.

(B) The maximum number of hours of COVID-19-related leave for each employee that an employer may seek grant funding for through the Program shall equal the lesser of 80 hours or two times the employee's average weekly hours worked for the employer during the six months preceding the date on which the employee first took COVID-19-related leave during the Program period.

(C) The maximum amount that an employer shall be eligible to receive for COVID-19-related paid leave for each employee shall be not more than $27.50 per hour of leave, with an aggregate maximum of $2,200.00 per employee during the Program period.

(f) As a condition of being eligible to receive a grant through the Program, each employer shall be required to certify:

(1) that the employer is not seeking funds in relation to any amounts of paid leave that were deducted from the employee's accrued paid leave balance at the time the COVID-19-related leave was taken unless those amounts have been restored to the employee's accrued paid leave balance;

(2) grant funds shall only be used in relation to the payment of an employee's wages for the period when the employee was absent from work for a COVID-19-related reason; and

(3) employees receiving paid leave funded by a grant shall not be required to pay an administrative fee or other charge in relation to the employer requesting the grant.

(g) Each employer that receives a grant shall, not later than October 31, 2023, report to the Department on a form provided by the Commissioner the amount of grant funds used to provide paid leave to employees and the amount

of any remaining grant funds that were not spent. All unspent grant funds shall be returned to the Department pursuant to a procedure adopted by the Commissioner.

(h) Any personally identifiable information that is collected by the Program, any entity of State government performing a function of the Program, or any entity that the Commissioner contracts with to perform a function of the Program shall be kept confidential and shall be exempt from inspection and copying under the Public Records Act.

* * * Unemployment Insurance Benefits * * *

Sec. 55. FINDINGS

The General Assembly finds that the General Assembly previously enacted a $25.00 supplemental increase to the weekly unemployment insurance benefit amount in 2021 Acts and Resolves No. 51, Sec. 11. However, the terms of that supplemental increase did not conform to federal requirements, and it never took effect. Enacting a future $25.00 increase in the weekly unemployment insurance benefit amount will fulfill the commitment made by the General Assembly in 2021 Acts and Resolves No. 51, Sec. 11.

Sec. 55a. 2021 Acts and Resolves No. 51, Sec. 17(a)(4) is amended to read:

(4) Sec. 12 (repeal of supplemental weekly benefit) shall take effect ~~upon the payment of a cumulative total of $100,000,000.00 in supplemental benefits pursuant to 21 V.S.A. § 1338(e)(2)~~ on October 7, 2021 and shall apply prospectively to all benefit payments in the next week and each subsequent week.

Sec. 55b. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 and adding $25.00 to the resulting quotient, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to the sum of $25.00 plus 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 55c. UNEMPLOYMENT INSURANCE; INFORMATION TECHNOLOGY MODERNIZATION; ANNUAL REPORT; INDEPENDENT VERIFICATION

(a)(1) The Secretary of Digital Services and the Commissioner of Labor shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is available in time to implement on July 1, 2025 the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 55b of this act.

(2) The Secretary of Digital Services and the Commissioner of Labor shall plan and carry out the development and implementation of the modernized information technology system for the unemployment insurance program so that the modernized system is capable of:

(A) implementing the weekly benefit increase enacted pursuant to Sec. 55b of this act;

(B) adapting to the evolving needs of the unemployment insurance program in the future;

(C) incorporating future advances in information technology;

(D) implementing future legislative changes to all aspects of the unemployment insurance program, including:

(i) benefits,

(ii) eligibility;

(iii) taxes;

(iv) penalties; and

(v) recovery of overpayments; and

(E) implementing short-term changes that respond to specific indicators economic health.

(b) The Secretary of Digital Services and the Commissioner of Labor shall, on or before January 15, 2023 and January 15, 2024, submit a written report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Legislative Information Technology Consultant retained by the Joint Fiscal Office detailing the actions taken and progress made in carrying out the requirements of subsection (a) of this section, the anticipated timeline for

being able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 55b of this act, and potential implementation risks identified during the development process.

