

1 Sec. 1. 16 V.S.A. § 3440 is added to read:

2 § 3440. STATEMENT OF POLICY

3 It is the intent of this chapter to encourage the efficient use of public funds
4 to modernize school infrastructure in alignment with current educational needs.
5 School construction projects supported by this chapter should be developed
6 taking consideration of standards of quality for public schools under section
7 165 of this title and prioritizing cost, geographic accessibility, 21st century
8 learning standards, statewide enrollment trends, and capacity and scale that
9 support best educational practices. Further, it is the intent of this chapter to
10 encourage the use of existing infrastructure to meet the needs of Vermont
11 students. Joint construction projects between two or more school districts and
12 consolidation of buildings within a district where feasible and educationally
13 appropriate are encouraged.

14 Sec. 2. 16 V.S.A. § 3442 is added to read:

15 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

16 The Agency of Education shall be responsible for implementing the State
17 Aid for School Construction Program according to the provisions of this
18 chapter. The Agency shall be responsible for:

19 (1) reviewing all preliminary applications for State school construction
20 aid and issuing an approval or denial in accordance with section 3445 of this
21 chapter;

1 (2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school
2 construction and capital outlay, including rules to specify a point prioritization
3 methodology and a bonus incentive structure aligned with the legislative intent
4 expressed in section 3440 of this title;

5 (3) including as part of its budget submitted to the Governor pursuant to
6 subdivision 212(21) of this title its annual school construction funding request;

7 (4) developing a prequalification and review process for project delivery
8 consultants and architecture and engineering firms specializing in kindergarten
9 through grade 12 school design, renovation, or construction and maintaining a
10 list of such prequalified firms and consultants;

11 (5) providing technical assistance and guidance to school districts and
12 supervisory unions on all phases of school capital projects;

13 (6) providing technical advice and assistance, training, and education to
14 school districts, supervisory unions, general contractors, subcontractors,
15 construction or project managers, designers, and other vendors in the planning,
16 maintenance, and establishment of school facility space;

17 (7) maintaining a current list of school construction projects that have
18 received preliminary approval, projects that have received final approval, and
19 the priority points awarded to each project;

1 (8) collecting, maintaining, and making publicly available quarterly
2 progress reports of all ongoing school construction projects that shall include,
3 at a minimum, the costs of the project and the time schedule of the project;

4 (9) recommending policies and procedures designed to reduce
5 borrowing for school construction programs at both State and local levels;

6 (10) conducting a needs survey at least every five years to ascertain the
7 capital construction, reconstruction, maintenance, and other capital needs for
8 all public schools and maintaining such data in a publicly accessible format;

9 (11) developing a formal enrollment projection model or using
10 projection models already available;

11 (12) encouraging school districts and supervisory unions to investigate
12 opportunities for the maximum utilization of space in and around the district or
13 supervisory union;

14 (13) collecting and maintaining a clearinghouse of prototypical school
15 plans that may be consulted by eligible applicants;

16 (14) retaining the services of consultants, as necessary, to effectuate the
17 roles and responsibilities listed within this section; and

18 (15) notwithstanding 2 V.S.A. § 20(d), annually on or before December
19 15, submitting a written report to the General Assembly regarding the status
20 and implementation of the State Aid for School Construction Program,
21 including the data required to be collected pursuant to this section.

1 Sec. 3. 16 V.S.A. § 3443 is added to read:

2 § 3443. STATE AID FOR SCHOOL CONSTRUCTION ADVISORY

3 BOARD

4 (a) Creation. There is hereby created the State Aid for School Construction
5 Advisory Board, which shall advise the Agency on the implementation of the
6 State Aid for School Construction Program in accordance with the provisions
7 of this chapter, including the adoption of rules, setting of statewide priorities,
8 criteria for project approval, and recommendations for project approval and
9 prioritization.

10 (b) Membership.

11 (1) Composition. The Board shall be composed of the following eight
12 members:

13 (A) four members who shall serve as ex officio members:

14 (i) the State Treasurer or designee;

15 (ii) the Commissioner of Buildings and General Services or
16 designee;

17 (iii) the Executive Director of the Vermont Bond Bank or
18 designee; and

19 (iv) the Chair of the State Board of Education or designee; and

20 (B) four members of the general public who shall serve four-year
21 terms as follows:

1 (i) two members, appointed by the Speaker of the House, each of
2 whom shall have expertise in education or construction, real estate, or finance
3 and one of whom shall represent a supervisory union; and

4 (ii) two members, appointed by the Committee on Committees,
5 each of whom shall have expertise in education or construction, real estate, or
6 finance and one of whom shall be an educator.

7 (2) Members with four-year terms.

8 (A) A member with a term limit shall serve a term of four years and
9 until a successor is appointed. A term shall begin on January 1 of the year of
10 appointment and run through December 31 of the last year of the term. Terms
11 of these members shall be staggered so that not all terms expire at the same
12 time.

