

1 TO THE HONORABLE SENATE:

2 The Committee on Economic Development, Housing and General Affairs to
3 which was referred House Bill No. 55 entitled “An act relating to
4 miscellaneous unemployment insurance amendments” respectfully reports that
5 it has considered the same and recommends that the Senate propose to the
6 House that the bill be amended by striking out all after the enacting clause and
7 inserting in lieu thereof the following:

8 * * * Unemployment Insurance * * *

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

10 § 1325. EMPLOYERS’ EXPERIENCE-RATING RECORDS;

11 DISCLOSURE TO SUCCESSOR ENTITY

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

21 * * *

1 extent possible and in consideration of the information available to the
2 Department, determine whether waiver of the amount of overpaid benefits is
3 appropriate.

4 (3) The Commissioner shall provide notice of the right to request a
5 waiver of an overpayment with each determination that an overpayment has
6 occurred. The notice shall include clear instructions regarding how a person
7 may apply for a waiver.

8 (4) If the Commissioner denies an application for a waiver, the
9 Commissioner shall provide written notice of the person’s right to appeal the
10 determination pursuant to subsection (h) of this section.

11 (g) The provisions of subsection (f) of this section shall, to the extent
12 permitted by federal law, apply to overpayments made in relation to any
13 federal unemployment insurance benefits or similar federal benefits, including
14 Disaster Unemployment Assistance and federal extended or supplemental
15 unemployment insurance benefits.

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

19 (i) The Commissioner shall not attempt to recover an overpayment or
20 withhold any amount of unemployment insurance benefits from a person until
21 after the Commissioner has made a final determination regarding whether an

1 overpayment of benefits to the person occurred and the person’s right to appeal
2 the determination has been exhausted.

3 [Waiver of Overpayment: Option 2]

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

5 § 1347. NONDISCLOSURE OR MISREPRESENTATION;

6 OVERPAYMENTS; WAIVER

7 * * *

8 (f)(1) Notwithstanding any provision of subsection (a), (b), or (d) of this
9 section to the contrary, the Commissioner shall waive the full amount of any
10 overpayment that is not a result of the person’s intentional misrepresentation of
11 or failure to disclose a material fact if:

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

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

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

18 (3) Upon making a determination that an overpayment occurred
19 pursuant to subsection (a) or (b) of this section, the Commissioner shall, to the
20 extent possible and in consideration of the information available to the

1 Department, determine whether waiver of the amount of overpaid benefits is
2 appropriate.

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

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

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

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

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

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

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

1 ~~determination for such number of weeks not exceeding 26 as the~~
2 ~~Commissioner shall deem just. The notice of determination shall also specify~~
3 ~~the period of disqualification imposed hereunder.~~

4 * * *

5 * * * Unemployment Insurance Technical Corrections * * *

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

7 § 1301. DEFINITIONS

8 As used in this chapter:

9 * * *

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

12 * * *

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

18 * * *

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

20 (d) Financing benefits paid to employees of State. In lieu of contributions
21 required of employers subject to this chapter, the State of Vermont, including

1 State hospitals but excluding any State institution of higher education, shall
2 pay to the Commissioner, for the Unemployment Compensation Trust Fund, an
3 amount equal to the amount of benefits paid, including the full amount of
4 extended benefits paid, attributable to service by individuals in the employ of
5 the State. At the end of each calendar quarter, or at the end of any other period
6 as determined by the Commissioner, the Commissioner shall bill the State for
7 the amount of benefits paid during ~~such~~ the quarter or other prescribed period
8 that is attributable to service in the employ of the State. Subdivisions (c)(3)(C)
9 through (3)(F), inclusive, and subdivisions (c)(5) and (6) of this section as they
10 apply to nonprofit organizations shall also apply to the State of Vermont,
11 except that the State shall be liable for all benefits paid, including the full
12 amount of extended benefits paid, attributable to service in the employ of the
13 State.

