

House Calendar

Thursday, May 8, 2025

121st DAY OF THE BIENNIAL SESSION

House Convenes at 1:00 P.M.

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ACTION CALENDAR

Action Postponed Until May 8, 2025

Favorable with Amendment

H. 248

An act relating to supplemental child care grants and the Child Care Financial Assistance Program

Rep. Cole of Hartford, for the Committee on Human Services, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 33 V.S.A. § 3505 is amended to read:

§ 3505. SUPPLEMENTAL CHILD CARE GRANTS

(a)(1)(A) The Commissioner for Children and Families may reserve up to one-half of one percent of the ~~child-care-family-assistance-program~~ Child Care Financial Assistance Program funds for extraordinary financial relief to assist child care programs that are at risk of closing due to experiencing financial hardship. The Commissioner may provide extraordinary financial relief under this subdivision (A) to both licensed and registered child care programs and to child care programs that are in the process of becoming licensed or registered. The Commissioner shall develop guidelines for providing assistance and shall prioritize extraordinary financial relief to child care programs in areas of the State with high poverty and low access to high quality child care.

~~(B) If the Commissioner determines a child care program is at risk of closure because its operations are not fiscally sustainable, he or she may provide assistance to~~ In order to transition children who are currently served by the a child care operator program that is closing to a new child care program in an orderly fashion and to help secure other child care opportunities for children served by the program in an effort to minimize the disruption of services, the Commissioner may provide assistance to the existing or new program to minimize the disruption of services to the effected children.

(C) The As needed to implement this subdivision (1), the Commissioner has the authority to request tax returns and other financial documents to verify the a child care program's financial hardship and its ability to sustain or increase operations.

(2) Annually on or before January 15, the Commissioner shall report to the Senate Committee on Health and Welfare and to the House Committee on Human Services regarding any funds distributed pursuant to subdivision (1) of this subsection. Specifically, the report shall address how funds were distributed and used. It shall also address results related to any distribution of funds.

* * *

Sec. 2. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period. The Program shall support eligible families by either:

(A) establishing services with a child care provider with whom the Division has contracted or issued a grant for child care services; or

(B) providing a subsidy issued pursuant to subdivision (2) of this subsection (a).

(2) The subsidy authorized by this subsection and the corresponding family contribution shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The Commissioner may adjust the subsidy and family contribution by rule to account for increasing child care costs not to exceed 1.5 times the most recent annual increase in the NAICS code 611, Educational Services. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 175 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 575 percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by this subsection. The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the

previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.

* * *

Sec. 3. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

(a)(1) The Commissioner shall establish a payment schedule for purposes of ~~reimbursing~~ paying providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. The payment schedule shall ensure timely payment to child care providers by requiring payment in advance of or at the beginning of the delivery of child care services. The payment schedule shall account for the age of the children served, and all providers in the same child care setting category shall receive ~~a reimbursement~~ payment in accordance with a rate ~~payment~~ established by the Commissioner, which shall be dependent upon whether the provider operates a child care center and preschool program, family child care home, or afterschool or summer care program. The ~~reimbursement~~ payment rate shall then be adjusted to reduce the differential between family child care homes and center-based child care and preschool programs by 50 percent.

(2) Payments shall be based on a child's authorized enrollment. The Department, in consultation with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to 3 V.S.A. chapter 25 that define "enrollment" and the total number of allowable absences to continue participating in the Child Care Financial Assistance Program. The Department shall minimize itemization of absence categories.

* * *

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

(Committee Vote: 11-0-0)

Rep. Mrowicki of Putney, for the Committee on Appropriations, recommends that the report of the Committee on Human Services be amended in Sec. 1, 33 V.S.A. § 3505, in subdivision (a)(1)(A), in the first sentence, after "at risk of closing" by inserting the phrase "or not opening"

(Committee Vote: 11-0-0)

Amendment to be offered by Rep. Holcombe of Norwich to the report of the Committee on Human Services on H. 248

That the report of the Committee on Human Services be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Publicly Funded Prekindergarten Education Generally * * *

Sec. 1. 16 V.S.A. § 829 is amended to read:

§ 829. PREKINDERGARTEN EDUCATION

(a) Definitions. As used in this section:

(1) “Prekindergarten child” means a child who, as of the date established by the district of residence for kindergarten eligibility, is three or four years of age or is five years of age but is not yet enrolled in kindergarten.

(2) “Prekindergarten education” means services designed to provide to prekindergarten children developmentally appropriate early development and learning experiences based on Vermont’s early learning standards.

(3) “Prequalified private provider” means a private provider of prekindergarten education that is qualified pursuant to subsection (c) of this section.

(4) “Prequalified public provider” means a school district that provides prekindergarten education and is qualified pursuant to subsection (c) of this section.

(b) Access to publicly funded prekindergarten education.

(1) ~~No fewer~~ Not less than ~~ten~~ 10 hours per week of publicly funded prekindergarten education shall be available for 35 weeks annually to each prekindergarten child whom a parent or guardian wishes to enroll in an available, prequalified program operated by a public school or a private provider.

(2)(A) If a parent or guardian chooses to enroll a prekindergarten child in an available, prequalified public program, then, pursuant to the parent or guardian’s choice, the school district of residence shall:

(A)(i) pay tuition pursuant to ~~subsections~~ subsection (d) ~~and (h)~~ of this section upon the request of the parent or guardian to:

(i) ~~a prequalified private provider; or~~

(ii) a public school located outside the district that operates a prekindergarten program that has been prequalified pursuant to subsection (c) of this section; or

~~(B)~~(ii) enroll the child in the prekindergarten education program that it operates.

(B) If a parent or guardian chooses to enroll a prekindergarten child in an available, prequalified private program, then, pursuant to the parent or guardian's choice, the Department for Children and Families shall pay tuition to the prequalified private provider pursuant to 33 V.S.A. § 3551.

~~(3) If requested by the parent or guardian of a prekindergarten child, the school district of residence shall pay tuition to a prequalified program operated by a private provider or a public school in another district even if the district of residence operates a prekindergarten education program. [Repealed.]~~

(4) If the supply of prequalified private and public providers is insufficient to meet the demand for publicly funded prekindergarten education in any region of the State, nothing in this section shall be construed to require a district to begin or expand a program to satisfy that demand; but rather, in collaboration with the Agencies of Education and of Human Services, the local Building Bright Futures Council shall meet with school districts and private providers in the region to develop a regional plan to expand capacity.

(c) Prequalification. Pursuant to rules jointly developed and overseen by the Secretaries of Education and of Human Services and adopted by the State Board pursuant to 3 V.S.A. chapter 25, the Agencies jointly may determine that a private or public provider of prekindergarten education is qualified for purposes of this section and include the provider in a publicly accessible database of prequalified providers. At a minimum, the rules shall define the process by which a provider applies for and maintains prequalification status, shall identify the minimum quality standards for prequalification, and shall include the following requirements:

(1) A program of prekindergarten education, whether provided by a school district or a private provider, shall have received:

(A) National Association for the Education of Young Children (NAEYC) accreditation;

(B) at least four stars in the Department for Children and Families' STARS system; or

(C) three stars in the STARS system if the provider has developed a plan, approved by the Commissioner for Children and Families and the Secretary of Education, to achieve four or more stars.

(2) A licensed provider shall employ or contract for the services of at least one teacher who is licensed and endorsed in early childhood education or in early childhood special education under chapter 51 of this title.