(c) The Legislative Information Technology Consultant shall, on or before February 15, 2023 and February 15, 2024, submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a review of the report submitted pursuant to subsection (b) of this section. The review shall include an assessment of whether the Agency of Digital Services and the Department of Labor will be able to implement the changes to the unemployment insurance weekly benefit amount enacted pursuant to Sec. 55b of this act by July 1, 2025 and shall identify any potential risks or concerns related to implementation that are not addressed in the report submitted pursuant to subsection (b) of this section.

Sec. 55d. 21 V.S.A. § 1338 is amended to read:

§ 1338. WEEKLY BENEFITS

* * *

(e) An individual's weekly benefit amount shall be determined by dividing the individual's two high quarter total subject wages required under subdivision (d)(1) of this section by 45 ~~and adding $25.00 to the resulting quotient~~, provided that the weekly benefit amount so determined shall not exceed the maximum weekly benefit amount computed pursuant to subsection (f) of this section.

(f)(1) The maximum weekly benefit amount shall be annually adjusted on the first day of the first calendar week in July to an amount equal to ~~the sum of $25.00 plus~~ 57 percent of the State annual average weekly wage as determined by subsection (g) of this section.

* * *

Sec. 56. EFFECTIVE DATES

(a) This act shall take effect on July 1, 2022, except that:

(1) Sec. 13 (Secondary Student Industry Recognized Credential Pilot Project) shall take effect on passage.

(2) Sec. 30 (18 V.S.A. § 9456) shall take effect on January 1, 2023 and shall apply to hospital fiscal years 2024 and after.

(3) Sec. 48 (Windham County Economic Development) shall take effect on passage.

(4) Sec. 53 (Pandemic Unemployment Assistance Program extension) shall take effect on passage.

(b)(1) Notwithstanding 1 V.S.A. § 214, Sec. 55a (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

(2) Sec. 55b (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, 2025 and shall apply to benefit weeks beginning after that date.

(3) Sec. 55d (prospective repeal of unemployment insurance benefit increase) shall take effect upon the payment of a cumulative total of $100,000,000.00 in additional benefits pursuant to 21 V.S.A. § 1338(e) when compared to the rate at which benefits would have been paid under the formula set forth in 21 V.S.A. § 1338(e) on June 30, 2025 and shall apply to benefit weeks beginning after that date.

(4) Sec. 55c (report on implementation of change to unemployment insurance weekly benefit) shall take effect on passage.

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

An act relating to economic and workforce development.

S. 285

An act relating to health care reform initiatives, data collection, and access to home- and community-based services.

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

* * * Payment and Delivery System Reform; Appropriations * * *

Sec. 1. DEVELOPMENT OF PROPOSAL FOR SUBSEQUENT ALL-PAYER MODEL AGREEMENT

(a)(1) The Director of Health Care Reform in the Agency of Human Services, in collaboration with the Green Mountain Care Board, shall develop a proposal for a subsequent agreement with the Center for Medicare and Medicaid Innovation to secure Medicare's sustained participation in multi-payer alternative payment models in Vermont. In developing the proposal, the Director shall consider:

(A) total cost of care targets;

(B) global payment models;

(C) strategies and investments to strengthen access to:

(i) primary care;

(ii) home- and community-based services;

(iii) subacute services;

(iv) long-term care services; and

(v) mental health and substance use disorder treatment services; and

(D) strategies and investments to address health inequities and social determinants of health.

(2)(A) The development of the proposal shall include consideration of alternative payment and delivery system approaches for hospital services and community-based providers such as primary care providers, mental health providers, substance use disorder treatment providers, skilled nursing facilities, home health agencies, and providers of long-term services and supports.

(B) The alternative payment models to be explored shall include, at a minimum:

(i) value-based payments for hospitals, including global payments, that take into consideration the sustainability of Vermont's hospitals and the State's rural nature, as set forth in subdivision (b)(1) of this section;

(ii) geographically or regionally based global budgets for health care services;

(iii) existing federal value-based payment models; and

(iv) broader total cost of care and risk-sharing models to address patient migration patterns across systems of care.

(C) The proposal shall:

(i) include appropriate mechanisms to convert fee-for-service reimbursements to predictable payments for multiple provider types, including those described in subdivision (A) of this subdivision (2);

(ii) include a process to ensure reasonable and adequate rates of payment and a reasonable and predictable schedule for rate updates;

(iii) meaningfully impact health equity and address inequities in terms of access, quality, and health outcomes; and

(iv) support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care.