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

15 § 1361. MANAGEMENT OF FUNDS UPON DISCONTINUANCE OF

16 UNEMPLOYMENT TRUST FUND

17 The provisions of sections 1358–1360 of this ~~title~~ subchapter to the extent
18 that they relate to the federal Unemployment Trust Fund, shall be operative
19 only ~~so long as such~~ if the federal Unemployment Trust Fund continues to
20 exist and ~~so long as~~ the U.S. Secretary of the Treasury continues to maintain
21 for this State a separate book account of all Funds deposited ~~therein~~ in the

1 federal Unemployment Trust Fund by this State for benefit purposes, together
2 with this State’s proportionate share of the earnings of ~~such~~ the Unemployment
3 Trust Fund, from which only the Commissioner of Labor is permitted to make
4 withdrawals. If and when ~~such Unemployment Trust Fund shall~~ federal law no
5 longer ~~be required by the laws of the United States~~ requires the federal
6 Unemployment Trust Fund to be maintained ~~as aforesaid~~ as a condition of
7 approval of this chapter as provided in Title III of the Social Security Act, then
8 all monies, properties, or securities ~~therein~~ in the federal Unemployment Trust
9 Fund, belonging to the Unemployment Compensation Trust Fund of this State,
10 shall be transferred to the treasurer of the Unemployment Compensation Trust
11 Fund, who shall hold, invest, transfer, sell, deposit, and release ~~such~~ the
12 monies, properties, or securities in a manner approved by the Commissioner
13 and appropriate for trust funds, subject to all claims for benefits under this
14 chapter.

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

16 § 1362. UNEMPLOYMENT COMPENSATION ADMINISTRATION
17 FUND

18 ~~There is hereby created the~~ The Unemployment Compensation
19 Administration Fund is created to consist of all monies received by the State or
20 by the Commissioner for the administration of this chapter. ~~This special fund~~
21 The Unemployment Compensation Administration Fund shall be a special

1 fund managed pursuant to 32 V.S.A. chapter 7, subchapter 5. The
2 Unemployment Compensation Administration Fund shall be handled through
3 the State Treasurer as other State monies are handled, but it shall be expended
4 solely for the purposes and in the amounts found necessary by the Secretary of
5 Labor for the proper and efficient administration of ~~such~~ this chapter and its
6 balance shall not lapse at any time but shall remain continuously available to
7 the Commissioner for expenditures consistent ~~herewith~~ with the provisions of
8 this section. All federal monies allotted or apportioned to the State by the
9 Secretary of Labor, or other agency, for the administration of this chapter shall
10 be paid into the Unemployment Compensation Administration Fund and are
11 hereby appropriated to ~~such~~ the Unemployment Compensation Administration
12 Fund.

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

14 § 1365. CONTINGENT FUND

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

1 federal funds ~~which~~ that would in the absence of ~~such~~ the monies be available
2 to finance expenditures for the administration of the unemployment
3 compensation law.

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

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

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

19 (e) The monies in ~~this~~ the Contingent Fund are ~~hereby specifically made~~
20 available to replace, within a reasonable time, any monies received by this
21 State pursuant to ~~section 302 of the federal Social Security Act, as amended,~~

1 ~~which~~ 42 U.S.C. § 502 that because of any action or contingency, have been
2 lost or have been expended for purposes other than, or in amounts in excess of,
3 those necessary for the proper administration of the unemployment
4 compensation law.

5 (f) The monies in ~~this~~ the Contingent Fund shall be continuously available
6 to the Commissioner for expenditure in accordance with the provisions of this
7 section and shall not lapse at any time or be transferred to any other fund
8 except as ~~herein~~ provided pursuant to this section.

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

14 (h) In the event that a refund of interest, a fine, or a penalty is found
15 necessary, and ~~such~~ the interest, fine, or penalty has been deposited in the
16 Contingent Fund, ~~such~~ the refund shall be made from the Contingent Fund.
17 Sec. __. 21 V.S.A. § 1368 is amended to read:

18 [SHOULD BE COMBINED WITH SECTION AMENDING 21 V.S.A. § 1368
19 FROM SEN. BROCK'S UI FRAUD LANGUAGE IF THAT REMAINS IN
20 THE BILL]

1 § 1368. FALSE STATEMENTS TO INCREASE PAYMENTS

2 A person shall not ~~willfully and~~ intentionally make a false statement or
3 representation to obtain or increase any benefit or other payment under this
4 chapter, either for ~~himself, herself,~~ the person or any other person.

5 * * * Workers' Compensation * * *

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

7 Sec. 38. ADOPTION OF RULES

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

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

12 § 601. DEFINITIONS

13 As used in this chapter:

14 * * *

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

18 * * *

19 (I)(i) In the case of police officers, rescue or ambulance workers, ~~or~~
20 firefighters, or State employees, as that term is defined pursuant to subdivision
21 (iii)(VI) of this subdivision (11)(I), post-traumatic stress disorder that is

1 diagnosed by a mental health professional shall be presumed to have been
2 incurred during service in the line of duty and shall be compensable, unless it
3 is shown by a preponderance of the evidence that the post-traumatic stress
4 disorder was caused by nonservice-connected risk factors or nonservice-
5 connected exposure.

6 (ii) A police officer, rescue or ambulance worker, ~~or firefighter, or~~
7 State employee who is diagnosed with post-traumatic stress disorder within
8 three years ~~of following~~ the last active date of employment as a police officer,
9 rescue or ambulance worker, ~~or firefighter, or State employee~~ shall be eligible
10 for benefits under this subdivision (11).

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

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

14 (II) “Firefighter” means a firefighter as defined in 20 V.S.A.
15 § 3151(3) and (4).

16 ~~(H)~~(III) “Mental health professional” means a person with
17 professional training, experience, and demonstrated competence in the
18 treatment and diagnosis of mental conditions, who is certified or licensed to
19 provide mental health care services and for whom diagnoses of mental
20 conditions are within his or her the person’s scope of practice, including a

1 physician, nurse with recognized psychiatric specialties, psychologist, clinical
2 social worker, mental health counselor, or alcohol or drug abuse counselor.

3 ~~(III)~~(IV) “Police officer” means a law enforcement officer who
4 has been certified by the Vermont Criminal Justice Council pursuant to
5 20 V.S.A. chapter 151.

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

9 (VI) “State employees” means:

10 (aa) facility employees of the Department of Corrections;

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

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

16 (dd) classified employees of public safety answering points;

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

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

20 and

1 (gg) classified employees of the Department of State’s
2 Attorneys and Sheriffs, State’s Attorneys, and employees of the Department of
3 State’s Attorneys and Sheriffs who are assigned to a State’s Attorney’s field
4 office.

5 * * *

6 Sec. __. SURVEY OF FIRE DEPARTMENTS; REPORT

7 (a) The Executive Director of the Division of Fire Safety shall survey
8 Vermont municipal fire departments and private volunteer fire departments
9 regarding the following information:

10 (1) the number of firefighters in the department;

11 (2) the age of each firefighter in the department;

12 (3) the number of firefighters in the department that use tobacco;

13 (4) for professional firefighters, the annual salary or hourly wage of
14 each firefighter; and

15 (5) for volunteer firefighters, the annual salary or hourly wage of each
16 volunteer firefighter in the volunteer firefighter’s regular employment.

17 (b) All information requested pursuant subsection (a) of this section shall
18 be requested in an anonymized form.

19 (c) On or before December 15, 2024, the Executive Director shall report to
20 the Commissioner of Financial Regulation, the Senate Committee on
21 Economic Development, Housing and General Affairs and the House

1 Committee on Commerce and Economic Development regarding the results of
2 the survey.

3 Sec. __. FIREFIGHTERS' WORKERS' COMPENSATION CLAIMS FOR
4 CANCER; ANNUAL REPORT

5 (a) The Commissioner of Financial Regulation shall, on or before
6 December 15 of 2024, 2025, 2026, 2027, and 2028, report to the Senate
7 Committee on Economic Development, Housing and General Affairs and the
8 House Committee on Commerce and Economic Development regarding:

9 (1) the number of workers' compensation claims for cancer that were
10 submitted by Vermont firefighters in the previous 12 months;

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

12 (3) the number and percentage of those claims that were for a type of
13 cancer that is not listed in 21 V.S.A. § 601(11)(E)(iii); and

14 (4) the number of those claims that were reported to the National
15 Firefighter Registry for Cancer.

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

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

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

1 Standard on Comprehensive Occupational Medical Program for Fire

2 Departments, NFPA 1582.

3 (c) The Executive Director shall develop a simple application process for
4 fire departments seeking grants provided pursuant to this section.

5 * * * Unpaid Medical Leave * * *

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

7 § 471. DEFINITIONS

8 As used in this subchapter:

9 * * *

10 (3) “Family leave” means a leave of absence from employment by an
11 employee who works for an employer ~~which~~ that employs 15 or more
12 individuals who are employed for an average of at least 30 hours per week
13 during the year for one of the following reasons:

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

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

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

20 (5) “Parental leave” means a leave of absence from employment by an
21 employee who works for an employer ~~which~~ that employs 10 or more

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

3 * * *

4 ~~(5)~~(6) “~~Serious illness~~ health condition” means:

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

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

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

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

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

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

16 § 472. LEAVE

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

19 * * *

20 (2) for family leave, for the serious ~~illness~~ health condition of the
21 employee or the employee’s child, stepchild or ward of the employee who lives

1 with the employee, foster child, parent, spouse, or parent of the employee's
2 spouse.