(3) A registered home provider that is not licensed and endorsed in early childhood education or early childhood special education shall receive regular, active supervision and training from a teacher who is licensed and endorsed in early childhood education or in early childhood special education under chapter 51 of this title.

(d) Tuition, budgets, and average daily membership.

(1) On behalf of a resident prekindergarten child, a district shall pay tuition for prekindergarten education for ~~ten~~ 10 hours per week for 35 weeks annually to a prequalified private provider or to a public school outside the district that is prequalified pursuant to subsection (c) of this section; provided, however, that the district shall pay tuition for weeks that are within the district's academic year. Tuition paid under this section shall be at a statewide rate, which may be adjusted regionally, that is established annually through a process jointly developed and implemented by the Agencies of Education and of Human Services. A district shall pay tuition to a prequalified public prekindergarten provider located outside the district upon:

(A) receiving notice from the child's parent or guardian that the child is or will be admitted to the prekindergarten education program operated by the ~~prequalified private provider or the other district~~; and

(B) concurrent enrollment of the prekindergarten child in the district of residence for purposes of budgeting and determining average daily membership.

(2) In addition to any direct costs of operating a prekindergarten education program, a district of residence shall include anticipated tuition payments and any administrative, quality assurance, quality improvement, transition planning, or other prekindergarten-related costs in its annual budget presented to the voters.

(3) Pursuant to subdivision 4001(1)(C) of this title, the district of residence may include within its average daily membership any prekindergarten child for whom it has provided prekindergarten education or on whose behalf it has paid tuition to a prequalified public provider located outside the district, pursuant to this section.

(4) ~~A prequalified private provider may receive additional payment directly from the parent or guardian only for prekindergarten education in excess of the hours paid for by the district pursuant to this section or for child~~

~~care services, or both. The provider is not bound by the statewide rate established in this subsection when determining the rates it will charge the parent or guardian. [Repealed.]~~

(e) Rules. The Secretary of Education and the Commissioner for Children and Families shall jointly develop and agree to rules and present them to the State Board for adoption under 3 V.S.A. chapter 25 as follows:

(1) To permit private providers that are not prequalified pursuant to subsection (c) of this section to create new or continue existing partnerships with school districts through which the school district provides supports that enable the provider to fulfill the requirements of subdivision (c)(2) or (3) of this section, and through which the district may or may not make in-kind payments as a component of the statewide tuition established under this section.

(2) To authorize a district to begin or expand a school-based prekindergarten education program only upon prior approval obtained through a process jointly overseen by the Secretaries of Education and of Human Services, which shall be based upon analysis of the number of prekindergarten children residing in the district and the availability of enrollment opportunities with prequalified private providers in the region. Where the data are not clear or there are other complex considerations, the Secretaries may choose to conduct a community needs assessment.

(3) To require that the school district provides opportunities for effective parental participation in the prekindergarten education program.

(4) To establish a process by which:

(A) a parent or guardian notifies the district that the prekindergarten child is or will be admitted to a prequalified public prekindergarten education program not operated by the district and concurrently enrolls the child in the district pursuant to subdivision (d)(1) of this section; and

(B) ~~a district:~~

~~(i) pays tuition pursuant to a schedule that does not inhibit the ability of a parent or guardian to enroll a prekindergarten child in a prekindergarten education program or the ability of a prequalified private provider to maintain financial stability; and~~

~~(ii) enters into an agreement with any provider to which it will pay tuition regarding quality assurance, transition, and any other matters; and~~

~~(C)~~ a provider that has received tuition payments under this section on behalf of a prekindergarten child notifies a district that the child is no longer enrolled.

(5) To establish a process to calculate an annual statewide tuition rate that is based upon the actual cost of delivering ~~ten~~ 10 hours per week of prekindergarten education that meets all established quality standards and to allow for regional adjustments to the rate.

(6) [Repealed.]

(7) To require a district to include identifiable costs for prekindergarten programs and essential early education services in its annual budgets and reports to the community.

(8) To require a district to report to the Agency of Education annual expenditures made in support of prekindergarten education, with distinct figures provided for expenditures made from the General Fund, from the Education Fund, and from all other sources, which shall be specified.

(9) To provide an administrative process for:

(A) a parent, or guardian, ~~or provider~~ to challenge an action of a school district or the State when the complainant believes that the district or State is in violation of State statute or rules regarding prekindergarten education; ~~and~~

(B) a school district to challenge an action of ~~a provider~~ or the State when the district believes that ~~the provider~~ or the State is in violation of State statute or rules regarding prekindergarten education;

(C) a parent or guardian to challenge the action of a prequalified private provider or prequalified private provider, respectively, when the complainant believes that the provider is in violation of State statute or rules regarding prekindergarten education; and

(D) a prequalified private provider to challenge an action of the State when the complainant believes the State is in violation of State statute or rules regarding prekindergarten education.

(10) To establish a system by which the Agency of Education and Department for Children and Families shall jointly monitor and evaluate prekindergarten education programs to promote optimal results for children that support the relevant population-level outcomes set forth in 3 V.S.A. § 2311 and to collect data that will inform future decisions. The Agency and Department shall be required to report annually to the General Assembly in January. At a minimum, the system shall monitor and evaluate:

(A) programmatic details, including the number of children served, the number of private and public prekindergarten programs operated, and the public financial investment made to ensure access to quality prekindergarten education;

(B) the quality of public and private prekindergarten education programs and efforts to ensure continuous quality improvements through mentoring, training, technical assistance, and otherwise; and

(C) the results for children, including school readiness and proficiency in numeracy and literacy.

(11) To establish a process for documenting the progress of children enrolled in prekindergarten education programs and to require public and private providers to use the process to:

(A) help individualize instruction and improve program practice; and

(B) collect and report child progress data to the Secretary of Education on an annual basis.

~~(f) Other provisions of law. Section 836 of this title shall not apply to this section. [Repealed.]~~

~~(g) Limitations. Nothing in this section shall be construed to permit or require payment of public funds to a private provider of prekindergarten education in violation of Chapter I, Article 3 of the Vermont Constitution or in violation of the Establishment Clause of the U.S. Constitution. [Repealed.]~~

~~(h) Geographic limitations.~~

~~(1) Notwithstanding the requirement that a district pay tuition to any prequalified public or private provider in the State, a school board may choose to limit the geographic boundaries within which the district shall pay tuition by paying tuition solely to those prequalified providers in which parents and guardians choose to enroll resident prekindergarten children that are located within the district's "prekindergarten region" as determined in subdivision (2) of this subsection.~~

~~(2) For purposes of this subsection, upon application from the school board, a district's prekindergarten region shall be determined jointly by the Agencies of Education and of Human Services in consultation with the school board, private providers of prekindergarten education, parents and guardians of prekindergarten children, and other interested parties pursuant to a process adopted by rule under subsection (e) of this section. A prekindergarten region:~~

~~(A) shall not be smaller than the geographic boundaries of the school district;~~

~~(B) — shall be based in part upon the estimated number of prekindergarten children residing in the district and in surrounding districts, the availability of prequalified private and public providers of prekindergarten education, commuting patterns, and other region-specific criteria; and~~

~~(C) shall be designed to support existing partnerships between the school district and private providers of prekindergarten education.~~

~~(3) If a school board chooses to pay tuition to providers solely within its prekindergarten region, and if a resident prekindergarten child is unable to access publicly funded prekindergarten education within that region, then the child's parent or guardian may request and in its discretion the district may pay tuition at the statewide rate for a prekindergarten education program operated by a prequalified provider located outside the prekindergarten region.~~

