

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Government Operations and Military Affairs to which
3 was referred House Bill No. 140 entitled “An act relating to requirements for
4 State-funded grants” respectfully reports that it has considered the same and
5 recommends that the bill be amended by striking out all after the enacting
6 clause and inserting in lieu thereof the following:

7 Sec. 1. POLICY FOR GRANT ISSUANCE AND MONITORING;

8 BULLETIN 5; SECRETARY OF ADMINISTRATION; GRANT
9 APPLICATIONS AND AGREEMENTS

10 (a) Forms. On or before October 15, 2024, the Secretary of Administration
11 shall develop a standard grant application form, standard grant agreement, and
12 standard reporting forms of reasonable length that are written in accessible
13 language for all State-funded grants to municipalities, nonprofit corporations,
14 for-profit entities, and individuals. The documents shall minimize the steps to
15 agree to grant compliance measures and shall only include metrics and
16 performance measures that are suitable for the type of entity applying for a
17 grant.

18 (b) Required use.

19 (1) On or before July 1, 2025, the Secretary of Administration shall
20 include a requirement in Administrative Bulletin 5, Policy for Grant Issuance
21 and Monitoring, that:

1 (A) the grant application form, grant agreement, and reporting forms
2 described in subsection (a) of this section be used for all State-funded grants to
3 municipalities, nonprofit corporations, for-profit entities, and individuals; and

4 (B) a process for how the forms and agreements described in
5 subsection (a) of this section may be integrated and used with any agency-
6 specific grant documentation.

7 (2) The documents described in subdivision (1)(A) of this subsection
8 shall be made available on one or more publicly accessible websites and shall
9 be downloadable in one or more commonly used digital formats.

10 (c) Indirect costs. On or before July 1, 2025, the Secretary of
11 Administration shall include in Administrative Bulletin 5, Policy for Grant
12 Issuance and Monitoring, a uniform formula and approval process for use in all
13 State-funded grants for nonprofit corporations to use a higher indirect rate than
14 the standard 10 percent de minimis rate, pursuant to 2 CFR § 200.332(a)(4).

15 (d) Reports.

16 (1) On or before January 15, 2025, the Secretary of Administration shall
17 submit a report to the House Committee on Government Operations and
18 Military Affairs and the Senate Committee on Government Operations with an
19 update on and implementation schedule for the forms required by subsection
20 (a) of this section.

1 (2) On or before October 1, 2025, the Secretary of Administration shall
2 submit a report to the House Committee on Government Operations and
3 Military Affairs and the Senate Committee on Government Operations on the
4 completion of the implementation of the new grant forms described in
5 subsection (a) of this section and the status of compliance by all State entities.

6 Sec. 2. STATE-FUNDED GRANTS; MUNICIPAL GRANT PROGRAMS;

7 PUBLIC ACCESSIBILITY

8 (a) On or before July 1, 2025, the Secretary of Digital Services shall
9 develop a publicly accessible statewide database for all State-funded grants
10 available to municipalities.

11 (b) Beginning on July 1, 2025, the State shall require that any State-funded
12 grant program available to municipalities is included in the database described
13 in subsection (a) of this section.

14 (c) In fiscal year 2025, the sum of \$35,000.00 is appropriated from the
15 General Fund to the Agency of Digital Services for the work described in
16 subsection (a) of this section.

17 (d) On or before July 1, 2025, the Secretary of Digital Services shall submit
18 a report to the House Committee on Government Operations and Military
19 Affairs and the Senate Committee on Government Operations on the
20 completion of the database described in subsection (a) of this section.

1 **Sec. 3. PROMPT PAYMENT OF GRANT FUNDS**

2 (a) For all executed State-funded grant agreements, the granting agency
3 shall pay the grantee within 30 days after receipt of a valid written request for
4 payment from the grantee. A written request for payment from the grantee is
5 valid if it meets the requirements in the executed grant agreement between the
6 granting agency and grantee.

7 (b) If a granting agency does not pay the grantee within 30 days after
8 receipt of a valid written request for payment pursuant to subsection (a) of this
9 section, beginning on the 31st day the granting agency shall be liable for
10 interest accruing at the rate of nine percent per year on the amount due to the
11 grantee. This interest shall be paid from the granting agency's operating
12 budget and shall not be paid from the funds appropriated to fund the agency for
13 the grant.

