

1 **VCBB Grants - Standards Applicable to Grantee's Material**

2 **Noncompliance with Grant Terms and Conditions**

3
4 **Proposal Submitted by VCBB and Reviewed by Finance on April 22, 2022**

5 Sec. X. 30 V.S.A. § 8086(c)(3) is amended to read:

6 (3) establish standards for recouping grant funds and transferring
7 ownership of grant-funded network assets, which shall remain subject to any
8 outstanding bondholders' or creditors' liens, if applicable, to the State a court
9 appointed receiver if a grantee materially fails to comply with the terms and
10 conditions of a grant; the State shall have the ability to buy out the bondholder
11 or creditor the remainder of a grantee's assets in the event a grantee materially
12 fails to comply with the terms and conditions of a grant;

13
14 **New Proposal for Consideration by Finance on May 4, 2022**

15 Sec. X. 30 V.S.A. § 8086(c)(3) is amended to read:

16 (3) establish standards for recouping grant funds and transferring
17 ownership of grant-funded network assets ~~to the State~~ if a grantee materially
18 fails to comply with the terms and conditions of a grant;

19
20
21

1 **Context – Some Relevant *Existing* Law:**

2 1. 30 V.S.A. § 8086(c)(5) requires the Board to establish policies and
3 standard grant terms and conditions that “*prohibit the sale or transfer of*
4 *grant-funded network assets without the prior written approval of the*
5 *Board;*”

6 2. 30 V.S.A. § 8089 requires the Board to submit to the General
7 Assembly an annual report that includes, among other things, “*a*
8 *description of the progress each start-up communications union district*
9 *has made in achieving long-term financial sustainability that is not*
10 *dependent upon public funding;*”