(3)(A) The Director of Health Care Reform, in collaboration with the Green Mountain Care Board, shall ensure that the process for developing the proposal includes opportunities for meaningful participation by the full continuum of health care and social service providers, payers, and other interested stakeholders in all stages of the proposal's development.

(B) The Director shall seek to minimize the administrative burden of and duplicative processes for stakeholder input.

(C) To promote engagement with diverse stakeholders and ensure the prioritization of health equity, the process may utilize existing local and regional forums, including those supported by the Agency of Human Services.

(b) As set forth in subdivision (a)(2)(B)(i) of this section and notwithstanding any provision of 18 V.S.A. § 9375(b)(1) to the contrary, the Green Mountain Care Board shall:

(1) in collaboration with the Agency of Human Services and using the stakeholder process described in subsection (a) of this section, build on successful health care delivery system reform efforts by developing value-based payments, including global payments, from all payers to Vermont hospitals or accountable care organizations, or both, that will:

(A) help move the hospitals away from a fee-for-service model;

(B) provide hospitals with predictable, sustainable funding that is aligned across multiple payers, consistent with the principles set forth in 18 V.S.A. § 9371, and sufficient to enable the hospitals to deliver high-quality, affordable health care services to patients;

(C) take into consideration the necessary costs and operating expenses of providing services and not be based solely on historical charges; and

(D) take into consideration Vermont's rural nature, including that many areas of the State are remote and sparsely populated;

(2) determine how best to incorporate value-based payments, including global payments to hospitals or accountable care organizations, or both, into the Board's hospital budget review, accountable care organization certification and budget review, and other regulatory processes, including assessing the impacts of regulatory processes on the financial sustainability of Vermont hospitals and identifying potential opportunities to use regulatory processes to improve hospitals' financial health; and

(3) recommend a methodology for determining the allowable rate of growth in Vermont hospital budgets, which may include the use of national

and regional indicators of growth in the health care economy and other appropriate benchmarks, such as the Hospital Producer Price Index, Medical Consumer Price Index, bond-rating metrics, and labor cost indicators, as well as other metrics that incorporate differentials as appropriate to reflect the unique needs of hospitals in highly rural and sparsely populated areas of the State.

(c) On or before January 15, 2023, the Director of Health Care Reform and the Green Mountain Care Board shall each report on their activities pursuant to this section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

Sec. 2. HOSPITAL SYSTEM TRANSFORMATION; PLAN FOR ENGAGEMENT PROCESS; REPORT

(a) The Green Mountain Care Board shall develop a plan for a data-informed, patient-focused, community-inclusive engagement process for Vermont's hospitals to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services while maintaining sufficient capacity for emergency management.

(b) The plan for the engagement process shall include:

(1) which organization or agency will lead the engagement process;

(2) a timeline that shows the engagement process occurring after the development of the all-payer model proposal as set forth in Sec. 1 of this act;

(3) how to hear from and share data, information, trends, and insights with communities about the current and future states of the hospital delivery system, unmet health care as identified through the community health needs assessment, and opportunities and resources necessary to address those needs; and

(4) a description of the opportunities to be provided for meaningful participation in all stages of the process by employers; consumers; health care professionals and health care providers, including those providing primary care services; Vermonters who have direct experience with all aspects of Vermont's health care system; and Vermonters who are diverse with respect to race, income, age, and disability status;

(5) a description of the data, information, and analysis necessary to support the process, including information and trends relating to the current and future states of the health care delivery system in each hospital service area, the effects of the hospitals in neighboring states on the health care services delivered in Vermont, the potential impacts of hospital system transformation on Vermont's nonhospital health care and social service

providers, the workforce challenges in the health care and human services systems, and the impacts of the pandemic;

(6) how to assess the impact of any changes to hospital services on nonhospital providers, including on workforce recruitment and retention;

(7) the amount of the additional appropriations needed to support the engagement process; and

(8) a process for determining the amount of resources that will be needed to support hospitals in implementing the transformation initiatives to be developed as a result of the engagement process.

(c) On or before January 15, 2023, the Green Mountain Care Board shall report on its activities pursuant to this section to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

Sec. 3. PAYMENT AND DELIVERY SYSTEM REFORM; APPROPRIATIONS

(a) The sum of $900,000.00 is appropriated from the General Fund to the Agency of Human Services in fiscal year 2023 to support the work of the Director of Health Care Reform as set forth in Sec. 1 of this act.