~~(4) Except for the narrow exception permitting a school board to limit geographic boundaries under subdivision (1) of this subsection, all other provisions of this section and related rules shall continue to apply. [Repealed.]~~

Sec. 2. 16 V.S.A. § 4001 is amended to read:

§ 4001. DEFINITIONS

As used in this chapter:

(1) “Average daily membership” of a school district or, if needed in order to calculate the appropriate homestead tax rate, of the municipality as defined in 32 V.S.A. § 5401(9), in any year means:

* * *

(C) The full-time equivalent enrollment for each prekindergarten child as follows: If a child is enrolled in 10 or more hours of prekindergarten education per week in a public school or receives 10 or more hours of essential early education services per week, the child shall be counted as one full-time equivalent pupil. If a child is enrolled in six or more but fewer less than 10 hours of prekindergarten education per week in a public school or if a child receives fewer less than 10 hours of essential early education services per week, the child shall be counted as a percentage of one full-time equivalent pupil, calculated as one multiplied by the number of hours per week divided by ~~ten~~ 10. A child enrolled in prekindergarten education for fewer less than six hours per week in a public school or for any number of hours in a prequalified private provider shall not be included in the district's average daily membership. There is no limit on the total number of children who may be enrolled in public school prekindergarten education program or who receive essential early education services.

* * *

(15) “Prekindergarten child” means a ~~three–or–four–year–old~~ child three or four years of age who is enrolled in a prekindergarten program offered by ~~or through~~ a school district pursuant to rules adopted under section 829 of this title or who is receiving essential early education services offered pursuant to section 2956 of this title. Prekindergarten child also means a ~~five–year–old~~ child five years of age who otherwise meets the terms of this definition if that child is not yet eligible for or enrolled in kindergarten.

* * * Child Care Financial Assistance Program, Supplemental Child Care Grants, and Prequalified Private Prekindergarten Education * * *

Sec. 3. 33 V.S.A. § 3505 is amended to read:

§ 3505. SUPPLEMENTAL CHILD CARE GRANTS

(a)(1)(A) ~~The Commissioner for Children and Families may reserve up to one-half of one percent of the child care family assistance program~~ Child Care Financial Assistance Program funds for extraordinary financial relief to assist child care programs that are at risk of closing due to experiencing financial hardship. The Commissioner may provide extraordinary financial relief under this subdivision (A) to both licensed and registered child care programs and to child care programs that are in the process of becoming licensed or registered. The Commissioner shall develop guidelines for providing assistance and shall prioritize extraordinary financial relief to child care programs in areas of the State with high poverty and low access to high quality child care.

~~(B) If the Commissioner determines a child care program is at risk of closure because its operations are not fiscally sustainable, he or she may provide assistance to~~ In order to transition children who are currently served by the a child care operator program that is closing to a new child care program in an orderly fashion and to help secure other child care opportunities for children served by the program in an effort to minimize the disruption of services, the Commissioner may provide assistance to the existing or new program to minimize the disruption of services to the effected children.

~~(C) The~~ As needed to implement this subdivision (1), the Commissioner has the authority to request tax returns and other financial documents to verify ~~the a child care program’s~~ financial hardship and its ability to sustain or increase operations.

(2) Annually on or before January 15, the Commissioner shall report to the Senate Committee on Health and Welfare and to the House Committee on Human Services regarding any funds distributed pursuant to subdivision (1) of this subsection. Specifically, the report shall address how funds were

distributed and used. It shall also address results related to any distribution of funds.

* * *

Sec. 4. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE FINANCIAL ASSISTANCE PROGRAM;

ELIGIBILITY

(a)(1) The Child Care Financial Assistance Program is established to subsidize the costs of child care for families that need child care services in order to obtain employment, to retain employment, or to obtain training leading to employment. Families seeking employment shall be entitled to participate in the Program for up to three months and the Commissioner may further extend that period. The Program shall support eligible families by either:

(A) establishing services with a child care provider with whom the Division has contracted or issued a grant for child care services; or

(B) providing a subsidy issued pursuant to subdivision (2) of this subsection (a).

(2) The subsidy authorized by this subsection and the corresponding family contribution shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The Commissioner may adjust the subsidy and family contribution by rule to account for increasing child care costs not to exceed 1.5 times the most recent annual increase in the NAICS code 611, Educational Services. Families shall be found eligible using an income eligibility scale based on the current federal poverty level and adjusted for the size of the family. Co-payments shall be assigned to the whole family and shall not increase if more than one eligible child is enrolled in child care. Families with an annual gross income of less than or equal to 175 percent of the current federal poverty guidelines shall not have a family co-payment. Families with an annual gross income up to and including 575 percent of current federal poverty guidelines, adjusted for family size, shall be eligible for a subsidy authorized by this subsection. The scale shall be structured so that it encourages employment. If the federal poverty guidelines decrease in a given year, the Division shall maintain the previous year's federal poverty guidelines for the purpose of determining eligibility and benefit amount under this subsection.

* * *

Sec. 5. 33 V.S.A. § 3514 is amended to read:

§ 3514. PAYMENT TO PROVIDERS

(a)(1) The Commissioner shall establish a payment schedule for purposes of ~~reimbursing~~ paying providers for full- or part-time child care services rendered to families who participate in the programs established under section 3512 or 3513 of this title. The payment schedule shall ensure timely payment to child care providers by requiring payment in advance or at the beginning of the delivery of child care services. The payment schedule shall account for the age of the children served, and all providers in the same child care setting category shall receive ~~a reimbursement~~ payment in accordance with a rate payment established by the Commissioner, which shall be dependent upon whether the provider operates a child care center and preschool program, family child care home, or afterschool or summer care program. The ~~reimbursement~~ payment rate shall then be adjusted to reduce the differential between family child care homes and center-based child care and preschool programs by 50 percent.

(2) Payments shall be based on a child's authorized enrollment. The Department, in consultation with the Office of Racial Equity and stakeholders, shall adopt rules pursuant to 3 V.S.A. chapter 25 that define "enrollment" and the total number of allowable absences to continue participating in the Child Care Financial Assistance Program. The Department shall minimize itemization of absence categories.

* * *

Sec. 6. 33 V.S.A. chapter 35 is amended to read:

CHAPTER 35. CHILD CARE

* * *

Subchapter 6. Prekindergarten Education

§ 3551. PREQUALIFIED PRIVATE PREKINDERGARTEN EDUCATION

(a) A parent or guardian may choose to enroll a prekindergarten child in a publicly funded prekindergarten education program operated by an available, prequalified private provider of the parent or guardian's choice pursuant to 16 V.S.A. § 829 by providing written notice to the Department for Children and Families, on a form created by the Department for this purpose, that the child is or will be admitted to the prekindergarten education program operated by a prequalified private provider.

(b)(1) Upon receiving written notice, the Department shall pay tuition to the prequalified private provider for not more than 10 hours per week of

publicly funded prekindergarten education for 35 weeks annually from the State portion of funding appropriated for the Child Care Financial Assistance Program.

(2) The Department shall pay tuition on a schedule that does not inhibit the ability of a parent or guardian to enroll a prekindergarten child in a private prekindergarten education program or the ability of a prequalified private provider to maintain financial stability.