13 (B) A vacancy created before the expiration of a term shall be filled
14 in the same manner as the original appointment for the unexpired portion of the
15 term.

16 (C) A member with a term limit shall not serve more than two
17 consecutive terms. A member appointed to fill a vacancy created before the
18 expiration of a term shall not be deemed to have served a term for the purpose
19 of this subdivision (C).

1 (c) Duties. The Board shall advise the Agency on the implementation of
2 the State Aid for School Construction Program in accordance with the
3 provisions of this chapter, including:

4 (1) rules pertaining to school construction and capital outlay;

5 (2) project priorities;

6 (3) proposed legislation the Board deems desirable or necessary related
7 to the State Aid for School Construction Program, the provisions of this
8 chapter, and any related laws;

9 (4) policies and procedures designed to reduce borrowing for school
10 construction programs at both State and local levels;

11 (5) development of a formal enrollment projection model or the
12 consideration of using projection models already available;

13 (6) processes and procedures necessary to apply for, receive, administer,
14 and comply with the conditions and requirements of any grant, gift,
15 appropriation of property, services, or monies;

16 (7) the collection and maintenance of a clearinghouse of prototypical
17 school plans that may be consulted by eligible applicants and recommended
18 incentives to utilize such prototypes;

19 (8) the determination of eligible cost components of projects for funding
20 or reimbursement, including partial or full eligibility for project components

1 for which the benefit is shared between the school and other municipal and
2 community entities;

3 (9) development of a long-term vision for a statewide capital plan in
4 accordance with needs and projected funding;

5 (10) collection and maintenance of data on all public school facilities in
6 the State, including information on size, usage, enrollment, available facility
7 space, and maintenance;

8 (11) advising districts on the use of a needs survey to ascertain the
9 capital construction, reconstruction, maintenance, and other capital needs for
10 schools across the State; and

11 (12) encouraging school districts and supervisory unions to investigate
12 opportunities for the maximum utilization of space in and around the district or
13 supervisory union.

14 (d) Meetings.

15 (1) The State Treasurer shall call the first meeting of the Board to occur
16 on or before August 15, 2025.

17 (2) The Board shall select a chair from among its members.

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

19 (4) The Board shall meet not more than six times per year.

20 (e) Assistance. The Board shall have the administrative, technical, and
21 legal assistance of the Agency of Education.

1 (f) Compensation and reimbursement. Members of the Board shall be
2 entitled to per diem compensation and reimbursement of expenses as permitted
3 under 32 V.S.A. § 1010 for not more than six meetings per year.

4 Sec. 4. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL

5 CONSTRUCTION ADVISORY BOARD

6 16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is
7 repealed on July 1, 2035.

8 Sec. 5. 16 V.S.A. § 3444 is added to read:

9 § 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

10 (a) Creation. There is created the School Construction Aid Special Fund,
11 to be administered by the Agency of Education. Monies in the Fund shall be
12 used for the purposes of:

13 (1) awarding aid to school construction projects under section 3445 of
14 this title;

15 (2) awarding grants through the Facilities Master Plan Grant Program
16 established in section 3441 of this title;

17 (3) funding administrative costs of the State Aid for School
18 Construction Program; and

19 (4) awarding emergency aid under section 3445 of this title.

20 (b) Funds. The Fund shall consist of:

1 (1) any amounts transferred or appropriated to it by the General
2 Assembly; and

3 (2) any interest earned by the Fund.

4 Sec. 6. 16 V.S.A. § 3445 is added to read:

5 § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION

6 PROJECTS

7 (a) Construction aid.

8 (1) Preliminary application for construction aid. A school district
9 eligible for assistance under section 3447 of this title that intends to construct
10 or purchase a new school, or make extensive additions or alterations to its
11 existing school, and desires to avail itself of State school construction aid shall
12 submit a written preliminary application to the Secretary. A preliminary
13 application shall include information required by the Agency by rule and shall
14 specify the need for and purpose of the project.

15 (2) Approval of preliminary application.

16 (A) When reviewing a preliminary application for approval, the
17 Secretary shall consider:

18 (i) regional educational opportunities and needs, including school
19 building capacities across school district boundaries, and available
20 infrastructure in neighboring communities;

21 (ii) economic efficiencies;

1 (iii) the suitability of an existing school building to continue to
2 meet educational needs; and

3 (iv) statewide educational initiatives.