(b) The sum of $3,600,000.00 is appropriated from the General Fund to the Green Mountain Care Board in fiscal year 2023 to support the work of the Board as set forth in Sec. 1 of this act.

* * * Health Care Data * * *

Sec. 4. HEALTH INFORMATION EXCHANGE STEERING COMMITTEE; DATA STRATEGY

The Health Information Exchange (HIE) Steering Committee shall continue its work to create one health record for each person that integrates data types to include health care claims data; clinical, mental health, and substance use disorder services data; and social determinants of health data. In furtherance of these goals, the HIE Steering Committee shall include a data integration strategy in its 2023 HIE Strategic Plan to merge and consolidate claims data in the Vermont Health Care Uniform Reporting and Evaluation System (VHCURES) with the clinical data in the HIE.

Sec. 5. 18 V.S.A. § 9410 is amended to read:

§ 9410. HEALTH CARE DATABASE

(a)(1) The Board shall establish and maintain a unified health care database to enable the Board to carry out its duties under this chapter, chapter 220 of

this title, and Title 8, including:

(A) determining the capacity and distribution of existing resources;

(B) identifying health care needs and informing health care policy;

(C) evaluating the effectiveness of intervention programs on improving patient outcomes;

(D) comparing costs between various treatment settings and approaches;

(E) providing information to consumers and purchasers of health care; and

(F) improving the quality and affordability of patient health care and health care coverage.

(2) [Repealed.]

(b) The database shall contain unique patient and provider identifiers and a uniform coding system~~,~~ and shall reflect all health care utilization, costs, and resources in this State~~,~~ and health care utilization and costs for services provided to Vermont residents in another state.

* * *

(e) ~~Records or information protected by the provisions of the physician-patient privilege under 12 V.S.A. § 1612(a), or otherwise required by law to be held confidential, shall be filed in a manner that does not disclose the identity of the protected person.~~ [Repealed.]

(f) The Board shall adopt a confidentiality code to ensure that information obtained under this section is handled in an ethical manner.

* * *

(h)(1) All health insurers shall electronically provide to the Board in accordance with standards and procedures adopted by the Board by rule:

(A) their health insurance claims data, provided that the Board may exempt from all or a portion of the filing requirements of this subsection data reflecting utilization and costs for services provided in this State to residents of other states;

(B) cross-matched claims data on requested members, subscribers, or policyholders; and

(C) member, subscriber, or policyholder information necessary to determine ~~third party~~ third-party liability for benefits provided.

(2) The collection, storage, and release of health care data and statistical information that are subject to the federal requirements of the Health Insurance Portability and Accountability Act (HIPAA) shall be governed exclusively by the regulations adopted thereunder in 45 C.F.R. Parts 160 and 164.

* * *

(3)(A) The Board shall collaborate with the Agency of Human Services and participants in the Agency's initiatives in the development of a comprehensive health care information system. The collaboration is intended to address the formulation of a description of the data sets that will be included in the comprehensive health care information system, the criteria and procedures for the development of limited-use data sets, the criteria and procedures to ensure that HIPAA compliant limited-use data sets are accessible, and a proposed time frame for the creation of a comprehensive health care information system.

(B) To the extent allowed by HIPAA, the data shall be available as a resource for insurers, employers, providers, purchasers of health care, and State agencies to continuously review health care utilization, expenditures, and performance in Vermont. In presenting data for public access, comparative considerations shall be made regarding geography, demographics, general economic factors, and institutional size.

(C) Consistent with the dictates of HIPAA, and subject to such terms and conditions as the Board may prescribe by rule, the Vermont Program for Quality in Health Care shall have access to the unified health care database for use in improving the quality of health care services in Vermont. In using the database, the Vermont Program for Quality in Health Care shall agree to abide by the rules and procedures established by the Board for access to the data. The Board's rules may limit access to the database to limited-use sets of data as necessary to carry out the purposes of this section.