(3) Prior to making an initial tuition payment, the Department shall enter into an agreement with a prequalified private provider to which it will pay tuition on behalf of a child regarding quality assurance, compliance with 16 V.S.A. § 829, and any other matters. The agreement shall require a prequalified private provider to notify the Department if a prekindergarten child for which it previously received a prekindergarten tuition payment is no longer enrolled.

(c) A prequalified private provider may receive additional payment directly from the parent or guardian only for prekindergarten education in excess of the hours paid for by the Department pursuant to this section or for child care services, or both.

(d) As used in this section, “prekindergarten child,” “prekindergarten education,” and “prequalified private provider” have the same meaning as in 16 V.S.A. § 829.

* * * Reporting Requirement * * *

Sec. 7. REPORT; STREAMLINING APPLICATION PROCESSES

On or before December 15, 2026, the Department for Children and Families’ Child Development Division shall submit a proposal to the House Committee on Human Services and to the Senate Committee on Health and Welfare for streamlining the application process for families seeking receive both a benefit for prekindergarten education provided at a prequalified private provider pursuant to 16 V.S.A. § 829 and a Child Care Financial Assistance Program subsidy pursuant to 33 V.S.A. § 3512. The proposal shall include any necessary legislative language.

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

This section and Secs. 3 (supplemental child care grants), 4 (Child Care Financial Assistance Program; eligibility), and 5 (payment to providers) shall take effect on passage. All other sections shall take effect on September 1, 2026.

and that after passage the title of the bill be amended to read: “An act relating to Child Care Financial Assistance Program, supplemental child care grants, and prequalified private prekindergarten education”

New Business

Third Reading

S. 44

An act relating to authorization to enter into certain immigration agreements

S. 87

An act relating to extradition procedures

Favorable with Amendment

H. 230

An act relating to the management of fish and wildlife

Rep. Satcowitz of Randolph, for the Committee on Environment, recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 10 V.S.A. § 4251 is amended to read:

§ 4251. TAKING WILD ANIMALS AND FISH; LICENSE

(a) Except as provided in sections 4253 and 4254b of this title, a person shall not take wild animals or fish without first having procured a license therefor; provided, however, that a person under 15 years of age may take fish in accordance with this part and regulations of the Board, without first having procured a license therefor.

(b) The Commissioner of Fish and Wildlife may designate two days each calendar year as “free fishing days” for which no license shall be required. One day shall occur in the open water fishing season and one day shall occur during the ice fishing season.

(c) The Commissioner of Fish and Wildlife may designate Labor Day weekend each year as “free mentored fishing weekend,” during which one unlicensed angler can fish with one licensed angler throughout this three-day period.

Sec. 2. 10 V.S.A. § 4613 is amended to read:

§ 4613. FISHING TOURNAMENTS

(a) No person or organization shall hold a fishing tournament on the waters of the State without first obtaining a permit from the Department of Fish and Wildlife. Tournaments held on the Connecticut River, excluding Moore and Comerford Reservoirs, that do not utilize an access area in Vermont are not required to obtain a permit from the Department of Fish and Wildlife.

(b) A fishing tournament means a contest in which anglers pay a fee to enter and in which the entrants compete for a prize based on the quality or size of the fish they catch. A contest may run multiple days, but the days must be consecutive for that contest to be considered a single event. A tournament that limits the entrants to people below 15 years of age or a tournament held as part of a Special Olympics program shall be exempt from paying the fee required under subsection (d) of this section.

(c) The Commissioner shall adopt rules that establish the procedure for implementation of this section. The rules shall include a provision that an angler may not enter a fish that was caught and confined to an enclosed area prior to the beginning of the tournament.

(d) The Commissioner shall charge a fee ~~of \$50.00~~ based on the number of participants for each permit issued under this section and shall deposit the fee collected into the Fish and Wildlife Fund. Tournaments with up to 25 participants shall pay a fee of \$10.00; tournaments with 26 to 50 participants shall pay a fee of \$30.00; and tournaments with more than 50 participants shall pay a fee of \$100.00.

Sec. 3. 10 V.S.A. § 4518 is amended to read:

§ 4518. BIG GAME VIOLATIONS; THREATENED AND ENDANGERED SPECIES; SUSPENSION; VIOLATIONS

(a) ~~Whoever violates a provision of this part or orders or rules of the Board relating to taking, possessing, transporting, buying, or selling of big game; relating to threatened or endangered species; or relating to the trade in covered animal parts or products that constitutes a big game violation shall be fined not more than \$1,000.00 \$2,000.00 nor less than \$400.00 \$500.00 or imprisoned for not more than 60 days, or both. Upon a second and all subsequent convictions or any conviction while under license suspension related to the requirements of part 4 of this title, the violator shall be fined not more than \$4,000.00 \$5,000.00 nor less than \$2,000.00 or imprisoned for not more than 60 180 days, or both.~~

(b) As used in this section, “big game violation” means:

(1) violations relating to taking, possessing, transporting, buying, or selling of big game;

(2) violations of chapter 123 of this title and the rules related to threatened and endangered species;

(3) violation of section 4280 of this title relating to criminal suspensions;

(4) violations of chapter 124 of this title relating to the trade in covered animal parts or products;

(5) interference with hunting, fishing, or trapping in violation of section 4708 of this title; or

(6) illegal commercial importation or possession of wild animals in violation of section 4709 of this title.

Sec. 4. 10 V.S.A. § 4552 is amended to read:

§ 4552. JURISDICTION; VENUE

The Vermont Criminal Division of the Superior Court shall have exclusive jurisdiction over fish and wildlife violations with the exception of violations related to section 4572 and chapters 123 and 124 of this title. Venue for adjudicating fish and wildlife violations shall be the unit of the Criminal Division of the Superior Court having jurisdiction over the geographical area where the offense is stated to have occurred.

Sec. 5. 10 V.S.A. § 4572 is amended to read:

§ 4572. DEFINITIONS

(a) As used in this subchapter, a minor fish and wildlife violation means:

(1) a violation of 10 V.S.A. § 4145 (violation of access and landing area rules);

(2) a violation of 10 V.S.A. § 4251 (taking wild animals and fish without a license);

(3) a violation of 10 V.S.A. § 4266 (failure to carry a license on person or failure to exhibit license);

(4) a violation of 10 V.S.A. § 4267 (false statements in license application; altering license; transferring license to another person; using another person's license; or guiding an unlicensed person);

(5) a violation of 10 V.S.A. § 4713 (tree or ground stands or blinds); ~~or~~

(6) [Repealed.]

(7) a violation of a biological collection rule adopted by the Board under part 4 of this title; or

(8) except for big game offenses and under revocation offenses, any fish and wildlife violation as defined by 10 V.S.A. § 4551 and not otherwise listed in this section shall be charged as a minor violation, provided that:

(A) the offender has no prior history of fish and wildlife violations;

(B) no evidence was seized in relation to the violation;

(C) a criminal warrant was not used in relation to the violation; and

(D) there is no possibility of forfeiture.

(b) “Bureau” means the Judicial Bureau as created in 4 V.S.A. § 1102.

Sec. 6. 10 V.S.A. § 4085 is added to read:

§ 4085. REPTILES AND AMPHIBIANS; TAKING; POSSESSION

(a) A person shall not intentionally take a reptile or amphibian in the State unless authorized by rules adopted under subsection (b) of this section.

(b) The Commissioner may establish requirements for the following by rule:

(1) the collection or possession for commercial use, export, or sale of reptiles and amphibians specified by the Commissioner;

(2) the taking of reptiles or amphibians that have been classified as common, widespread, and abundant, known as S5 ranked species, with stable or increasing populations indicated by data collected or compiled by the Department of Fish and Wildlife;

(3) the taking of a reptile or amphibian that due to population, risk to other native species, or risk to ecosystems has been identified as requiring a reduction in population; or

(4) under specified criteria, the taking, collection, or possession of a specified reptile or amphibian for scientific, educational, or noncommercial cultural or ceremonial purposes.

(c) Rules adopted by the Commissioner of Fish and Wildlife under this section shall be designed to maintain the best health, population, and utilization levels of the regulated reptile or amphibian.

Sec. 7. IMPORT, POSSESSION, AND SALE OF REPTILES AND
AMPHIBIANS; ENDORSEMENTS

(a)(1) A person shall not import, possess, or sell in the State a pond slider turtle (Trachemys scripta), unless the turtle was legally acquired as a pet prior to July 1, 2025.

(2) A person is prohibited from releasing to the wild a pond slider retained as a pet under this subsection. A violation of the prohibition under this section shall be subject to enforcement as a fish and wildlife violation under Title 10 part 4.

(b) Subsection (a) of this section shall be repealed on the effective date of a rule adopted by the Commissioner of Fish and Wildlife under 10 V.S.A. § 4085 regulating the import, possession, or sale of the pond slider turtle (Trachemys scripta).

(c) When the Commissioner of Fish and Wildlife under 10 V.S.A. § 4085(b) authorizes the taking of a reptile or amphibian by hunting, a hunting license issued under 10 V.S.A. part 4 that authorizes the taking of reptiles and amphibians under the license shall include an endorsement indicating the authorized taking.

Sec. 8. 10 V.S.A. § 4709 is amended to read:

§ 4709. TRANSPORT, IMPORTATION, POSSESSION, AND STOCKING
OF WILD ANIMALS; POSSESSION OF WILD BOAR OR FERAL
SWINE

(a) A person shall not bring into, transport into, transport within, transport through, or possess in the State any live wild bird or animal of any kind, including reptiles, amphibians, or any manner of feral swine, without authorization from the Commissioner or ~~his or her~~ the Commissioner's designee. The importation permit may be granted under ~~such regulations therefor as~~ rules, requirements, or conditions that the Commissioner shall prescribe and only after the Commissioner has made such investigation and inspection of the birds or animals as ~~she or he~~ the Commissioner may deem necessary. The Department may dispose of unlawfully possessed or imported wildlife as it may judge best, and the State may collect treble damages from the violator of this subsection for all expenses incurred.

(b) No person shall bring into the State from another country, state, or province wildlife illegally taken, transported, or possessed contrary to the laws governing the country, state, or province from which the wildlife originated.

(c) No person shall place a Vermont-issued tag on wildlife taken outside the State. No person shall report big game in Vermont when the wildlife is taken outside the State.

(d) Nothing in this section shall prohibit the Commissioner or duly authorized agents of the Department of Fish and Wildlife from bringing into the State for the purpose of planting, introducing, or stocking or from planting, introducing, or stocking in the State any wild bird or animal.

(e) A person shall not take, collect, possess, sell, import, or export any wild bird or animal, or parts thereof, dead or alive, for commercial purposes unless authorized by statute, the rules of the Board, rules of the Commissioner, or a permit from the Commissioner.

(f) Any person who violates this section may be subject to the penalties set forth in section 4518 of this title and also may be required to pay additional penalties based on reasonable mitigation and potential economic benefit associated with commercial trade.

(g) The Commissioner may bring an action in the unit of the Criminal Division of the Superior Court having jurisdiction over the geographical area where the offense is stated to have occurred, or the Environmental Division of the Superior Court, to compel reasonable mitigation and recover economic benefits for commercial collection and trade violations under this subsection.

(h) Applicants shall pay a permit fee of \$100.00.

~~(f)~~(i)(1) The Commissioner shall not issue a permit under this section for the importation or possession of the following live species, a hybrid or genetic variant of the following species, offspring of the following species, or offspring or a hybrid of a genetically engineered variant of the following species: feral swine, including wild boar, wild hog, wild swine, feral pig, feral hog, old world swine, razorback, Eurasian wild boar, or Russian wild boar (*Sus scrofa* Linnaeus). A feral swine is:

* * *

Sec. 9. 10 V.S.A. § 5403(a) is amended to read:

(a) Except as authorized under this chapter, a person shall not:

(1) take, possess, or transport wildlife or wild plants that are members of a threatened or endangered species; or

(2) destroy or adversely impact critical habitat;

(3) sell or offer for sale in intrastate commerce a threatened or endangered species;

(4) deliver, receive, carry, transport, or ship a threatened or endangered species in intrastate commerce; or

(5) import a threatened or endangered species into or export a threatened or endangered species from Vermont.

Sec. 10. 10 V.S.A. § 5408 is amended to read:

§ 5408. AUTHORIZED TAKINGS; INCIDENTAL TAKINGS;

DESTRUCTION OF CRITICAL HABITAT

(a) Authorized taking. Notwithstanding any provision of this chapter, after obtaining the advice of the Endangered Species Committee, the Secretary may permit, under such terms and conditions as the Secretary may require as necessary to carry out the purposes of this chapter, the taking of a threatened or endangered species, the destruction of or adverse impact on critical habitat, or any act otherwise prohibited by this chapter if done for any of the following purposes:

- (1) scientific purposes;
- (2) to enhance the propagation or survival of a threatened or endangered species;
- (3) zoological exhibition;
- (4) educational purposes;
- (5) noncommercial cultural or ceremonial purposes; or
- (6) special purposes consistent with the purposes of the federal Endangered Species Act.

(b) Incidental taking. After obtaining the advice of the Endangered Species Committee, the Secretary may permit, under such terms and conditions as necessary to carry out the purposes of this chapter, the incidental taking of a threatened or endangered species or the destruction of or adverse impact on critical habitat if:

- (1) the taking is necessary to conduct an otherwise lawful activity;
- (2) the taking is attendant or secondary to, and not the purpose of, the lawful activity;
- (3) the impact of the permitted incidental take is minimized; and
- (4) the incidental taking will not impair the conservation or recovery of any endangered species or threatened species.

* * *

(k) Public notice. ~~Prior~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, prior to issuing a permit for an incidental taking and prior to the initial issuance or amendment of a general permit under this section, the Secretary shall provide for public notice of ~~no~~ not fewer than 30 days; opportunity for written comment; and opportunity to request a public informational hearing. The Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary shall post permit applications, permit decisions, and the initial or amended general permits on the website of the Agency of Natural Resources. The Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary also shall provide notice to interested persons who request notice of permit applications, permit decisions, and proposed general permits or proposed amendments to general permits.

(l) General permits.

(1) The Secretary may issue general permits for activities that will not affect the continued survival or recovery of a threatened or endangered species.

* * *

(6) ~~Prior~~ Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, prior to issuing an initial or amended general permit under this subsection, the Secretary shall:

- (A) post a draft of the general permit on the Agency website;
- (B) provide public notice of at least 30 days; and
- (C) provide for written comments or a public hearing, or both.

(7) For applications for coverage under the terms of an issued general permit, the applicant shall provide notice on a form provided by the Secretary. The Except for threatened and endangered species listed by the Secretary in accordance with subsection 5410(b) of this title, the Secretary shall post notice of the application on the Agency website and shall provide an opportunity for written comment, regarding whether the application complies with the terms and conditions of the general permit, for ~~ten~~ 10 days following receipt of the application.

* * *

Sec. 11. 10 V.S.A. § 5410 is amended to read:

§ 5410. LOCATION CONFIDENTIAL

(a) The Secretary shall not disclose information regarding the specific location of threatened or endangered species sites or habitats except ~~that the Secretary shall disclose information regarding the location of the threatened or endangered species to:~~

(1) to the owner of land upon which the species is located;

(2) to a potential buyer of land upon which the species is located who has a bona fide contract to buy the land and applies to the Secretary for disclosure of threatened or endangered species information; ~~or~~

(3) to qualified individuals or organizations, public agencies, and nonprofit organizations for scientific research or for preservation and planning purposes when the Secretary determines that the preservation of the species is not further endangered by the disclosure; or

(4) during regulatory processes with the exception of threatened or endangered species listed under subsection (b) of this section.

(b) The Secretary shall maintain a subset list of threatened and endangered species whose specific names shall not be included in regulatory planning. The subset list shall include threatened or endangered species for which the species names and locations shall not be disclosed because of the risk that the species will be significantly harmed by unauthorized take, such as illegal collection, commercial trade, human-caused mortality, or destruction of habitat. The list shall be based on the rarity of the species, known collection and commercial trade activities in Vermont and other states or countries, incidents of human-caused mortality or destruction of habitat, and other factors that present a threat to the continued existence of the species.

(c) When the Secretary issues a permit under this chapter to take a threatened or endangered species or destroy or adversely impact critical habitat and when the Secretary designates critical habitat by rule under section 5402a of this title, the Secretary shall disclose only the municipality and general location where the threatened or endangered species or designated critical habitat is located. When the Secretary designates critical habitat under section 5402a of this title, the Secretary shall notify the municipality in which the critical habitat is located and shall disclose the general location of the designated critical habitat.

Sec. 12. 10 V.S.A. § 4829 is amended to read:

§ 4829. ~~PERSON SUFFERING DAMAGE BY DEER OR BLACK BEAR~~

~~(a) A person engaged in the business of farming who suffers damage by deer to the person's crops, fruit trees, or crop-bearing plants on land not posted against the hunting of deer, or a person engaged in the business of farming~~

~~who suffers damage by black bear to the person's cattle, sheep, swine, poultry, or bees or bee hives on land not posted against hunting or trapping of black bear is entitled to reimbursement for the damage up to an amount not to exceed \$5,000.00 per year, and may apply to the Department of Fish and Wildlife within 72 hours of the occurrence of the damage for reimbursement for the damage. As used in this section, "post" means any signage that would lead a reasonable person to believe that hunting is prohibited on the land.~~

~~(b) As used in this section, a person is "engaged in the business of farming" if he or she earns at least one-half of the farmer's annual gross income from the business of farming, as that term is defined in the Internal Revenue Code, 26 C.F.R. § 1.175-3. [Repealed.]~~

Sec. 13. EFFECTIVE DATES

This act shall take effect on July 1, 2025, except that in Sec. 6, 10 V.S.A. § 4085(a) (related to the taking of reptiles and amphibians) shall take effect on January 1, 2027.

(Committee Vote: 9-1-1)

Rep. Masland of Thetford, for the Committee on Ways and Means, recommends that the bill ought to pass when amended as recommended by the Committee on Environment.

(Committee Vote: 7-3-1)

Rep. Squirrell of Underhill, for the Committee on Appropriations, recommends that the bill ought to pass when amended as recommended by the Committee on Environment.

(Committee Vote: 9-2-0)

Senate Proposal of Amendment

H. 41

An act relating to abuse of the dead body of a person

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 3761a is added to read:

§ 3761a. ABUSE OF THE DEAD BODY OF A PERSON

(a) No person shall, knowingly without legal authorization, intentionally burn, mutilate, disfigure, dismember, or destroy the dead body of a person.

(b) No person shall violate subsection (a) of this section for the purpose of concealing a crime or avoiding apprehension, prosecution, or conviction of a crime.

(c) No person shall commit sexual conduct upon the dead body of a person.

(d)(1) A person who violates subsection (a) of this section shall be imprisoned not more than five years or fined not more than \$5,000.00, or both.

(2) A person who violates subsection (b) or (c) of this section shall be imprisoned not more than 15 years or fined not more than \$10,000.00, or both.

(e) As used in this section:

(1) "Dead body of a person" does not include the cremated remains of a person.

(2) "Sexual conduct" means any of the following committed against the dead body of a person:

(A) any conduct involving contact between the penis and the vulva, the penis and the penis, the penis and the anus, the mouth and the penis, the mouth and the anus, the vulva and the vulva, or the mouth and the vulva;

(B) any intrusion, however slight, by any part of an individual's body or any object into any part of a dead human body with the intent of arousing, appealing to, or gratifying the lust, passions, or sexual desire of any individual;

(C) any touching of the dead human body with the intent of arousing, appealing to, or gratifying the lust, passions, or sexual desire of any individual;

(D) masturbation; or

(E) bestiality.

Sec. 2. 18 V.S.A. § 5211 is amended to read:

§ 5211. UNAUTHORIZED BURIAL OR REMOVAL; PENALTY

A person who buries, entombs, transports, or removes the dead body of a person without a burial-transit permit so to do, or in any other manner or at any other time or place than as specified in such permit, shall be ~~imprisoned not more than five years or fined~~ subject to a civil penalty of not more than \$1,000.00, ~~or both.~~

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

H. 137

An act relating to the regulation of insurance products and services

The Senate proposes to the House to amend the bill by striking out Sec. 22, virtual currency kiosk moratorium, in its entirety and inserting in lieu thereof four new sections to be Secs. 22–25 to read as follows:

Sec. 22. 8 V.S.A. § 2571 is amended to read:

§ 2571. DEFINITIONS

As used in this subchapter:

(1) “Blockchain” has the same meaning as in 12 V.S.A. § 1913(a)(1).

(2) “Blockchain analytics” means a software service that uses data from various virtual currencies and their applicable blockchains to provide a risk rating specific to digital wallet addresses from users of virtual-currency kiosks.

(3) “Digital wallet” means hardware or software that enables individuals to store and use virtual currency.

(4) “Digital wallet address” means an alphanumeric identifier representing a destination on a blockchain for a virtual currency transfer that is associated with a digital wallet.

(5) “Exchange,” used as a verb, means to assume or exercise control of virtual currency from or on behalf of a person, including momentarily, to buy, sell, trade, or convert:

(A) virtual currency for money, monetary value, bank credit, or one or more forms of virtual currency, or other consideration; or

(B) money, monetary value, bank credit, or other consideration for one or more forms of virtual currency.

(6) “Existing customer” means a consumer who:

(A) is engaging in a transaction at a virtual-currency kiosk in Vermont; and

(B) whose first transaction with the virtual-currency kiosk operator occurred more than 30 days prior.

(7) “New customer” means a consumer who:

(A) is engaging in a transaction at a virtual-currency kiosk in Vermont; and

(B) whose first transaction with the virtual-currency kiosk operator occurred not more than 30 days prior.

~~(2)~~(8) “Transfer” means to assume or exercise control of virtual currency from or on behalf of a person and to:

(A) credit the virtual currency to the account or digital wallet of another person;

(B) move the virtual currency from one account or digital wallet of a person to another account or digital wallet of the same person; or

(C) relinquish or transfer control or ownership of virtual currency to another person, digital wallet, distributed ledger address, or smart contract.

Sec. 23. 8 V.S.A. § 2574 is amended to read:

§ 2574. REQUIRED DISCLOSURES

(a) Licensee disclosures, generally. A person licensed under subchapter 2 of this chapter to engage in virtual-currency business activity shall provide the disclosures required by this section and any additional disclosure the Commissioner determines reasonably necessary for the protection of the public.

(1) A disclosure required by this section must be made separately from any other information provided by the licensee and in a clear and conspicuous manner in a record the person may keep.

(2) The Commissioner may waive one or more requirements in subsections (b)–(d) of this section and approve alternative disclosures proposed by a licensee if the Commissioner determines that the alternative disclosure is more appropriate for the virtual-currency business activity and provides the same or equivalent information and protection to the public.

(b) Licensee disclosures prior to business activity. Before engaging in virtual-currency business activity with a person, a licensee shall disclose, to the extent applicable to the virtual-currency business activity the licensee will undertake with the person:

(1) a schedule of fees and charges the licensee may assess, the manner by which fees and charges will be calculated if they are not set in advance and disclosed, and the timing of the fees and charges, including general disclosure regarding mark-ups and mark-downs on purchases, sales, or exchanges of virtual currency in which the licensee or any affiliate thereof is acting in a principal capacity;

(2) whether the product or service provided by the licensee is covered by:

(A) a form of insurance or is otherwise guaranteed against loss by an agency of the United States:

(i) up to the full U.S. dollar equivalent of virtual currency purchased from the licensee or for control of virtual currency by the licensee as of the date of the placement or purchase, including the maximum amount provided by insurance under the Federal Deposit Insurance Corporation or otherwise available from the Securities Investor Protection Corporation; or

(ii) if not provided at the full U.S. dollar equivalent of virtual currency purchased from the licensee or for control of virtual currency by the licensee, the maximum amount of coverage for each person expressed in the U.S. dollar equivalent of the virtual currency; or

(B) private insurance against theft or loss, including cyber theft or theft by other means;

(3) the irrevocability of a transfer or exchange and any exception to irrevocability;

(4) a description of:

(A) liability for an unauthorized, mistaken, or accidental transfer or exchange;

(B) the person's responsibility to provide notice to the licensee of the transfer or exchange;

(C) the basis for any recovery by the person from the licensee;

(D) general error-resolution rights applicable to the transfer or exchange; and

(E) the method for the person to update the person's contact information with the licensee;

(5) that the date or time when the transfer or exchange is made and the person's account is debited may differ from the date or time when the person initiates the instruction to make the transfer or exchange;

(6) whether the person has a right to stop a preauthorized payment or revoke authorization for a transfer and the procedure to initiate a stop-payment order or revoke authorization for a subsequent transfer;

(7) the person's right to receive a receipt, trade ticket, or other evidence of the transfer or exchange;

(8) the person's right to at least 30 days' prior notice of a change in the licensee's fee schedule, other terms and conditions of operating its virtual-

currency business activity with the person, and the policies applicable to the person's account; and

(9) that virtual currency is not money.

(c) Disclosures.

(1) Disclosures prior to each virtual-currency transaction. In connection with any virtual-currency transaction effected through a ~~money transmission~~ virtual-currency kiosk in this State, or in any transaction where the licensee or any affiliate thereof is acting in a principal capacity in a sale of virtual currency to, or purchase of virtual currency from, a customer, then immediately prior to effecting such a purchase or sale transaction with or on behalf of a customer, a licensee shall prominently disclose and shall require the customer to acknowledge and confirm the terms and conditions of the virtual-currency transaction, which shall include the following:

~~(1)(A)~~ (A) the type, value, date, precise time, and amount of the transaction; ~~and~~

~~(2)(B)~~ (B) the consideration charged for the transaction, including:

~~(A)(i)~~ (i) any charge, fee, commission, or other consideration for any trade, exchange, conversion, or transfer involving virtual currency; and

~~(B)(ii)~~ (ii) any difference between the price paid by the customer for any virtual currency and the prevailing market price of such virtual currency, if any;

(C) for a customer of a virtual-currency kiosk, a description of the virtual-currency kiosk operator's refund policy, which shall be consistent with the requirements specified in subsections 2577(k) and (l) of this subchapter;

(D) for a customer of a virtual-currency kiosk, the customer warning described in subdivision (g)(1) of this section; and

(E) the daily transaction limit, if applicable.

(2) Disclosures for new kiosk accounts. When opening an account for a new customer, and prior to entering into an initial transaction for, on behalf of, or with such customer, each virtual-currency kiosk operator shall disclose relevant terms and conditions associated with its products, services, and activities and with virtual currency, generally, including disclosures substantially similar to the following:

(A) the customer's liability for unauthorized virtual-currency transactions;

(B) under what circumstances the virtual-currency kiosk operator will, absent a court or government order, disclose information concerning the customer's account to third parties;

(C) the customer's right to receive periodic account statements and valuations from the virtual-currency kiosk operator;

(D) the customer's right to receive a receipt, trade ticket, or other evidence of a transaction;

(E) the customer's right to prior notice of a change in the virtual-currency kiosk operator's rules or policies;

(F) a statement of the material risks associated with virtual-currency transactions, generally, as described in subsection (h) of this section;

(G) the name and telephone number of the Department of Financial Regulation and a statement disclosing that a customer may contact the Department with questions or complaints about a licensee; and

(H) such other disclosures as are customarily given in connection with the opening of customer accounts.

(d) Licensee receipt requirements. Except as otherwise provided in subsection (e) of this section, at the conclusion of a virtual-currency transaction with or on behalf of a person, a licensee shall provide the person with a receipt that contains:

(1) the name and contact information of the licensee, including information the person may need to ask a question or file a complaint;

(2) the type, value, date, precise time, and amount of the transaction expressed in U.S. currency;

(3) the consideration charged for the transaction, including:

(A) any charge, fee, commission, or other consideration for any trade, exchange, conversion, or transfer involving virtual currency; or

(B) the amount of any difference between the price paid by the customer for any virtual currency and the prevailing market price of such virtual currency, if any; and

(4) any other information required pursuant to section 2562 of this title.

(e) Licensee daily confirmation. If a licensee discloses that it will provide a daily confirmation in the initial disclosure under subsection ~~(e)~~(b) of this section, the licensee may elect to provide a single, daily confirmation for all

transactions with or on behalf of a person on that day instead of a per-transaction confirmation.

(f) Kiosk transaction receipt. Notwithstanding any other provision of law to the contrary, a virtual-currency kiosk operator shall provide a customer with both a paper and an electronic receipt in a retainable form for each virtual-currency transaction completed at a virtual-currency kiosk. In addition to the information required to be included in a receipt under subsection (d) of this section or under section 2562 of this title, each receipt for virtual-currency transaction completed at a virtual-currency kiosk shall include:

(1) the identification of any applicable digital wallet address to which virtual currency is transmitted;

(2) the full name of the account owner;

(3) any unique transaction identifiers;

(4) a prominent statement of the virtual-currency kiosk operator's refund obligations under this section, in a form approved by the Commissioner;

(5) a statement of the operator's liability for nondelivery or delayed delivery of virtual currency; and

(6) the name and telephone number of the Department of Financial Regulation and a statement disclosing that a customer may contact the Department with questions or complaints about an operator.

