

Senate Calendar

MONDAY, JUNE 17, 2024

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ACTION CALENDAR

UNFINISHED BUSINESS OF FRIDAY, MAY 10, 2024

House Proposal of Amendment

S. 167.

An act relating to miscellaneous amendments to education law.

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:

* * * Public Construction Bids * * *

Sec. 1. 16 V.S.A. § 559 is amended to read:

§ 559. PUBLIC BIDS

* * *

(b) High-cost construction contracts. When a school construction contract exceeds ~~\$500,000.00~~ \$2,000,000.00:

(1) The State Board shall establish, in consultation with the Commissioner of Buildings and General Services and with other knowledgeable sources, general rules for the prequalification of bidders on such a contract. The Department of Buildings and General Services, upon notice by the Secretary, shall provide to school boards undergoing construction projects suggestions and recommendations on bidders qualified to provide construction services.

(2) At least 60 days prior to the proposed bid opening on any construction contract to be awarded by a school board that exceeds ~~\$500,000.00~~ \$2,000,000.00, the school board shall publicly advertise for contractors interested in bidding on the project. The advertisement shall indicate that the school board has established prequalification criteria that a contractor must meet and shall invite any interested contractor to apply to the school board for prequalification. All interested contractors shall submit their qualifications to the school board, which shall determine a list of eligible prospective bidders based on the previously established criteria. At least 30 days prior to the proposed bid opening, the school board shall give written notice of the board's determination to each contractor that submitted qualifications. The school board shall consider all bids submitted by prequalified bidders meeting the deadline.

(c) Contract award.

(1) A contract for any such item or service to be obtained pursuant to subsection (a) of this section shall be ~~awarded to one of~~ selected from among the three or fewer lowest responsible bids conforming to specifications, with consideration being given to quantities involved, time required for delivery, purpose for which required, competency and responsibility of bidder, and ~~his or her~~ the bidder's ability to render satisfactory service. A board shall have the right to reject any or all bids.

(2) A contract for any property, construction, good, or service to be obtained pursuant to subsection (b) of this section shall be awarded to the lowest responsible bid conforming to specifications. However, when considering the base contract amount and without considering cost overruns, if the two lowest responsible bids are within one percent of each other, the board may award the contract to either bidder. A board shall have the right to reject any bid found not to be responsible or conforming to specifications or to reject all bids.

* * *

(e) Application of this section. Any contract entered into or purchase made in violation of the provisions of this section shall be void; provided, however, that:

(1) The provisions of this section shall not apply to contracts for the purchase of books or other materials of instruction.

(2) A school board may name in the specifications and invitations for bids under this section the particular make, kind, or brand of article or articles to be purchased or contracted.

(3) Nothing in this section shall apply to emergency repairs.

(4) ~~Nothing in this section shall be construed to prohibit a school board from awarding a school nutrition contract after using any method of bidding or requests for proposals permitted under federal law for award of the contract. Notwithstanding the monetary amount in subsection (a) of this section for which a school board is required to advertise publicly or invite three or more bids or requests for proposal, a school board is required to publicly advertise or invite three or more bids or requests for proposal for purchases made from the nonprofit school food service account for purchases in excess of the federal simplified acquisition threshold when purchasing food or in excess of \$25,000.00 when purchasing nonfood items, unless a municipality sets a lower threshold for purchases from the nonprofit school food service account. The~~

provisions of this section shall not apply to contracts for the purchase of food made from a nonprofit school food services account.

* * *

* * * Postsecondary Schools Chartered in Vermont * * *

Sec. 2. 16 V.S.A. § 176(d) is amended to read:

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

* * *

(4) Postsecondary schools that are accredited. The following postsecondary institutions are accredited, meet the criteria for exempt status, and are authorized to operate educational programs beyond secondary education, including programs leading to a degree or certificate: Bennington College, Champlain College, ~~College of St. Joseph~~, Goddard College, ~~Green Mountain College~~, Landmark College, ~~Marlboro College~~, Middlebury College, ~~New England Culinary Institute~~, Norwich University, Saint Michael's College, SIT Graduate Institute, ~~Southern Vermont College~~, Sterling College, Vermont College of Fine Arts, and Vermont Law and Graduate School. This authorization is provided solely to the extent necessary to ensure institutional compliance with federal financial aid-related regulations, and it does not affect, rescind, or supersede any preexisting authorizations, charters, or other forms of recognition or authorization.

* * *

Sec. 3. 2023 Acts and Resolves No. 29, Sec. 6(c) is amended to read:

(c) Sec. 2 (16 V.S.A. § 1480) shall take effect on ~~July 1, 2024~~ July 1, 2025.

* * * Holocaust Education * * *

Sec. 4. HOLOCAUST EDUCATION; DATA COLLECTION; REPORT

(a) On or before December 1, 2024, the Agency of Education shall request from all supervisory unions information regarding how Holocaust education is taught in the prekindergarten through grade 12 supervisory union-wide curriculum. The Agency may consult with such entities as the U.S. Holocaust Museum and the Vermont Holocaust Memorial.

(b) On or before September 1, 2025, Supervisory unions shall report back to the Agency with the information requested pursuant to subsection (a) of this section.

(c) On or before January 1, 2026, the Agency shall submit a written report to the Senate and House Committees on Education with information, organized by supervisory union, regarding the inclusion of Holocaust education in curriculum across the State.

* * * Virtual Learning * * *

Sec. 5. 16 V.S.A. § 948 is added to read:

§ 948. VIRTUAL LEARNING

(a) The Agency of Education shall maintain access to and oversight of a virtual learning provider for the purpose of offering virtual learning opportunities to Vermont students.

(b) A student may enroll in virtual learning if:

(1) the student is enrolled in a Vermont public school, including a Vermont career technical center;

(2) virtual learning is determined to be an appropriate learning pathway outlined in the student's personalized learning plan; and

(3) the student's learning experience occurs under the supervision of an appropriately licensed educator and aligns with State expectations and standards, as adopted by the Agency and the State Board of Education, as applicable.

(c) The Agency of Education shall adopt rules pursuant to 3 V.S.A. chapter 25 to implement this section.

(d) A school district shall count a student enrolled in virtual learning in the school district's average daily membership, as defined in section 4001 of this title, if the student meets all of the criteria in subsection (b) of this section.

Sec. 6. 16 V.S.A. § 942(13) is amended to read:

(13) "Virtual learning" means learning in which the teacher and student communicate concurrently through real-time telecommunication. "Virtual learning" also means online learning in which communication between the teacher and student does not occur concurrently and the student works according to his or her own schedule in an intentionally designed learning environment for online teaching and learning using online design principles and teachers trained in the delivery of online instruction. This instruction may take place either in a self-paced environment or a real-time environment.

* * * Home Study Program * * *

Sec. 7. 16 V.S.A. § 166b is amended to read:

§ 166b. HOME STUDY PROGRAM

(a) Enrollment notice. A parent or legal guardian shall send the Secretary notice of intent to enroll the parent's or legal guardian's child in a home study program at least 10 business days prior to commencing home study. Such notice shall be submitted via a form developed by the Agency of Education. A notice under this subsection shall include the following:

* * *

(5) An attestation that each child being enrolled in home study will be provided the equivalent of at least 175 days of instruction in the minimum course of study per year; specifically. The instruction provided shall be adapted in each of the minimum courses of study to the age and ability of each child, as well as the disability of each child, as applicable. Nothing in this section shall be construed to require a home study program to follow the program or methods used by public schools. Specifically, the minimum course of study per year means:

(A) for a child who is younger than 13 years of age, the subject areas listed in section 906 of this title;

(B) for a child who is 13 years of age or older, the subject areas listed in subdivisions 906(b)(1), (2), (4), and (5) of this title; or

(C) for students with documented disabilities, a parent or guardian must attest to providing adaptations to support the student in the home study program.

* * *

(e) Hearings after enrollment. If the Secretary has information that reasonably could be expected to justify an order of termination under this section, the Secretary may call a hearing. At the hearing, the Secretary shall establish one or more of the following:

(1) the home study program has substantially failed to comply with the requirements of this section;

(2) the home study program has substantially failed to provide a student with the minimum course of study;

(3) the home study program will not provide a student with the minimum course of study; or

(4) the home study program has failed to show progress commensurate with age and ability in the annual assessment maintained by the home study program.

(f) Notice and procedure. Notice of a hearing shall include a brief summary of the material facts and shall be sent to each parent or guardian and each instructor of the student or students involved who are known to the Secretary. The hearing shall occur within 30 days following the day that notice is given or sent. The hearing shall be conducted by an impartial hearing officer appointed by the Secretary from a list approved by the State Board. At the request of the child's parent or guardian, the hearing officer shall conduct the hearing at a location in the vicinity of the home study program.