14 (c) Notwithstanding subsection (b) of this section, a granting agency is not
15 liable for interest:

16 (1) if the granting agency has initiated legal proceedings to dispute the
17 amount owed to the grantee;

18 (2) accruing more than one year after the 31st day after the granting
19 agency received an invoice; or

20 (3) on an amount that represents unpaid interest.

1 (d) On or before July 1, 2025, the Secretary of Administration shall update
2 Administrative Bulletin 5, Policy for Grant Issuance and Monitoring, with the
3 language provided in this section.

4 **Sec. 4. WORKING GROUP ON STATE GRANT PROCESSES**

5 (a) Creation. There is created the Working Group on State Grant Processes
6 for the purpose of assessing the State’s current grant awarding procedures.

7 (b) Membership. The Working Group shall be composed of the following
8 members:

9 (1) six representatives of nonprofit organizations, selected by Common
10 Good Vermont, that within 12 months following the effective date of this act
11 have received a State-funded grant, as follows:

12 (A) two representatives from human service organizations;

13 (B) one representative from an arts, culture, and humanities
14 organization; an environmental organization; or a recreational organization;

15 (C) one representative from an education organization, excluding
16 higher education;

17 (D) one representative from a nonprofit agency that provides mental-
18 health care; and

19 (E) one representative from Common Good Vermont.

20 (2) one representative from a Vermont United Way organization,
21 appointed by the Executive Director of the United Ways of Vermont;

1 (3) two members of the Vermont House of Representatives, appointed
2 by the Speaker of the House;

3 (4) two members of the Vermont Senate, appointed by the President Pro
4 Tempore of the Senate;

5 (5) the Secretary of Administration or designee; and

6 (6) one member of the Governor’s administration, appointed by the
7 Governor.

8 (c) Meetings.

9 (1) The Secretary of Administration or designee shall call the first
10 meeting of the Working Group to occur on or before September 1, 2024.

11 (2) The Working Group shall select a Chair from among its members at
12 the first meeting.

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

14 (4) The Working Group shall meet not less than eight times.

15 (5) The Chair may establish subcommittees to perform the work set
16 forth in this section.

17 (d) Powers and duties. The Working Group shall:

18 (1) assess the State’s current grant and contracting funding levels and
19 identify cost of living or other inflationary adjustments;

20 (2) assess the impact of bridge loans and lines of credit and identify
21 alternative mechanisms for meeting funding needs;

1 (3) assess grant and contracting processes and practices across State
2 agencies and departments and identify uniform best practices;

3 (4) determine the specific circumstances under which funding should be
4 reimbursable;

5 (5) identify the funding sources that are currently reimbursable but are
6 not required to be and recommend solutions to improve reimbursement
7 practices and processes;

8 (6) identify system improvements that would simplify grant application
9 and reporting processes;

10 (7) examine ways to ensure consistency between State and federal
11 indirect rates, including:

12 (A) implementing a standard 10 percent indirect rate across all State-
13 funded grants;

14 (B) reviewing the process for nonprofit organizations to qualify for
15 an indirect rate above the standard rate of 10 percent; and

16 (C) honoring federal indirect rates; and

17 (8) consider related issues that arise during the course of the Working
18 Group’s duties as set forth in this section.

19 (e) Reporting.

20 The Working Group shall submit a written report to the House
21 Committee on Government Operations and Military Affairs with its

1 recommendations based on the analysis conducted pursuant to this section on
2 or before September 1, 2025. This report shall include draft legislative
3 language to support the Working Group’s recommendations.

4 (f) Compensation and reimbursement.

5 (1) For attendance at meetings during adjournment of the General
6 Assembly, a legislative member of the Working Group serving in his or her
7 capacity as a legislator shall be entitled to per diem compensation and
8 reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than eight
9 meetings.

10 (2) Other members of the Working Group shall be entitled to per diem
11 compensation and reimbursement of expenses as permitted under 32 V.S.A. §
12 1010 for not more than eight meetings.

13 (3) Payments to members of the Working Group authorized under this
14 subsection shall be made from monies appropriated to the General Assembly.

15 (g) Expiration.

16 This Working Group shall cease to exist on December 31, 2025.

17 Sec. 5. EFFECTIVE DATE

18 This act shall take effect on July 1, 2024.

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4 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE