

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 renovation of, additions to, or
4 construction of school facilities where necessary to meet the educational needs
5 of Vermont students. School construction projects supported by this chapter
6 should be developed with standards of quality for public schools under section
7 165 of this title in mind and in a cost- and energy-efficient manner. Further, it
8 is the intent of this chapter to encourage the use of existing infrastructure to
9 meet the needs of Vermont students. Joint construction projects between two
10 or more school districts and consolidation of buildings within a district where
11 feasible and educationally appropriate are also encouraged.

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

13 § 3442. STATE AID FOR SCHOOL CONSTRUCTION PROGRAM

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

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

20 (2) adopting rules pursuant to 3 V.S.A. chapter 25 pertaining to school
21 construction and capital outlay;

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

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

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

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

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

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

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

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

4 (11) developing a formal enrollment projection model or using
5 projection models already available;

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

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

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

13 (15) notwithstanding 2 V.S.A. § 20(d), annually on or before December
14 15, submitting a written report to the General Assembly regarding the status
15 and implementation of the State Aid for School Construction Program,
16 including the data required to be collected pursuant to this section.

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

18 § 3443. STATE AID FOR SCHOOL CONSTRUCTION **ADVISORY**

19 BOARD

20 (a) Creation. There is hereby created the State Aid for School Construction
21 Advisory Board, which shall advise the Agency on the implementation of the

1 State Aid for School Construction Program in accordance with the provisions
2 of this chapter, including the adoption of rules, setting of statewide priorities,
3 criteria for project approval, and recommendations for project approval and
4 prioritization.

5 (b) Membership.

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

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

9 (i) the State Treasurer or designee;

10 (ii) the Commissioner of Buildings and General Services or
11 designee;

12 (iii) the Executive Director of the Vermont Bond Bank or
13 designee; and

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

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

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

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

4 (2) Members with four-year terms.

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

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

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

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

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

21 (2) project priorities;

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

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

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

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

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

14 (8) the determination of eligible cost components of projects for funding
15 or reimbursement, including partial or full eligibility for project components
16 for which the benefit is shared between the school and other municipal and
17 community entities;

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

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

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

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

10 (d) Meetings.

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

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

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

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

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

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

1 **Sec. 4. PROSPECTIVE REPEAL OF STATE AID FOR SCHOOL**
2 **CONSTRUCTION ADVISORY BOARD**

3 16 V.S.A. § 3443 (State Aid for School Construction Advisory Board) is
4 repealed on July 1, 2035.

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

6 § 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

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

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

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

14 (3) funding administrative costs of the State Aid for School
15 Construction Program.

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

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

19 (2) any interest earned by the Fund.

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

2 § 3445. APPROVAL AND FUNDING OF SCHOOL CONSTRUCTION

3 PROJECTS

4 (a) Construction aid.

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

12 (2) Approval of preliminary application.

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

15 (i) regional educational opportunities and needs, including school
16 building capacities across school district boundaries, and available
17 infrastructure in neighboring communities;

18 (ii) economic efficiencies;

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

1 (iv) statewide educational initiatives and the strategic plan of the
2 State Board of Education.

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

4 (i) the project or part of the project fulfills a need occasioned by:

5 (I) conditions that threaten the health or safety of students or
6 employees;

7 (II) facilities that are inadequate to provide programs required
8 by State or federal law or regulation;

9 (III) excessive energy use resulting from the design of a
10 building or reliance on fossil fuels or electric space heat; or

11 (IV) deterioration of an existing building;

12 (ii) the need addressed by the project cannot reasonably be met by
13 another means;

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

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

20 (v) the applicant has completed a facilities master planning
21 process that:

- 1 (I) engages robust community involvement;
- 2 (II) considers regional solutions;
- 3 (III) evaluates environmental contaminants; and
- 4 (IV) produces a facilities master plan that unites the applicant’s
5 vision statement, educational needs, enrollment projections, renovation needs,
6 and construction projects.

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

13 (4) Request for legislative appropriation. The Agency shall submit its
14 annual school construction funding request to the Governor as part of its
15 budget pursuant to subdivision 212(21) of this title. Following submission of
16 the Governor’s recommended budget to the General Assembly pursuant to
17 32 V.S.A. § 306, the House Committee on X and the Senate Committee on Y
18 shall recommend a total school construction appropriation for the next fiscal
19 year to the General Assembly.

20 (5) Final approval for construction aid.

21 (6) Award of construction aid.

1 (7) Eligible construction cost.

2 (8) Payment.

3 (b) Refund upon sale.

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

5 (d) Emergency aid.

6 (e) Aid in excess of statutory percentages.

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

8 § 3446. APPEAL

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

12 Sec. 8. TRANSFER OF RULEMAKING AUTHORITY; TRANSFER OF
13 RULES

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

18 (b) All rules pertaining to school construction and capital outlay adopted by
19 the State Board of Education under 3 V.S.A. chapter 25 prior to July 1, 2026
20 shall be deemed the rules of the Agency of Education and remain in effect until

1 amended or repealed by the Agency of Education pursuant to 3 V.S.A. chapter
2 25.

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