(g) Order following hearing. After hearing evidence, the hearing officer shall enter an order within 10 working days. The order shall provide that enrollment be continued or that the enrollment be terminated. An order shall take effect immediately. Unless the hearing officer provides for a shorter period, an order terminating enrollment shall extend until the end of the following school year, as defined in this title. If the order is to terminate the enrollment, a copy shall be given to the appropriate superintendent of schools, who shall take appropriate action to ensure that the child is enrolled in a school as required by this title. Following a hearing, the Secretary may petition the hearing officer to reopen the case only if there has been a material change in circumstances.

* * *

* * * Secretary of Education Search * * *

Sec. 8. 3 V.S.A. § 2702 is amended to read:

§ 2702. SECRETARY OF EDUCATION

(a) With the advice and consent of the Senate, the Governor shall appoint a Secretary of Education from among ~~no~~ not fewer than three candidates proposed by the State Board of Education. The Secretary shall serve at the pleasure of the Governor.

(1) The State Board shall begin a robust national search process not later than 60 days after public notification of the resignation of a Secretary of Education.

(2) The State Board may request from the Agency of Education the funds necessary to utilize outside resources for the search process required pursuant to this subsection.

(b) The Secretary shall report directly to the Governor and shall be a member of the Governor's Cabinet.

(c) At the time of appointment, the Secretary shall have expertise in education management and policy demonstrated leadership and management abilities.

* * * Agency of Education Financial Data Report * * *

Sec. 9. EDUCATION FINANCE INFORMATION; AGENCY OF EDUCATION; REPORT

(a) On or before September 15, 2024, the Agency of Education shall submit a written report to the General Assembly that shall include the following information for fiscal years 2023 and 2024:

(1) a financial analysis of the cost of the mental health and behavioral needs services provided by school districts and paid for from the Education Fund, broken down by costs in the following categories:

(A) mental health and behavioral needs staffing costs;

(B) mental health and behavioral needs transportation related costs;
and

(C) costs associated with educating students outside the district due to mental health or behavioral needs; and

(2) the districts that provide for the education of their students in any grade by paying tuition, including the following information, by school district:

(A) the number of students tuitioned in each grade; and

(B) the name and location of the schools students are tuitioned to, including the number of students in each school district attending a particular school and the amount of tuition charged by each receiving school.

(b) On or before December 1 2024, the Agency of Education shall submit a written report to the General Assembly with an analysis whether an interagency collaboration between the Agencies of Education and of Human Services to provide the social services currently provided by school districts is possible and, if so, what the possible advantages or disadvantages to such a collaboration might be.

* * * Overpayment of Education Taxes * * *

Sec. 10. COMPENSATION FOR OVERPAYMENT

(a) Notwithstanding any provision of law to the contrary, the sum of \$29,224.00 shall be transferred from the Education Fund to the Town of Canaan in fiscal year 2025 to compensate the homestead taxpayers of the

Town of Canaan for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Canaan.

(b) Notwithstanding any provision of law to the contrary, the sum of \$5,924.00 shall be transferred from the Education Fund to the Town of Bloomfield in fiscal year 2025 to compensate the homestead taxpayers of the Town of Bloomfield for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Bloomfield.

(c) Notwithstanding any provision of law to the contrary, the sum of \$2,575.00 shall be transferred from the Education Fund to the Town of Brunswick in fiscal year 2025 to compensate the homestead taxpayers of the Town of Brunswick for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Brunswick.

(d) Notwithstanding any provision of law to the contrary, the sum of \$6,145.00 shall be transferred from the Education Fund to the Town of East Haven in fiscal year 2025 to compensate the homestead taxpayers of the Town of East Haven for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of East Haven.

(e) Notwithstanding any provision of law to the contrary, the sum of \$2,046.00 shall be transferred from the Education Fund to the Town of Granby in fiscal year 2025 to compensate the homestead taxpayers of the Town of Granby for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Granby.

(f) Notwithstanding any provision of law to the contrary, the sum of \$10,034.00 shall be transferred from the Education Fund to the Town of Guildhall in fiscal year 2025 to compensate the homestead taxpayers of the Town of Guildhall for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Guildhall.

(g) Notwithstanding any provision of law to the contrary, the sum of \$20,536.00 shall be transferred from the Education Fund to the Town of Kirby in fiscal year 2025 to compensate the homestead taxpayers of the Town of Kirby for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Kirby.

(h) Notwithstanding any provision of law to the contrary, the sum of \$2,402.00 shall be transferred from the Education Fund to the Town of Lemington in fiscal year 2025 to compensate the homestead taxpayers of the Town of Lemington for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Lemington.

(i) Notwithstanding any provision of law to the contrary, the sum of \$11,464.00 shall be transferred from the Education Fund to the Town of Maidstone in fiscal year 2025 to compensate the homestead taxpayers of the Town of Maidstone for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Maidstone.

(j) Notwithstanding any provision of law to the contrary, the sum of \$4,349.00 shall be transferred from the Education Fund to the Town of Norton in fiscal year 2025 to compensate the homestead taxpayers of the Town of Norton for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Norton.

(k) Notwithstanding any provision of law to the contrary, the sum of \$2,657.00 shall be transferred from the Education Fund to the Town of Victory in fiscal year 2025 to compensate the homestead taxpayers of the Town of Victory for an overpayment of education taxes in fiscal year 2024 due to erroneous accounting of certain students for the purposes of calculating average daily membership. The transfer under this subsection shall be made directly to the Town of Victory.

* * * Military-Related Postsecondary Education and Training
Opportunities * * *

Sec. 10a. 16 V.S.A. § 941 is amended to read:

§ 941. FLEXIBLE PATHWAYS INITIATIVE

(a) There is created within the Agency a Flexible Pathways Initiative:

(1) to encourage and support the creativity of school districts as they develop and expand high-quality educational experiences that are an integral part of secondary education in the evolving 21st ~~Century~~ century classroom;

(2) to promote opportunities for Vermont students to achieve postsecondary readiness through high-quality educational experiences that acknowledge individual goals, learning styles, and abilities; and

(3) to increase the rates of secondary school completion and postsecondary continuation and retention in Vermont.

(b) The Secretary shall develop, publish, and regularly update guidance, in the form of technical assistance, sharing of best practices and model documents, legal interpretations, and other support designed to assist school districts:

(1) ~~to~~ To identify and support secondary students who require additional assistance to succeed in school and to identify ways in which individual students would benefit from flexible pathways to graduation;~~;~~

(2) ~~to~~ To work with every student in grade ~~7~~ seven through grade 12 in an ongoing personalized learning planning process that:

(A) identifies the student's emerging abilities, aptitude, and disposition;

(B) includes participation by families and other engaged adults;

(C) guides decisions regarding course offerings and other high-quality educational experiences; ~~and~~

(D) identifies career and postsecondary planning options using resources provided pursuant to subdivision (4) of this subsection (b); and

~~(D)~~(E) is documented by a personalized learning plan;~~;~~

(3) ~~to~~ To create opportunities for secondary students to pursue flexible pathways to graduation that:

(A) increase aspiration and encourage postsecondary continuation of training and education;

(B) are an integral component of a student's personalized learning plan; and

(C) include:

- (i) applied or work-based learning opportunities, including career and career technical education and internships;
- (ii) virtual learning and blended learning;
- (iii) dual enrollment opportunities as set forth in section 944 of this title;
- (iv) early college programs as set forth in subsection 4011(e) of this title;
- (v) the High School Completion Program as set forth in section 943 of this title; and
- (vi) the Adult Diploma Program and General Educational Development Program as set forth in section 945 of this title; and

(4) ~~to~~ To provide students, beginning ~~no~~ not later than in grade 7 ~~seven~~, with career development and postsecondary planning resources to ensure that they are able to take full advantage of the opportunities available within the flexible pathways to graduation and to achieve their career and postsecondary education and training goals. Resources provided pursuant to this subdivision shall include information regarding the admissions process and requirements necessary to proceed with any and all military-related opportunities.

* * *

Sec. 10b. 16 V.S.A. § 2828 is added to read:

§ 2828. PLANNING RESOURCES; U.S. ARMED FORCES OPTIONS

The Corporation's print and website financial aid and planning publications for postsecondary education and training resources shall include Vermont National Guard and U. S. Armed Forces options relevant to each publication.

* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2024.

NOTICE CALENDAR

House Proposal of Amendment

S. 96.

An act relating to privatization contracts.

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. § 341 is amended to read:

§ 341. DEFINITIONS

* * *

(3) “Privatization contract” means a contract for services valued at \$25,000.00 or more per year, which:

(A) is the same or substantially similar to and in lieu of services ~~previously~~ currently provided, in whole or in part, by permanent, classified State employees; or

(B) will substantially replace the duties of a vacant position in State government, ~~and which results in a reduction in force of at least one permanent, classified employee, or the elimination of a vacant position of an employee covered by a collective bargaining agreement.~~

* * *

Sec. 2. 3 V.S.A. §§ 342 and 343 are amended to read:

§ 342. CONTRACTING STANDARDS; CONTRACTS FOR SERVICES

Each contract for services valued at \$25,000.00 or more per year shall require certification by the Office of the Attorney General to the Secretary of Administration that such contract for services is not contrary to the ~~spirit and~~ intent of the classification plan and merit system and standards of this title. A contract for services is contrary to the ~~spirit and~~ intent of the classification plan and merit system and standards of this title, and shall not be certified by the Office of the Attorney General as provided in this section, unless the provisions of subdivisions (1), (2), and (3) of this section are met, or one or more of the exceptions described in subdivision (4) of this section apply.

* * *

§ 343. PRIVATIZATION CONTRACTS; PROCEDURE

(a) An agency shall not enter into a privatization contract unless all of the following are satisfied:

(1)(A) Thirty-five days prior to the beginning of any open bidding process, the agency provides written notice to the collective bargaining representative of the intent to seek to enter a privatization contract. During those 35 days, the collective bargaining representative shall have the opportunity to discuss alternatives to contracting. Such alternatives may include amendments to the contract if mutually agreed upon by the parties. Notices regarding the bid opportunity may not be issued during the 35-day

discussion period. The continuation of discussions beyond the end of the 35-day period shall not delay the issuance of notices.

(B) During this 35-day period, the agency shall prepare a specific written statement of the services proposed to be the subject of the privatization contract, including the specific quantity and standard or quality of the subject services. For each position in which a bidder will employ any person pursuant to a privatization contract and for which the duties are substantially similar to the duties performed by a permanent, classified State employee, the statement shall also include the prevailing wage rate to be paid for each position, which shall not be less than the average step of the grade under which the comparable State employee position is paid. This statement shall be provided to the collective bargaining representative, the Agency of Administration, and be posted where it is viewable to the public. This statement shall be subject to 1 V.S.A. chapter 5, subchapter 3 (Public Records Act).

* * *

(4) Every bid for a privatization contract shall include:

(A) the wage rate for each position, which shall not be less than the prevailing wage rate contained in the statement described in subdivision (1)(B) of this subsection (a); and

(B) whether health, dental, and vision insurance coverage is provided to employees and, if applicable, the cost to employees for such coverage.

(5) The Agency and the Secretary of Administration shall each certify in writing that:

(A) they have complied with all provisions of this section and with all other applicable laws;

(B) the quality of the services to be provided by the designated bidder is likely to satisfy the quality requirements of the statement prepared pursuant to subdivision (1) of this subsection (a);

(C) the designated bidder and its supervisory employees, while in the employ of the designated bidder, have no record of substantial or repeated willful noncompliance with any relevant federal or State regulatory statute, including statutes concerning labor relations, occupational safety and health, nondiscrimination and affirmative action, environmental protection, and conflicts of interest; and

(D) the proposed privatization contract is in the public interest in that it meets the applicable quality and fiscal standards set forth in this section.

(b) Each privatization contract shall include:

(1) the wage rate for each position, which shall not be less than the prevailing wage rate contained in the statement described in subdivision (a)(1) of this section;

(2) a provision that the cost and coverage of the health, dental, and vision insurance provided to employees is substantially similar to the cost and coverage of the health, dental, and vision insurance provided to State employees;

(3) a provision that the contractor shall submit quarterly payroll records to the agency that list the hours worked and the hourly wage paid for each employee in the previous quarter;

(4) a provision that the agency shall not amend any privatization contract if the amendment has the purpose or effect of voiding any requirement of this section;

(5) a provision requiring the contractor to comply with a policy of nondiscrimination and equal opportunity for all persons and to take affirmative steps to provide such equal opportunity for all persons;

(6) a provision granting all employees employed under the contract just cause employment protection; and

(7) a provision requiring the contractor to comply with a policy of whistleblower protection equal to those defined in sections 971–978 of this title.

~~(b)~~(c)(1) A privatization contract shall contain specific performance measures regarding quantity, quality, and results and guarantees regarding the services performed.

(2) The agency shall provide information in the State's Workforce Report on the contractor's compliance with the specific performance measures set out in the contract.

(3) The agency may not renew the contract if the contractor fails to comply with the specific performance measures set out in the contract as required by subdivision (1) of this subsection.

~~(e)~~(d)(1) Before an agency may renew a privatization contract for the first time, the Auditor of Accounts shall review the privatization contract, along with employer payroll and benefits records, analyzing whether it is achieving:

(A) the 10 percent cost-savings requirement set forth in subdivision (a)(2) of this section; and

(B) the performance measures incorporated into the contract as required under subdivision ~~(b)~~(c)(1) of this section.

(2) If the Auditor of Accounts finds that a privatization contract has not achieved the cost savings required under subdivision (a)(2) of this section or complied with performance measures required under ~~subdivision (b)~~ subdivisions (c)(1) and (d)(1) of this section, the Auditor of Accounts shall file a report with the agency and the House Committee on Government Operations and Military Affairs and Senate ~~Committees~~ Committee on Government Operations, and the agency review ~~whether to renew the privatization contract or perform the work with State employees shall not renew the privatization contract.~~

Sec. 3. FISCAL AND OPERATIONAL IMPACT OF PRIVATIZATION CONTRACT CHANGES

(a) The Agency of Administration, in consultation with the Joint Fiscal Office, the State Auditor, the Vermont State Employees' Association, and the Office of the Attorney General, shall assess the fiscal and operational impacts of:

(1) modifying the definition of "privatization contract" as set forth in 3 V.S.A. § 341, to include grants;

(2) increasing the required cost savings of a privatization contract from 10 percent to 20 percent; and

(3) removing exceptions set forth in 3 V.S.A. § 342(4) that, after review, are used excessively or arbitrarily to certify contracts by the Office of the Attorney General.

(b) The Agency shall submit a written report to the House Committees on Appropriations and on Government Operations and Military Affairs and the Senate Committees on Appropriations and on Government Operations with its analysis conducted pursuant to this section on or before February 1, 2025.

Sec. 4. LEGISLATIVE INTENT; PRIVATIZATION CONTRACTS

It is the intent of the General Assembly that a privatization contract shall not be required for a contract for services when there is no permanent, classified State employee position to perform the equivalent of such proposed contracted services, which includes health services and capital construction.

Sec. 5. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1 shall take effect on July 1, 2025.

House Proposal of Amendment to Senate Proposal of Amendment

H. 55.

An act relating to miscellaneous unemployment insurance amendments.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Unemployment Insurance * * *

Sec. 1. 21 V.S.A. § 1325 is amended to read:

§ 1325. EMPLOYERS' EXPERIENCE-RATING RECORDS;
DISCLOSURE TO SUCCESSOR ENTITY

(a)(1) The Commissioner shall maintain an experience-rating record for each employer. Benefits paid shall be charged against the experience-rating record of each subject employer who provided base-period wages to the eligible individual. Each subject employer's experience-rating charge shall bear the same ratio to total benefits paid as the total base-period wages paid by that employer bear to the total base-period wages paid to the individual by all base-period employers. The experience-rating record of an individual subject base-period employer shall not be charged for benefits paid to an individual under any of the following conditions:

* * *

(2) If an individual's unemployment is directly caused by a major disaster declared by the President of the United States pursuant to 42 U.S.C. § 5122 and the individual would have been eligible for federal disaster unemployment assistance benefits but for the receipt of regular benefits, an employer shall be relieved of charges for benefits paid to the individual with respect to any week of unemployment occurring due to the natural disaster up to a maximum amount of ~~four~~ 10 weeks.

* * *

Sec. 2. 21 V.S.A. § 1347 is amended to read:

§ 1347. NONDISCLOSURE OR MISREPRESENTATION;
OVERPAYMENTS; WAIVER

* * *

(f)(1) Notwithstanding any provision of subsection (a), (b), or (d) of this section to the contrary, the Commissioner may waive up to the full amount of

any overpayment that is not a result of the person's intentional misrepresentation of or failure to disclose a material fact if:

(A) the overpayment occurs through no fault of the person; and

(B) recovery of the overpayment would be against equity and good conscience.