4 (B) The Secretary may approve a preliminary application if:

5 (i)(I) the project or part of the project fulfills a need occasioned
6 by:

7 (aa) conditions that threaten the health or safety of students
8 or employees;

9 (bb) facilities that are inadequate to provide programs
10 required by State or federal law or regulation;

11 (cc) excessive energy use resulting from the design of a
12 building or reliance on fossil fuels or electric space heat; or

13 (dd) deterioration of an existing building; or

14 (II) the project results in consolidation of two or more school
15 buildings and will serve the educational needs of students in a more cost-
16 effective and educationally appropriate manner as compared to individual
17 projects constructed separately;

18 (ii) the need addressed by the project cannot reasonably be met by
19 another means;

1 (iii) the proposed type, kind, quality, size, and estimated cost of
2 the project are suitable for the proposed curriculum and meet all legal
3 standards;

4 (iv) the applicant achieves the level of “proficiency” in the school
5 district quality standards regarding facilities management adopted by rule by
6 the Agency; and

7 (v) the applicant has completed a facilities master planning
8 process that:

9 (I) engages robust community involvement;

10 (II) considers regional solutions;

11 (III) evaluates environmental contaminants; and

12 (IV) produces a facilities master plan that unites the applicant’s
13 vision statement, educational needs, enrollment projections, renovation needs,
14 and construction projects.

15 (3) Priorities. Following approval of a preliminary application and
16 provided that the district has voted funds or authorized a bond for the total
17 estimated cost of a project, the Agency, with the advice of the State Aid for
18 School Construction Advisory Board, shall assign points to the project as
19 prescribed by rule of the Agency so that the project can be placed on a priority
20 list based on the number of points received.

1 (4) Request for legislative appropriation. The Agency shall submit its
2 annual school construction funding request to the Governor as part of its
3 budget pursuant to subdivision 212(21) of this title. Following submission of
4 the Governor’s recommended budget to the General Assembly pursuant to
5 32 V.S.A. § 306, the House Committee on Education and the Senate
6 Committee on Education shall recommend a total school construction
7 appropriation for the next fiscal year to the General Assembly.

8 (5) Final approval for construction aid.

9 (A) Unless approved by the Secretary for good cause in advance of
10 commencement of construction, a school district shall not begin construction
11 before the Secretary approves a final application. A school district may submit
12 a written final application to the Secretary at any time following approval of a
13 preliminary application.

14 (B) The Secretary may approve a final application for a project
15 provided that:

16 (i) the project has received preliminary approval;

17 (ii) the district has voted funds or authorized a bond for the total
18 estimated cost of the project;

19 (iii) the district has made arrangements for project construction
20 supervision by persons competent in the building trades;

1 (iv) the district has provided for construction financing of the
2 project during a period prescribed by the Agency;

3 (v) the project has otherwise met the requirements of this chapter;

4 (vi) if the proposed project includes a playground, the project
5 includes a requirement that the design and construction of playground
6 equipment follow the guidelines set forth in the U.S. Consumer Product Safety
7 Commission Handbook for Public Playground Safety; and

8 (vii) if the total estimated cost of the proposed project is less than
9 \$50,000.00, no performance bond or irrevocable letter of credit shall be
10 required.

11 (C) The Secretary may provide that a grant for a high school project
12 is conditioned upon the agreement of the recipient to provide high school
13 instruction for any high school pupil living in an area prescribed by the Agency
14 who may elect to attend the school.

15 (D) A district may begin construction upon receipt of final approval.
16 However, a district shall not be reimbursed for debt incurred due to borrowing
17 of funds in anticipation of aid under this section.

18 (6) Award of construction aid.

19 (A) The base amount of an award shall be 20 percent of the eligible
20 debt service cost of a project. Projects are eligible for additional bonus

1 incentives as specified in rule for up to an additional 20 percent of the eligible
2 debt service cost.

3 (B) As used in subdivision (A) of this subdivision (6), “eligible debt
4 service cost” of a project means the product of the lifetime cost of the bond
5 authorized for the project and the ratio of the approved cost of a project to the
6 total cost of the project.

7 (7) Eligible construction cost.

8 (8) Payment.

9 (b) Refund upon sale.

10 (c) Repayment as a condition of general aid.

11 (d) Emergency aid. Notwithstanding any other provision of this section,
12 the Secretary may grant aid pursuant to subdivision (a)(6) of this section for a
13 project the Secretary deems to be an emergency, up to a maximum total project
14 cost of \$100,000.00.

15 (e) Aid in excess of statutory percentages.

16 Sec. 7. 16 V.S.A. § 3446 is added to read:

17 § 3446. APPEAL

18 Any municipal corporation as defined in section 3447 of this title aggrieved
19 by an order, allocation, or award of the Agency of Education may, within 30
20 days, appeal to the Superior Court in the county in which the project is located.

21 Sec. 8. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF

1 RULES

2 (a) The statutory authority to adopt rules by the State Board of Education
3 pertaining to school construction and capital outlay adopted under 16 V.S.A.
4 § 3448(e) and 3 V.S.A. chapter 25 is transferred from the State Board of
5 Education to the Agency of Education.

6 (b) All rules pertaining to school construction and capital outlay adopted by
7 the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026
8 shall be deemed the rules of the Agency of Education and remain in effect until
9 amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter
10 25.

11 (c) The Agency of Education shall provide notice of the transfer to the
12 Secretary of State and the Legislative Committee on Administrative Rules in
13 accordance with 3 V.S.A. § 848(d)(2).