(D) Notwithstanding HIPAA or any other provision of law, the comprehensive health care information system shall not publicly disclose any data that contain direct personal identifiers. For the purposes of this section, "direct personal identifiers" include information relating to an individual that contains primary or obvious identifiers, such as the individual's name, street address, e-mail address, telephone number, and Social Security number.

* * *

* * * Blueprint for Health * * *

Sec. 6. 18 V.S.A. § 702(d) is amended to read:

(d) The Blueprint for Health shall include the following initiatives:

* * *

(8) The use of quality improvement facilitation and other means to support quality improvement activities, including using integrated clinical and claims data, where available, to evaluate patient outcomes and promoting best practices regarding patient referrals and care distribution between primary and specialty care.

Sec. 7. BLUEPRINT FOR HEALTH; COMMUNITY HEALTH TEAMS; QUALITY IMPROVEMENT FACILITATION; REPORT

On or before January 15, 2023, the Director of Health Care Reform in the Agency of Human Services shall recommend to the House Committees on Health Care and on Appropriations and the Senate Committees on Health and Welfare, on Appropriations, and on Finance the amounts by which health insurers and Vermont Medicaid should increase the amount of the per-person, per month payments they make toward the shared costs of operating the Blueprint for Health community health teams and providing quality improvement facilitation, in furtherance of the goal of providing additional resources necessary for delivery of comprehensive primary care services to Vermonters and to sustain access to primary care services in Vermont. The Agency shall also provide an estimate of the State funding that would be needed to support the increase for Medicaid, both with and without federal financial participation.

* * * Options for Extending Moderate Needs Supports * * *

Sec. 8. OPTIONS FOR EXTENDING MODERATE NEEDS SUPPORTS; WORKING GROUP; GLOBAL COMMITMENT WAIVER; REPORT

(a) As part of developing the Vermont Action Plan for Aging Well as required by 2020 Acts and Resolves No. 156, Sec. 3, the Department of Disabilities, Aging, and Independent Living shall convene a working group comprising representatives of older Vermonters, home- and community-based service providers, the Office of the Long-Term Care Ombudsman, the Agency of Human Services, and other interested stakeholders to consider extending access to long-term home- and community-based services and supports to a broader cohort of Vermonters who would benefit from them, and their family caregivers, including:

(1) the types of services, such as those addressing activities of daily living, falls prevention, social isolation, medication management, and case management that many older Vermonters need but for which many older Vermonters may not be financially eligible or that are not covered under many standard health insurance plans;

(2) the most promising opportunities to extend supports to additional Vermonters, such as expanding the use of flexible funding options that enable beneficiaries and their families to manage their own services and caregivers within a defined budget and allowing case management to be provided to beneficiaries who do not require other services;

(3) how to set clinical and financial eligibility criteria for the extended supports, including ways to avoid requiring applicants to spend down their assets in order to qualify;

(4) how to fund the extended supports, including identifying the options with the greatest potential for federal financial participation;

(5) how to proactively identify Vermonters across all payers who have the greatest need for extended supports;

(6) how best to support family caregivers, such as through training, respite, home modifications, payments for services, and other methods; and

(7) the feasibility of extending access to long-term home- and community-based services and supports and the impact on existing services.

(b) The working group shall also make recommendations regarding changes to service delivery for persons who are dually eligible for Medicaid and Medicare in order to improve care, expand options, and reduce unnecessary cost shifting and duplication.

(c) On or before January 15, 2024, the Department shall report to the House Committees on Human Services, on Health Care, and on Appropriations and the Senate Committees on Health and Welfare and on Appropriations regarding the working group's findings and recommendations, including its recommendations regarding service delivery for dually eligible individuals, and an estimate of any funding that would be needed to implement the working group's recommendations.

(d) If so directed by the General Assembly, the Department shall collaborate with others in the Agency of Human Services as needed in order to incorporate the working group's recommendations on extending access to long-term home- and community-based services and supports as an amendment to the Global Commitment to Health Section 1115 demonstration in effect in 2024 or into the Agency's proposals to and negotiations with the Centers for Medicare and Medicaid Services for the iteration of Vermont's Global Commitment to Health Section 1115 demonstration that will take effect following the expiration of the demonstration currently under negotiation.

* * * Summaries of Green Mountain Care Board Reports * * *

Sec. 9. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

* * *

(e)(1) The Board shall summarize and synthesize the key findings and recommendations from reports prepared by and for the Board, including its expenditure analyses and focused studies. The Board shall develop, in consultation with the Office of the Health Care Advocate, a standard for creating plain language summaries that the public can easily use and understand.

(2) All reports and summaries prepared by the Board shall be available to the public and shall be posted on the Board's website.

* * * Primary Care Providers; Medicaid Reimbursement Rates * * *

Sec. 10. MEDICAID REIMBURSEMENT RATES; PRIMARY CARE AT 100 PERCENT OF MEDICARE FISCAL YEAR 2024

It is the intent of the General Assembly that Vermont's health care system should reimburse all Medicaid participating providers at rates that are equal to 100 percent of the Medicare rates for the services provided, with first priority for primary care providers. In support of this goal, in its fiscal year 2024 budget proposal, the Department of Vermont Health Access shall either provide reimbursement rates for Medicaid participating providers for primary care services at rates that are equal to 100 percent of the Medicare rates for the services or, in accordance with 32 V.S.A. § 307(d)(6), provide information on the additional amounts that would be necessary to achieve full reimbursement parity for primary care services with the Medicare rates.

* * * Prior Authorizations * * *

Sec. 11. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to access clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required

by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.

* * * Effective Dates * * *

Sec. 12. EFFECTIVE DATES

(a) Sec. 3 (payment and delivery system reform; appropriations) shall take effect on July 1, 2022.

(b) The remainder of this act shall take effect on passage.

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.

James Riley Allen of Montpelier – Member, Public Utility Commission – By Sen. Bray for the Committee on Finance. (5/3/22)

Jennifer Samuelson of Shelburne – Secretary, Agency of Human Services – By Sen. Lyons for the Committee on Health and Welfare. (5/4/22)

Thomas Walsh of Colchester – Member, Vermont Green Mountain Care Board – By Sen. Hardy for the Committee on Health and Welfare. (5/4/22)

Shirley Jefferson of South Royalton – Member, State Police Advisory Commission – By Sen. Clarkson for the Committee on Government Operations. (4/19/22)

Mary Jean Wasik of Pittsford – Member, Human Services Board – By Sen. Terenzini for the Committee on Health and Welfare. (4/19/22)

Michael Donohue of Shelburne – Chair, Human Services Board – By Sen. Hardy for the Committee on Health and Welfare. (4/27/22)

Caroline Carpenter of Salisbury – Member, Vermont Economic Development Authority – By Sen. Hardy for the Committee on Finance. (4/28/22)

Peter Gregory of Hartland – Member, State Infrastructure Bank Board – By Sen. Sirotkin for the Committee on Finance. (4/28/22)

Karyn Hale of Lyndonville – Member, Vermont Economic Development Authority – By Sen. Hardy for the Committee on Finance. (4/28/22)

Thomas Leavitt of Waterbury – Member, Vermont Housing Finance Agency – By Sen. Cummings for the Committee on Finance. (4/28/22)

Dr. Audra Pinto of Essex Junction – Member, State Board of Health – By Sen. Hooker for the Committee on Health and Welfare. (4/29/22)

Bruce Wilson of Winooski – Member, Human Rights Commission – By Sen. Benning for the Committee on Judiciary. (5/4/22)

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 #3096 – Ten (10) limited-service positions to the Agency of Human Services, Department of Health to support the Public Health Emergency Response Supplemental Award for response to the Covid-19 pandemic. Funded by previously approved JFO grant #2070. Positions funded through 6/30/2023.

[Received April 11, 2022]

JFO #3097 – Two (2) limited-service positions to the Vermont Agency of Human Services, Department of Health funded through a Substance Abuse Block grant supplement which was part of the American Recovery Act funding. Positions to help relieve the increase of substance abuse due to isolation during the Covid-19 pandemic. One (1) Substance Use Information Specialist, and one (1) Public Health Analyst funded through 9/30/2025.

[Received April 11, 2022]

JFO #3098 – One (1) limited-service position, Environmental Analyst IV, to the Agency of Natural Resources, Department of Environmental Conservation. This position will assist with coordination of the $10M Regional Partnership Program grant which supports DEC's work on creative and innovative approaches to water quality. Position funded through previously approved grant #2762 through 12/31/2024.

[Received April 18, 2022]