(2) A person may request a waiver of an overpayment at any time after receiving notice of a determination pursuant to subsection (a) or (b) of this section.

(3) Upon making a determination that an overpayment occurred pursuant to subsection (a) or (b) of this section, the Commissioner shall, to the extent possible and in consideration of the information available to the Department, determine whether waiver of the amount of overpaid benefits is appropriate.

(4) The Commissioner shall provide notice of the right to request a waiver of an overpayment with each determination that an overpayment has occurred. The notice shall include clear instructions regarding the circumstances under which a waiver may be granted and how a person may apply for a waiver.

(5) If the Commissioner denies an application for a waiver, the Commissioner shall provide written notice of:

(A) the denial with enough information to ensure that the person can understand the reason for the denial; and

(B) the person's right to appeal the determination pursuant to subsection (h) of this section.

(6)(A) A person whose request to waive an overpayment pursuant to this subsection has been denied pursuant to subdivision (5) of this subsection (f) and whose rights to appeal the denial pursuant to subsection (h) have been exhausted shall be permitted to submit an additional request to waive the overpayment if the person can demonstrate a material change in the person's circumstances such that recovery of the overpayment would be against equity and good conscience.

(B) The Commissioner may dismiss a request to waive an overpayment that is submitted pursuant to this subdivision (6) if the Commissioner finds that there is no material change in the person's circumstances such that recovery of the overpayment would be against equity and good conscience. The Commissioner's determination pursuant to this subdivision (6) shall be final and shall not be subject to appeal.

(7) In the event that an overpayment is waived on appeal, the Commissioner shall, as soon as practicable, refund any amounts collected or withheld in relation to the overpayment pursuant to the provisions of this section.

(g) The provisions of subsection (f) of this section shall, to the extent permitted by federal law, apply to overpayments made in relation to any federal unemployment insurance benefits or similar federal benefits.

(h) Interested parties shall have the right to appeal from any determination under this section and the same procedure shall be followed as provided for in subsection 1348(a) and section 1349 of this title.

(i) The Commissioner shall not attempt to recover an overpayment or withhold any amounts of unemployment insurance benefits from a person:

(1) until after the Commissioner has made a final determination regarding whether an overpayment of benefits to the person occurred and the person's right to appeal the determination has been exhausted; or

(2) if the person filed an application for a waiver, until after the Commissioner has made an initial determination regarding the application.

(j)(1) The Commissioner shall provide any person who received an overpayment of benefits and is not currently receiving benefits pursuant to this chapter with the option of entering into a plan to repay the amount of the overpayment. The plan shall provide for reasonable weekly, biweekly, or monthly payments in an amount that permits the person to continue to afford the person's ordinary living expenses.

(2) The Commissioner shall permit a person to request a modification to a repayment plan created pursuant to this subsection if the person's ability to afford ordinary living expenses changes.

Sec. 3. 21 V.S.A. § 1347 is amended to read:

§ 1347. NONDISCLOSURE OR MISREPRESENTATION;
OVERPAYMENTS; WAIVER

* * *

(d) In any case in which under this section a person is liable to repay any amount to the Commissioner for the Fund, the Commissioner may withhold, ~~in whole or in part,~~ any future benefits payable to ~~sueh~~ the person, in amounts equal to not more than 50 percent of the person's weekly benefit amount, and credit ~~sueh~~ the withheld benefits against the amount due from ~~sueh~~ the person until it is repaid in full, less any penalties assessed under subsection (c) of this section.

* * *

Sec. 4. WAIVER OF UI OVERPAYMENT; RULEMAKING

On or before November 1, 2024, the Employment Security Board shall commence rulemaking and file proposed rule amendments pursuant to 3 V.S.A. § 838 as necessary to implement the provisions of Sec. 2 of this act, amending 21 V.S.A. § 1347.

* * * Unemployment Insurance Technical Corrections * * *

Sec. 5. 21 V.S.A. § 1301 is amended to read:

§ 1301. DEFINITIONS

As used in this chapter:

* * *

(3) “Contributions” means the money payments to the State Unemployment Compensation Trust Fund required by this chapter.

* * *

(25) ~~“Son,” “daughter,” and “child” include~~ “Child” includes an individual’s biological child, foster child, adoptive child, stepchild, a child for whom the individual is listed as a parent on the child’s birth certificate, a legal ward of the individual, a child of the individual’s spouse, or a child that the individual has day-to-day responsibilities to care for and financially support.

* * *

Sec. 6. 21 V.S.A. § 1321(d) is amended to read:

(d) Financing benefits paid to employees of State. In lieu of contributions required of employers subject to this chapter, the State of Vermont, including State hospitals but excluding any State institution of higher education, shall pay to the Commissioner, for the Unemployment Compensation Trust Fund, an amount equal to the amount of benefits paid, including the full amount of extended benefits paid, attributable to service by individuals in the employ of the State. At the end of each calendar quarter, or at the end of any other period as determined by the Commissioner, the Commissioner shall bill the State for the amount of benefits paid during ~~sueh~~ the quarter or other prescribed period that is attributable to service in the employ of the State. Subdivisions (c)(3)(C) through (3)(F), inclusive, and subdivisions (c)(5) and (6) of this section as they apply to nonprofit organizations shall also apply to the State of Vermont, except that the State shall be liable for all benefits paid, including the full amount of extended benefits paid, attributable to service in the employ of the State.

Sec. 7. 21 V.S.A. § 1361 is amended to read:

§ 1361. MANAGEMENT OF FUNDS UPON DISCONTINUANCE OF
UNEMPLOYMENT TRUST FUND

The provisions of sections 1358–1360 of this ~~title~~ subchapter to the extent that they relate to the federal Unemployment Trust Fund, shall be operative only ~~so long as such~~ if the federal Unemployment Trust Fund continues to exist and ~~so long as~~ the U.S. Secretary of the Treasury continues to maintain for this State a separate book account of all Funds deposited ~~therein~~ in the federal Unemployment Trust Fund by this State for benefit purposes, together with this State's proportionate share of the earnings of ~~such~~ the Unemployment Trust Fund, from which only the Commissioner of Labor is permitted to make withdrawals. If and when ~~such Unemployment Trust Fund~~ shall federal law no longer be required by the laws of the United States requires the federal Unemployment Trust Fund to be maintained as aforesaid as a condition of approval of this chapter as provided in Title III of the Social Security Act, then all monies, properties, or securities ~~therein~~ in the federal Unemployment Trust Fund, belonging to the Unemployment Compensation Trust Fund of this State, shall be transferred to the treasurer of the Unemployment Compensation Trust Fund, who shall hold, invest, transfer, sell, deposit, and release ~~such~~ the monies, properties, or securities in a manner approved by the Commissioner and appropriate for trust funds, subject to all claims for benefits under this chapter.

Sec. 8. 21 V.S.A. § 1362 is amended to read:

§ 1362. UNEMPLOYMENT COMPENSATION ADMINISTRATION
FUND

~~There is hereby created the~~ The Unemployment Compensation Administration Fund ~~is created~~ to consist of all monies received by the State or by the Commissioner for the administration of this chapter. ~~This special fund~~ The Unemployment Compensation Administration Fund shall be a special fund managed pursuant to 32 V.S.A. chapter 7, subchapter 5. ~~The Unemployment Compensation Administration Fund shall be~~ handled through the State Treasurer as other State monies are handled, but it shall be expended solely for the purposes and in the amounts found necessary by the Secretary of Labor for the proper and efficient administration of ~~such~~ this chapter and its balance shall not lapse at any time but shall remain continuously available to the Commissioner for expenditures consistent ~~herewith~~ with the provisions of this section. All federal monies allotted or apportioned to the State by the Secretary of Labor, or other agency, for the administration of this chapter shall be paid into the Unemployment Compensation Administration Fund and are

hereby appropriated to ~~such~~ the Unemployment Compensation Administration Fund.

Sec. 9. 21 V.S.A. § 1365 is amended to read:

§ 1365. CONTINGENT FUND

(a) There is ~~hereby~~ created a special fund to be known as the Contingent Fund. All interest, fines, and penalties collected under the provisions of ~~the unemployment compensation law after April 1, 1947~~ this chapter, together with any voluntary contributions tendered as a contribution to ~~this~~ the Contingent Fund, shall be paid into ~~this~~ the Contingent Fund. ~~Such~~ The monies shall not be expended or available for expenditures in any manner ~~which that~~ would permit their substitution for, or a corresponding reduction in, federal funds ~~which that~~ would in the absence of ~~such~~ the monies be available to finance expenditures for the administration of the unemployment compensation law.