3 * * *

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

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

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

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

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

19 * * *

20 (h) Except for serious ~~illness~~ health condition of the employee, an
21 employee who does not return to employment with the employer who provided

1 the leave shall return to the employer the value of any compensation paid to or
2 on behalf of the employee during the leave, except payments for accrued sick
3 leave or vacation leave.

4 * * * Baby Bonds Trust Program * * *

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

6 CHAPTER 20. VERMONT BABY BOND TRUST

7 § 601. DEFINITIONS

8 As used in this chapter:

9 (1) “Designated beneficiary” means an individual born on or after July
10 1, 2024 who was eligible at birth for coverage in the Dr. Dynasaur program
11 established in accordance with Title XIX (Medicaid) and Title XXI (SCHIP) of
12 the Social Security Act or for coverage available pursuant to 33 V.S.A. chapter
13 19, subchapter 9.

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

16 (A) education of a designated beneficiary;

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

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

20 or

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

4 (3) “Trust” means the Vermont Baby Bond Trust established by this
5 chapter.

6 § 602. VERMONT BABY BOND TRUST; ESTABLISHMENT;

7 IMPLEMENTATION

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

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

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

5 (3) All amounts obligated to be paid from the Trust shall be limited to
6 the amounts available for that obligation on deposit in the Trust. The amounts
7 on deposit in the Trust shall only be disbursed in accordance with the
8 provisions of section 607 of this title.

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

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

16 (d) The Treasurer's duty to implement this chapter is contingent upon the
17 Treasurer's receipt of donations designated for purposes of implementation or
18 administration of the Trust in an amount sufficient to operate a pilot project.

19 (e) A pilot project shall be designed and implemented at the sole discretion
20 of the Treasurer. Its purpose shall be to evaluate the impact, effectiveness, and
21 operational necessities of a permanent program consistent with this subchapter.

1 § 603. TREASURER’S TRUST AUTHORITY

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

3 (1) receive and invest monies in the Trust in any instruments,

4 obligations, securities, or property in accordance with section 604 of this title:

5 (2) enter into one or more contractual agreements, including contracts

6 for legal, actuarial, accounting, custodial, advisory, management,

7 administrative, advertising, marketing, or consulting services, for the Trust and

8 pay for such services from the assets of the Trust;

9 (3) procure insurance in connection with the Trust’s property, assets,

10 activities, or deposits and pay for such insurance from the assets of the Trust;

11 (4) apply for, accept, and expend gifts, grants, and donations from public

12 or private sources to enable the Trust to carry out its objectives;

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

14 (6) sue and be sued;

15 (7) establish one or more funds within the Trust and expend reasonable

16 amounts from the funds for internal costs of administration; and

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

18 chapter.

19 § 604. INVESTMENT OF FUNDS IN THE TRUST

20 The Treasurer shall invest the amounts on deposit in the Trust in a manner

21 reasonable and appropriate to achieve the objectives of the Trust, exercising

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

12 § 605. EXEMPTION FROM TAXATION

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

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

16 INCOME

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

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

5 § 607. ACCOUNTING FOR DESIGNATED BENEFICIARY; CLAIMS
6 REQUIREMENTS

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

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

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

19 (d) A designated beneficiary, or the designated beneficiary’s authorized
20 representative in the case of a designated beneficiary unable to make a claim
21 due to disability, may submit a claim for accounting until the designated

1 beneficiary's 30th birthday, provided the designated beneficiary is a resident of
2 the State at the time of the claim. If a designated beneficiary dies before
3 submitting a valid claim or fails to submit a valid claim before the designated
4 beneficiary's 30th birthday, the designated beneficiary's accounting shall be
5 credited back to the assets of the Trust.

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

9 § 608. DATA SHARING

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

1 Sec. __. VERMONT BABY BOND TRUST; HOUSING OPPORTUNITIES;
2 REPORT

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

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

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

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

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

14 (2) potential funding sources for the program;

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

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

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

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

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

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

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

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

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

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

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

19 (8) the feasibility of altering the program to permit unclaimed funds to
20 rollover into a beneficiary’s retirement account; and

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Senator _____

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FOR THE COMMITTEE