(b) ~~But nothing~~ Nothing in this chapter shall prevent ~~such~~ the monies from being used as a revolving fund to cover expenditures, necessary and proper under the law for which federal funds have been duly requested but not yet received, subject to the charging of ~~such~~ the expenditures against ~~such~~ the funds when received.

(c) The monies in ~~this~~ the Contingent Fund shall be used by the Commissioner for the payment of costs of administration ~~which that~~ are found not to have been properly and validly chargeable against federal grants, or other funds, received for or in the Unemployment Compensation Administration Fund ~~on or after January 1, 1947~~. No expenditure of the Contingent Fund shall be made unless and until the Commissioner finds that no other funds are available or can properly be used to finance ~~such~~ the expenditures.

(d) The State Treasurer shall co-sign all expenditures from ~~this~~ the Contingent Fund authorized by the Commissioner.

(e) The monies in ~~this~~ the Contingent Fund are ~~hereby specifically made~~ available to replace, within a reasonable time, any monies received by this State pursuant to ~~section 302 of the federal Social Security Act, as amended, which 42 U.S.C. § 502 that~~ because of any action or contingency, have been lost or have been expended for purposes other than, or in amounts in excess of, those necessary for the proper administration of the unemployment compensation law.

(f) The monies in ~~this~~ the Contingent Fund shall be continuously available to the Commissioner for expenditure in accordance with the provisions of this

section and shall not lapse at any time or be transferred to any other fund except as ~~herein~~ provided pursuant to this section.

(g) ~~Provided, however, that on~~ On December 31 of each year, all monies in excess of \$10,000.00 in ~~this~~ the Contingent Fund shall be transferred to the Unemployment Compensation Trust Fund. On or before March 31 of each year, an audit of ~~this~~ the Contingent Fund ~~will~~ shall be completed and a report of that audit ~~will~~ shall be made public.

(h) In the event that a refund of interest, a fine, or a penalty is found necessary, and ~~such~~ the interest, fine, or penalty has been deposited in the Contingent Fund, ~~such~~ the refund shall be made from the Contingent Fund.

* * * Workers' Compensation * * *

Sec. 10. 2023 Acts and Resolves No. 76, Sec. 38 is amended to read:

Sec. 38. ADOPTION OF RULES

The Commissioner of Labor shall, on or before July 1, 2024, adopt rules as necessary to implement the provisions of Secs. 29, 30, 31, 32, 33, 34, ~~35~~, 36, and 37, ~~and 38~~ of this act.

Sec. 11. 21 V.S.A. § 601 is amended to read:

§ 601. DEFINITIONS

As used in this chapter:

* * *

(11) "Personal injury by accident arising out of and in the course of employment" includes an injury caused by the willful act of a third person directed against an employee because of that employment.

* * *

(I)(i) In the case of police officers, rescue or ambulance workers, ~~or~~ firefighters, ~~or State employees, as that term is defined pursuant to subdivision (iii)(VI) of this subdivision (11)(I),~~ post-traumatic stress disorder that is diagnosed by a mental health professional shall be presumed to have been incurred during service in the line of duty and shall be compensable, unless it is shown by a preponderance of the evidence that the post-traumatic stress disorder was caused by nonservice-connected risk factors or nonservice-connected exposure.

(ii) A police officer, rescue or ambulance worker, ~~or~~ firefighter, ~~or State employee~~ who is diagnosed with post-traumatic stress disorder within three years ~~of~~ following the last active date of employment as a police officer,

rescue or ambulance worker, ~~or~~ firefighter, or State employee shall be eligible for benefits under this subdivision (11).

(iii) As used in this subdivision (11)(I):

(I) “Classified employee” means an employee in the classified service, as defined pursuant to 3 V.S.A. § 311.

(II) “Firefighter” means a firefighter as defined in 20 V.S.A. § 3151(3) and (4).

~~(H)~~(III) “Mental health professional” means a person with professional training, experience, and demonstrated competence in the treatment and diagnosis of mental conditions, who is certified or licensed to provide mental health care services and for whom diagnoses of mental conditions are within his or her the person’s scope of practice, including a physician, nurse with recognized psychiatric specialties, psychologist, clinical social worker, mental health counselor, or alcohol or drug abuse counselor.

~~(H)~~(IV) “Police officer” means a law enforcement officer who has been certified by the Vermont Criminal Justice Council pursuant to 20 V.S.A. chapter 151.

~~(H)~~(V) “Rescue or ambulance worker” means ambulance service, emergency medical personnel, first responder service, and volunteer personnel as defined in 24 V.S.A. § 2651.

(VI) “State employees” means:

(aa) facility employees of the Department of Corrections;

(bb) employees of the Department of Corrections who provide direct security or treatment services to offenders under supervision in the community;

(cc) classified employees of State-operated therapeutic community residences or inpatient psychiatric hospital units;

(dd) classified employees of public safety answering points;

(ee) classified employees of the Family Services Division of the Department for Children and Families;

(ff) classified employees of the Vermont Veterans’ Home;

(gg) classified employees of the Department of State’s Attorneys and Sheriffs, State’s Attorneys, and employees of the Department of State’s Attorneys and Sheriffs who are assigned to a State’s Attorney’s field office; and

(hh) classified employees in the Criminal Division of the Attorney General's Office.

* * *

Sec. 12. SURVEY OF FIRE DEPARTMENTS; REPORT

(a) The Executive Director of the Division of Fire Safety shall conduct an annual survey of Vermont municipal fire departments and private volunteer fire departments during calendar years 2025, 2027, and 2029 regarding the following information, to the extent such information is available to the departments:

(1) the number of firefighters in the department;

(2) the number of firefighters in the department who use tobacco products; and

(3) for each firefighter in the department, the firefighter's:

(A) age;

(B) gender;

(C) position or rank in the department;

(D) if a professional firefighter, the date of hire, and if a volunteer firefighter, the date on which service in the department began;

(E) the period of employment or service with the department;

(F) if the firefighter's employment or service with the department terminated during the previous 24 months, the date on which the employment or service terminated;

(G) if a professional firefighter, the annual salary or hourly wage paid by the department;

(H) if a volunteer firefighter, the annual salary or hourly wage paid by the volunteer firefighter's regular employment; and

(I) the number of fires responded to during the previous 24 months.

(b)(1) Except as provided pursuant to subsection (c) of this section, all information obtained as part of the surveys conducted pursuant to subsection (a) of this section shall be kept confidential and shall be exempt from public inspection and copying under the Public Records Act.

(2) The reports prepared pursuant to subsection (c) of this section shall present the results of the surveys conducted pursuant to subsection (a) of this

section in an aggregated and anonymized manner and shall not include personally identifying information for any firefighter.

(c) On or before December 15 of 2025, 2027, and 2029, the Executive Director shall report to the Commissioner of Financial Regulation, the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development regarding the results of the survey.

Sec. 13. FIREFIGHTERS' WORKERS' COMPENSATION CLAIMS FOR CANCER; ANNUAL REPORT

(a) The Commissioner of Financial Regulation shall, on or before February 1 of 2026, 2028, and 2030, report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development regarding:

(1) the number of workers' compensation claims for cancer that were submitted by Vermont firefighters in the previous 24 months;

(2) the number and percentage of those claims that were approved;

(3) the types of cancer for which the claims were submitted; and

(4) national trends with respect to workers' compensation claims for cancer submitted by firefighters during the previous 24 months, including, to the extent that information is available, the number of claims filed, the rate of claim approval, and, to the extent information is available, the types of cancer for which claims were submitted.

(b) All workers' compensation insurers doing business in Vermont shall report to the Commissioner of Financial Regulation, in a time and manner specified by the Commissioner:

(1) the number of workers' compensation claims for cancer that were received by the insurer from Vermont firefighters;

(2) the number of those claims that were approved; and

(3) the types of cancer for which the claims were submitted.

(c) The February 1, 2030 report required pursuant to subsection (a) of this section shall, in addition to setting forth the information required pursuant to subsection (a):

(1) aggregate and summarize the data required pursuant to subsection (a) for the preceding six years;

(2) compare the incidence of cancer among firefighters in Vermont to the incidence of cancer among firefighters nationally; and

(3) include a recommendation regarding any legislative action needed to better address the occurrence of cancer among firefighters in Vermont.

Sec. 14. DIVISION OF FIRE SAFETY; FIRE DEPARTMENTS;
SUBSIDY FOR ANNUAL CANCER SCREENING

(a) The Division of Fire Safety shall subsidize the cost of providing cancer screening to Vermont professional and volunteer firefighters, as well as all enrollees in the Vermont Fire Academy Firefighter I program, during fiscal year 2025 to the extent that funds are appropriated for that purpose.

(b)(1) Cancer screening subsidized pursuant to this section shall consist of:

(A) a multi-cancer early detection blood test;

(B) an ultrasound of vital organs, including abdominal aorta, thyroid, liver, gallbladder, spleen, bladder, kidney, testicles for males, and exterior pelvis for females; and

(C) any additional screening that the Executive Director determines to be appropriate.

(2) The Executive Director shall determine the specific types of screening tests to subsidize pursuant to the provision of this section in consultation with appropriate licensed medical professionals.

(c) The Executive Director may utilize the funds appropriated pursuant to subsection (a) of this section to:

(1) provide grants to fire departments to subsidize the cost of cancer screening; or

(2) contract directly with one or more entities to provide cancer screening to fire departments at a discounted rate; or

(3) both.

* * * Unpaid Medical Leave * * *

Sec. 15. 21 V.S.A. § 471 is amended to read:

§ 471. DEFINITIONS

As used in this subchapter:

* * *

(3) “Family leave” means a leave of absence from employment by an employee who works for an employer ~~which~~ that employs 15 or more

individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

(A) the serious ~~illness~~ health condition of the employee; or

(B) the serious ~~illness~~ health condition of the employee's child, stepchild or ward who lives with the employee, foster child, parent, spouse, or parent of the employee's spouse.

(4) "Health care provider" means a licensed health care provider or a health care provider as defined pursuant to 29 C.F.R. § 825.125.

(5) "Parental leave" means a leave of absence from employment by an employee who works for an employer ~~which~~ that employs 10 or more individuals who are employed for an average of at least 30 hours per week during the year for one of the following reasons:

* * *

~~(5)~~(6) "Serious ~~illness~~ health condition" means:

(A) an accident, illness, injury, disease, or physical or mental condition that:

~~(A)~~(i) poses imminent danger of death;

~~(B)~~(ii) requires inpatient care in a hospital, hospice, or residential medical care facility; or

~~(C)~~(iii) requires continuing ~~in-home care under the direction of treatment by a physician~~ health care provider; or

(B) rehabilitation from an accident, illness, injury, disease, or physical or mental condition described in subdivision (A) of this subdivision (6), including treatment for substance use disorder.

Sec. 16. 21 V.S.A. § 472 is amended to read:

§ 472. LEAVE

(a) During any 12-month period, an employee shall be entitled to take unpaid leave for a period not to exceed 12 weeks:

* * *

(2) for family leave, for the serious ~~illness~~ health condition of the employee or the employee's child, stepchild or ward of the employee who lives with the employee, foster child, parent, spouse, or parent of the employee's spouse.

* * *

(e)(1) An employee shall give reasonable written notice of intent to take leave under this subchapter. Notice shall include the date the leave is expected to commence and the estimated duration of the leave.

(2) In the case of the adoption or birth of a child, an employer shall not require that notice be given more than six weeks prior to the anticipated commencement of the leave.

(3) In the case of a serious ~~illness~~ health condition of the employee or a member of the employee's family, an employer may require certification from a ~~physician~~ health care provider to verify the condition and the amount and necessity for the leave requested.

(4) An employee may return from leave earlier than estimated upon approval of the employer.

(5) An employee shall provide reasonable notice to the employer of ~~his or her~~ the need to extend leave to the extent provided by this ~~chapter~~ subchapter.

* * *

(h) Except for serious ~~illness~~ health condition of the employee, an employee who does not return to employment with the employer who provided the leave shall return to the employer the value of any compensation paid to or on behalf of the employee during the leave, except payments for accrued sick leave or vacation leave.

* * * Baby Bonds Trust Program * * *

Sec. 17. 3 V.S.A. chapter 20 is added to read:

CHAPTER 20. VERMONT BABY BOND TRUST

§ 601. DEFINITIONS

As used in this chapter:

(1) “Designated beneficiary” means an individual born on or after July 1, 2024 who was eligible at birth for coverage in the Dr. Dynasaur program established in accordance with Title XIX (Medicaid) and Title XXI (SCHIP) of the Social Security Act or for coverage available pursuant to 33 V.S.A. chapter 19, subchapter 9.

(2) “Eligible expenditure” means an expenditure associated with any of the following, each as prescribed by the Treasurer:

(A) education of a designated beneficiary;

(B) purchase of a dwelling unit or real property in Vermont by a designated beneficiary;

(C) investment in a business in Vermont by a designated beneficiary;
or

(D) investment or rollover in a qualified retirement account, Section 529 account, or Section 529A account established for the benefit of a designated beneficiary.

(3) "Trust" means the Vermont Baby Bond Trust established by this chapter.

§ 602. VERMONT BABY BOND TRUST; ESTABLISHMENT

(a) There is established the Vermont Baby Bond Trust, to be administered by the Office of the State Treasurer. The Trust shall constitute an instrumentality of the State and shall perform essential governmental functions as provided in this chapter. The Trust shall receive and hold until disbursed in accordance with section 607 of this title all payments, deposits, and contributions intended for the Trust; as well as gifts, bequests, and endowments; federal, State, and local grants; any other funds from any public or private source; and all earnings on these funds.

(b)(1) The amounts on deposit in the Trust shall not constitute property of the State, and the Trust shall not be construed to be a department, institution, or agency of the State. Amounts on deposit in the Trust shall not be commingled with State funds, and the State shall have no claim to or against, or interest in, the amounts on deposit in the Trust.

(2) Any contract entered into by, or any obligation of, the Trust shall not constitute a debt or obligation of the State, and the State shall have no obligation to any designated beneficiary or any other person on account of the Trust.

(3) All amounts obligated to be paid from the Trust shall be limited to the amounts available for that obligation on deposit in the Trust, and the availability of amounts for a class of designated beneficiaries does not constitute an assurance that amounts will be available to the same degree, or at all, to another class of designated beneficiaries. The amounts on deposit in the Trust shall only be disbursed in accordance with the provisions of section 607 of this title.

(4) The Trust shall continue in existence until it no longer holds any deposits or has any obligations and its existence is terminated by law. Upon termination, any unclaimed assets shall return to the State and shall be governed by the provisions of 27 V.S.A chapter 18.

(c) The Treasurer shall be responsible for receiving, maintaining, administering, investing, and disbursing amounts from the Trust. The Trust shall not receive deposits in any form other than cash.

§ 603. TREASURER'S TRUST AUTHORITY

The Treasurer, on behalf of the Trust and for purposes of the Trust, may:

(1) receive and invest monies in the Trust in any instruments, obligations, securities, or property in accordance with section 604 of this title;

(2) enter into one or more contractual agreements, including contracts for legal, actuarial, accounting, custodial, advisory, management, administrative, advertising, marketing, or consulting services, for the Trust and pay for such services from the assets of the Trust;

(3) procure insurance in connection with the Trust's property, assets, activities, or deposits and pay for such insurance from the assets of the Trust;

(4) apply for, accept, and expend gifts, grants, and donations from public or private sources to enable the Trust to carry out its objectives;

(5) adopt rules pursuant to 3 V.S.A. chapter 25;

(6) sue and be sued;

(7) establish one or more funds within the Trust and expend reasonable amounts from the funds for internal costs of administration; and

(8) take any other action necessary to carry out the purposes of this chapter.

§ 604. INVESTMENT OF FUNDS IN THE TRUST

The Treasurer shall invest the amounts on deposit in the Trust in a manner reasonable and appropriate to achieve the objectives of the Trust, exercising the discretion and care of a prudent person in similar circumstances with similar objectives. The Treasurer shall give due consideration to the rate of return, risk, term or maturity, and liquidity of any investment; diversification of the total portfolio of investments within the Trust; projected disbursements and expenditures; and the expected payments, deposits, contributions, and gifts to be received. The Treasurer shall not invest directly in obligations of the State or any political subdivision of the State or in any investment or other fund administered by the Treasurer. The assets of the Trust shall be continuously invested and reinvested in a manner consistent with the objectives of the Trust until disbursed for eligible expenditures or expended on expenses incurred by the operations of the Trust.

§ 605. EXEMPTION FROM TAXATION

The property of the Trust and the earnings on the Trust shall be exempt from all taxation by the State or any political subdivision of the State.

§ 606. MONIES INVESTED IN TRUST NOT CONSIDERED ASSETS OR INCOME

(a) Notwithstanding any provision of law to the contrary, and to the extent permitted by federal law, no sum of money invested in the Trust shall be considered to be an asset or income for purposes of determining an individual's eligibility for assistance under any program administered by the Agency of Human Services.

(b) Notwithstanding any provision of law to the contrary, no sum of money invested in the Trust shall be considered to be an asset for purposes of determining an individual's eligibility for need-based institutional aid grants offered to an individual by a public postsecondary school located in Vermont.

§ 607. ACCOUNTING FOR DESIGNATED BENEFICIARY; CLAIMS REQUIREMENTS

(a) The Treasurer shall establish in the Trust an accounting for each designated beneficiary in the amount of \$3,200.00. Each accounting shall include the initial amount of \$3,200.00, plus the designated beneficiary's pro rata share of total net earnings from investments of sums held in the Trust.

(b) A designated beneficiary shall become eligible to receive the total sum of the accounting under subsection (a) of this section upon the designated beneficiary's 18th birthday and completion of a financial coaching requirement as prescribed by the Treasurer. The sum shall only be used for eligible expenditures.

(c) The Treasurer shall create a financial coaching program and materials designed to educate designated beneficiaries and others about the permissible use of funds available under this chapter.

(d) A designated beneficiary, or the designated beneficiary's authorized representative in the case of a designated beneficiary unable to make a claim due to disability, may submit a claim for accounting until the designated beneficiary's 30th birthday, provided the designated beneficiary is a resident of the State at the time of the claim. If a designated beneficiary dies before submitting a valid claim or fails to submit a valid claim before the designated beneficiary's 30th birthday, the designated beneficiary's accounting shall be credited back to the assets of the Trust.

(e) The Treasurer shall adopt rules pursuant to 3 V.S.A. chapter 25 to carry out the purposes of this section, including prescribing the process for submitting a valid claim for accounting.

§ 608. DATA SHARING

In carrying out the purposes of this chapter, the Treasurer may enter into an intergovernmental agreement or memorandum of understanding with any agency or instrumentality of the State requiring disclosure to execute the purposes of this chapter to receive outreach, technical assistance, enforcement, and compliance services; collection or dissemination of information pertinent to the Trust, including protected health information and personal identification information, subject to such obligations of confidentiality as may be agreed to or required by law; or other services or assistance.

§ 609. IMPLEMENTATION; PILOT PROGRAM

The Treasurer's duty to implement this chapter is contingent upon publication by the Treasurer of an official statement that the Treasurer has received donations designated for purposes of implementation or administration of the Trust in an amount sufficient to operate a pilot program. Upon publication, the Treasurer shall commence a pilot program implementing the Trust pursuant to the provisions of this chapter. The pilot program shall be used to evaluate the impact, effectiveness, and operational necessities of a permanent program consistent with this chapter.

Sec. 18. VERMONT BABY BOND TRUST; HOUSING OPPORTUNITIES; REPORT

(a) The Office of the State Treasurer, in consultation with interested stakeholders, shall evaluate the following issues and options under the Vermont Baby Bond Trust program established in 3 V.S.A. chapter 20:

(1) increasing housing opportunities in Vermont through investment of Trust funds, including:

(A) how the Treasurer may, consistent with the Treasurer's fiduciary obligations and subject to the provisions of 32 V.S.A. chapter 7, subchapter 2, invest the funds to advance housing opportunities in Vermont;

(B) the amount of funds that could be invested in this manner; and

(C) the anticipated impact of these investments on housing in Vermont;

(2) potential funding sources for the program;

(3) creating eligibility conditions for, and safeguards to protect, a beneficiary's investment in a business in Vermont;

(4) additional mechanisms to encourage beneficiaries to stay in Vermont, including:

(A) incentives to encourage beneficiaries to expend funds on education at in-State institutions; and

(B) the feasibility of limiting expenditures on education to in-State institutions while permitting waivers to access out-of-State institutions based on program availability and capacity;

(5) modifications to the financial coaching element of the program, including:

(A) ensuring a parent or caretaker of a beneficiary is made aware of the program at or around the time of the beneficiary's birth and offered a financial coaching program substantially similar to that offered beneficiaries;

(B) providing additional financial coaching opportunities for beneficiaries who delay withdrawing funds after meeting eligibility conditions;

(C) utilizing an advisory board to assist in developing the financial coaching element; and

(D) measures to expand financial coaching to all children living in Vermont;

(6) measures for achieving inflationary adjustment of the statutorily mandated accounting;

(7) whether additional needs-based programs administered by the State may be impacted by a beneficiary's entitlement to funds in the Trust;

(8) the feasibility of altering the program to permit unclaimed funds to roll over into a beneficiary's retirement account, including mechanisms for creating an account on behalf of a beneficiary and ensuring funds in the account are not accessible until the beneficiary reaches retirement age; and

(9) any other issues relating to the Vermont Baby Bond Trust investments that the Treasurer identifies as warranting study.

(b) On or before January 15, 2025, the Office of the State Treasurer shall submit a written report to the General Assembly with its findings and any recommendations for legislative action.

* * * Effective Dates * * *

Sec. 19. EFFECTIVE DATES

(a) This section and Sec. 10 (workers' compensation rulemaking technical corrections) shall take effect on passage.

(b) Sec. 3 (amending 21 V.S.A. § 1347(d)) shall take effect upon the earlier of July 1, 2026 or the implementation of the Department of Labor’s updated unemployment insurance information technology system.

(c) The remaining sections shall take effect on July 1, 2024.

And that after passage the title of the bill be amended to read:

An act relating to miscellaneous unemployment insurance, workers’ compensation, and employment practices amendments; and to establishing the Vermont Baby Bond Trust.

ORDERED TO LIE

S. 94.

An act relating to the City of Barre tax increment financing district.

FOR INFORMATION ONLY

In the event that the House overrides the governor's veto and messages the bill to the Senate, upon the suspension of the Senate Rules the bill maybe taken up.

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

H. 72.

An act relating to harm-reduction criminal justice response to drug use.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he *vetoed* and returned unsigned **House Bill No. H. 72**, is as follows:

“May 30, 2024

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

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I’m returning H.72, *An act relating to harm-reduction criminal justice response to drug use*, without my signature because of my objections described herein.

Drug addiction is something we must continuously address, and this important work is never done. That’s why year after year, I have prioritized

expansion and enhancement of prevention, enforcement, treatment, and long-term recovery services. I have been urging the Legislature to strengthen the law enforcement response to the increasingly toxic drug stream entering our state. And I feel for every family grieving an overdose death.

While these sites are well-intentioned, this costly experiment will divert financial resources from proven prevention, treatment and recovery strategies, as well as harm reduction initiatives that facilitate entry into treatment rather than continued use. While it may consolidate the widespread drug use in Burlington into a smaller area within the city, it will come at the expense of the treatment and recovery needs of other communities, for whom such a model will not work.

Vermont’s existing overdose prevention strategies – including widespread Narcan distribution, fentanyl testing strips, needle exchanges, enhanced prevention, treatment and recovery through local coalitions are resulting in some positive trends in relation to overdose deaths. And paired with increased enforcement, and the ability to invest Opioid Settlement funds in additional strategies like drug testing, naloxone vending machines, contingency management and expanded outreach, I’m hopeful we will continue to see fewer and fewer overdose deaths.

Sincerely,
/s/Philip B. Scott
Governor

PBS/kp”

H. 121.

An act relating to enhancing consumer privacy and the age-appropriate design code.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 121** is as follows:

“June 13, 2024

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

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I'm returning H.121, *An act relating to enhancing consumer privacy and the age-appropriate design code*, without my signature because of my objections herein. This bill creates an unnecessary and avoidable level of risk.

One area of risk comes from the bill's "private right of action," which would make Vermont a national outlier, and more hostile than any other state to many businesses and non-profits – a reputation we already hold in a number of other areas. I appreciate this provision is narrow in its impact, but it will still negatively impact mid-sized employers, and is generating significant fear and concern among many small businesses.

Another area of risk comes from the "Kids Code" provision. While this is an important goal we can all support, similar legislation in California has already been stopped by the courts for likely First Amendment violations. We should await the decision in that case to craft a bill that addresses known legal pitfalls before charging ahead with policy likely to trigger high risk and expensive lawsuits. Vermonters will already be on the hook for expensive litigation when the Attorney General takes on "Big Oil," and should not have to pay for additional significant litigation already being fought by California.

Finally, the bill's complexity and unique expansive definitions and provisions create big and expensive new burdens and competitive disadvantages for the small and mid-sized businesses Vermont communities rely on. These businesses are already poised to absorb an onslaught of new pressures passed by the Legislature over the last two years, including a payroll tax, a Clean Heat Standard, a possible Renewable Energy Standard (if my veto is overridden), not to mention significant property tax increases.

The bottom line is, we have simply accumulated too much risk. However, if the underlying goals are consumer data privacy and child protection, there is a path forward. Vermont should adopt Connecticut's data privacy law, which New Hampshire has largely done with its new law. Such regional consistency is good for both consumers and the economy.

Sincerely,

/s/Philip B. Scott

Governor

PBS/kp"

H. 289.

An act relating to the renewable Energy Standard.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he *vetoed* and returned unsigned **House Bill No. 289** is as follows:

“May 23, 2024

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

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I’m returning H.289, *An act relating to the Renewable Energy Standard*, without my signature because of my objections described herein.

I don’t believe there is any debate that H.289 will raise Vermonters’ utility rates, likely by hundreds of millions of dollars. And while that in itself is reason enough to earn a veto, it is even more frustrating when you consider our Department of Public Service proposed to the Legislature a much stronger plan at a fraction of the cost.

Their proposal was crafted after 18 months of engagement with Vermonters about what *they* want their energy policy to look like. It would get us to where we all want to go faster, more affordably and more equitably than H.289. For the reasons stated above, and factoring in all the other taxes, fees and higher costs the Legislature has passed over the last two years, I simply cannot allow this bill to go into law.

With a better alternative to this bill available, I sincerely hope that the Legislature will think about Vermonters and the cost of living, and sustain this veto.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”

H. 645.

An act relating to the expansion of approaches to restorative justice.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he *vetoed* and returned unsigned **House Bill No. 645** is as follows:

“June 4, 2024

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

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I’m returning H.645, *An act relating to the expansion of approaches to restorative justice*, without my signature because of my objections described herein.

While I understand the desire to help those, particularly youth, who need second, third and even fourth chances to get their lives on track, H.645 is not workable because it is not funded.

The bottom line is this bill expands the responsibilities of the Office of the Attorney General, which will require additional resources, and yet the new work is not funded.

There is no guarantee we will have the taxpayer money needed to fund it next year. For this reason, I’m returning this bill without my signature.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”

H. 687.

An act relating to community resilience and biodiversity protection through land use.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 687** is as follows:

“June 13, 2024

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

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I’m returning H.687, *An act relating to community resilience and biodiversity protection through land use*, without my signature because of my objections described below. But first, I want to assure you, there is a path forward and I would respectfully ask the Legislature to pass a replacement bill that will result in more housing while protecting rural communities from additional economic harm.

Despite almost universal consensus, I don’t believe we’ve done nearly enough to address Vermont’s housing affordability crisis.

H.687 is heavily focused on conservation and actually expands Act 250 regulation. And it does so at a pace that will slow down current housing efforts. Vermonters need us to focus on building and restoring the homes communities desperately need to revitalize working class neighborhoods, reverse our negative demographic trends, and support economic investment in the future.

Specifically, I would suggest a compromise that would achieve more balance and could be passed next week, with the following changes to H.687:

- **Modify removal provisions for the chair and executive director of the Land Use Review Board and ensure some political balance** – This measure is critical to ensuring accountability to Vermonters and prevent overregulation that will harm rural communities.
- **Modify the current Road Rule with the Amendment proposed by Senator Sears** – The addition of the Road Rule is a significant expansion of Act 250 that will make it harder to build. While I would prefer it be removed entirely, the Amendment proposed by Senator Sears would

reduce the harmful impact. That amendment mirrors the recommendations of the Natural Resources Board (NRB) study group consensus report.

- **Extend the timeline to allow for reasonable implementation and more housing** – The current timeline for the new regulatory system is not achievable and will delay the permitting process for much-needed projects. Extending deadlines for interim exemptions to 2029 to coordinate with the start of the new system, will ensure Vermonters see the full benefit of the housing package, and a more thoughtful process.
- **Extend the interim exemptions to additional communities in need of housing** – Apply interim exemptions to areas serviced by municipal water and wastewater to give smaller, more rural communities the same opportunity for housing.
- **Increase the tools to spark revitalization of blighted units in low-income communities** – First, we should reverse the decision to exclude Bennington, Grand Isle and Essex counties from using the property tax value freeze available to every other county. Second, without impacting the FY25 budget, we can redirect new Property Transfer Tax revenue to increase the Downtown and Village Center Tax Credits by \$2 million. Third, implement the tri-partisan proposal for a Property Transfer Tax exemption when turning blighted properties into housing.
- **Make the 1B designation easier to achieve for long-term housing solutions** – Revert to the Senate-passed provision to automatically map all eligible Tier 1B areas while still enabling municipalities to opt-out of the Tier 1B designation, helping these communities benefit from housing exemptions sooner.
- **Limit appeals in designated areas to ensure interim exemptions can be used to boost housing** – Designated areas indicate that a community wants housing so limiting appeals makes sense and will allow the interim exemptions to have the jump-start effect we're seeking.

To be clear, I would not object to the remaining H.687 provisions if the above changes were made – meaning I'm conceding a significant number of concerns, because I'm committed to a responsible compromise.

Working together on these changes would demonstrate to Vermonters that prioritizing housing wasn't just a talking point.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”

H. 706.

An act relating to the expansion of approaches to restorative justice.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he *vetoed* and returned unsigned **House Bill No. 706** is as follows:

“May 20, 2024

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

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I'm returning H.706, *An act relating to banning the use of neonicotinoid pesticides*, without my signature because of my objections described herein.

Pollinators are essential to growing food and maintaining a healthy, thriving ecosystem. The same is true of farmers, who are also critical contributors to our economy, but altogether, this legislation is more anti-farmer than it is pro-pollinator.

It's important to note, the honeybee population has grown, while the use of neonics has persisted. In fact, the USDA Census for 2017-2022 shows Vermont's honeybee population has grown about 30 percent. Additionally, the science is not conclusive on whether this ban will achieve the desired results, but the bill has the potential to produce severe unintended environmental and economic consequences—particularly for Vermont's dairy farmers.

Although neonics are approved by the U.S. Environmental Protection Agency and used on a variety of crops, this bill would ban neonic-treated seeds of corn, soybean, and all other cereal grains (wheat, rice, oats, etc.) and it bans outdoor uses on soybeans, cereal grains, ornamental plants, any plant in bloom and certain vegetables after bloom.

To put the impacts of this bill into context, Vermont grows about 90,000 acres of corn, while the U.S. grows 90 million acres of corn, and almost all corn seed sold in the U.S. is treated with neonics. This would put Vermont farmers at a significant disadvantage.

This is especially concerning given the fact Vermont is struggling to keep dairy farmers, and many more have been put at risk through higher taxes and energy prices, crop losses associated with last year's spring frost, and summer and winter floods.

This bill unfairly targets dairy farmers reliant on corn crops and will harm farmers without achieving its goals for pollinators. For these reasons I cannot sign it into law.

Rather than eliminating an important EPA-approved tool, we should continue to closely monitor and study the issues and science to protect both family farms – and the food they produce – and pollinators.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”

H. 887.

An act relating to homestead property tax yields, nonhomestead rates, and policy changes to education finance and taxation.

Text of Communication from Governor

The text of the communication from His Excellency, the Governor, whereby he vetoed and returned unsigned **House Bill No. 887** is as follows:

“June 6, 2024

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

Dear Ms. Wrask:

Pursuant to Chapter II, Section 11 of the Vermont Constitution, I'm vetoing H.887, *An act relating to homestead property tax yields, nonhomestead rates, and policy changes to education finance and taxation*, because of my objections described herein.

Vermonters cannot afford a double-digit property tax increase. Especially while facing a historic eight-percent property tax increase last year, a 20%

increase in DMV fees, a new payroll tax taking effect July 1, increased fuel costs to heat homes and businesses from the Clean Heat Standard, and increased electric costs if my veto of the Renewable Energy Standard is not sustained. All on top of several years of inflation – the most regressive tax of all – driving up the cost of household essentials like food, clothing and services faster than paychecks are growing.

We must provide property tax relief now. This can't wait for another study before implementing cost containment strategies. We must also reform our education funding formula to ensure sustainable spending growth and equitable opportunities, and prioritize funding educational opportunities that improve outcomes by reinvesting in the strategies that best serve kids over maintaining the status quo.

We can achieve each of these goals this year if legislators will work with me.

Sincerely,

/s/Philip B. Scott
Governor

PBS/kp”