(g) Customer warning.

(1) Prior to entering into a virtual-currency transaction with a customer at a virtual-currency kiosk, and as required by subdivision (c)(1)(D) of this section, each virtual-currency kiosk operator shall ensure a warning is disclosed to the customer substantially similar to the following:

Customer Notice. Please Read Carefully.

Did you receive a phone call from your bank, software provider, the police, or were you directed to make a payment for Social Security, a utility bill, an investment, warrants, or bail money at this kiosk? STOP

Is anyone on the phone pressuring you to make a payment of any kind? STOP

I understand that the purchase and sale of cryptocurrency may be a final, irreversible, and nonrefundable transaction.

I confirm I am sending funds to a digital wallet I own or directly have control over. I confirm that I am using funds gained from my own initiative to make my transaction.

(2) A virtual-currency kiosk operator shall ensure a customer has a readily accessible opportunity to end a transaction for any reason prior to its completion.

(h) Statement of material risks. As used in subdivision (c)(2)(F) of this section, a statement of material risks associated with virtual-currency transactions, generally, shall include disclosures substantially similar to the following:

(1) Virtual currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections.

(2) Legislative and regulatory changes or actions at the State, federal, or international level may adversely affect the use, transfer, exchange, and value of virtual currency.

(3) Transactions in virtual currency may be irreversible and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable.

(4) Some virtual-currency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction.

(5) The value of virtual currency may be derived from the continued willingness of market participants to exchange fiat currency for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear.

(6) There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future.

(7) The volatility and unpredictability of the price of virtual currency relative to fiat currency may result in significant loss over a short period of time.

(8) The nature of virtual currency may lead to an increased risk of fraud or cyber attack.

(9) The nature of virtual currency means that any technological difficulties experienced by the virtual-currency kiosk operator may prevent the access or use of a customer's virtual currency.

(10) Any bond or trust account maintained by the virtual-currency kiosk operator for the benefit of its customers may not be sufficient to cover all losses incurred by customers.

Sec. 24. 8 V.S.A. § 2577 is amended to read:

§ 2577. VIRTUAL-CURRENCY KIOSK OPERATORS

(a) Daily transaction limit.

(1) A virtual-currency kiosk operator shall not accept or dispense more than \$1,000.00 \$2,000.00 of cash in a day in connection with virtual-currency transactions with a single, new customer in this State via one or more money transmission virtual-currency kiosks.

(2) A virtual-currency kiosk operator shall not accept or dispense more than \$5,000.00 of cash in a day in connection with virtual-currency transactions with a single, existing customer in this State via one or more virtual-currency kiosks.

(b) Fee cap. The aggregate fees and charges, directly or indirectly, charged to a customer related to a single transaction or series of related transactions involving virtual currency effected through a money transmission kiosk in this State, including any difference between the price charged to a customer to buy, sell, exchange, swap, or convert virtual currency and the prevailing market value of such virtual currency at the time of such transaction, shall not exceed the greater of the following:

(1) \$5.00; or

(2) ~~three~~ 15 percent of the U.S. dollar equivalent of virtual currency involved in the transaction or transactions.

(c) Single transaction. The purchase, sale, exchange, swap, or conversion of virtual currency, or the subsequent transfer of virtual currency, in a series of transactions shall be deemed to be a single transaction for purposes of ~~subsection (b)~~ subsections (a) and (b) of this section.

(d) Licensing requirement. A virtual-currency kiosk operator shall comply with the licensing requirements of this subchapter to the extent that the virtual-currency kiosk operator engages in virtual-currency business activity.

(e) Operator accountability. If a virtual-currency kiosk operator allows or facilitates another person to engage in virtual-currency business activity via a

~~money transmission~~ virtual-currency kiosk in this State that is owned, operated, or managed by the virtual-currency kiosk operator, the virtual-currency kiosk operator shall do all of the following:

(1) ensure that the person engaging in virtual-currency business activity is licensed under subchapter 2 of this chapter to engage in virtual-currency business activity and complies with all other applicable provisions of this chapter;

(2) ensure that any charges collected from a customer via the ~~money transmission~~ virtual-currency kiosk comply with the ~~limits provided by~~ fee cap established in subsection (b) of this section; and

(3) comply with all other applicable provisions of this chapter.

(f) Moratorium. To protect the public safety and welfare and safeguard the rights of consumers, virtual-currency kiosks shall not be permitted to operate in Vermont prior to July 1, ~~2025~~ 2026. This moratorium shall not apply to a virtual-currency kiosk that was duly licensed and operational in Vermont on or before June 30, 2024.

~~(g) Report. On or before January 15, 2025, the Commissioner of Financial Regulation shall report to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on whether the requirements of this section coupled with relevant federal requirements are sufficient to protect customers in Vermont from fraudulent activity. If deemed necessary and appropriate by the Commissioner, the Commissioner may make recommendations for additional statutory or regulatory safeguards. In addition, the Commissioner shall make recommendations for enhanced oversight and monitoring of virtual-currency kiosks for the purpose of minimizing their use for illicit activities as described in the U.S. Government Accountability Office report on virtual currencies, GAO-22-105462, dated December 2021.~~ Customer identification. For each virtual-currency transaction occurring at a virtual-currency kiosk in this State, the virtual-currency kiosk operator shall verify the identity of the customer prior to accepting payment from the customer. A virtual-currency kiosk operator shall not allow a customer to engage in any transaction at a virtual-currency kiosk under any name, account, or identity other than the customer's own true name and identity. A virtual-currency kiosk operator shall obtain a copy of a government-issued identification card that identifies the customer and shall collect additional customer information, including the customer's name, date of birth, telephone number, address, and email address prior to accepting any payment from a customer at a virtual-currency kiosk in this State. In addition, a virtual-currency kiosk operator shall take a photograph of the customer in a

retainable format at the virtual-currency kiosk for each transaction. A virtual-currency kiosk operator shall be strictly liable for any violation of this subsection.

(h) Customer support. A virtual-currency kiosk operator shall offer live, toll-free, telephone customer support during the hours of operation of a virtual-currency kiosk. The customer support telephone number shall be displayed on the virtual-currency kiosk or on the virtual-currency kiosk screen.

(i) Mandatory live screening.

(1) A virtual-currency kiosk operator shall identify and speak by telephone with:

(A) a new customer over 60 years of age prior to such customer's first virtual-currency transaction with the virtual-currency kiosk operator; or

(B) a customer attempting to conduct more than \$5,000.00 in virtual-currency transactions during any consecutive 10-day period.

(2) The virtual-currency kiosk operator's approval of a transaction subject to a mandatory live screening under this subsection shall be dependent upon its assessment of its communication with the customer during the screening.

(3) A virtual-currency kiosk operator shall record and retain a copy of each mandatory live screening.

(4) During the mandatory live screening, the virtual-currency kiosk operator shall:

(A) positively identify the customer;

(B) reconfirm any attestations made by the customer at the virtual-currency kiosk;

(C) discuss the purpose of the transaction; and

(D) discuss types of fraudulent schemes relating to virtual currency.

(j) Blockchain analytics. A virtual-currency kiosk operator shall use blockchain analytics software and retain an established third party that specializes in performing blockchain analytics to assist in the prevention of sending purchased virtual currency from a virtual-currency kiosk operator to a digital wallet known to be affiliated with fraudulent activity at the time of a transaction. The Commissioner may request evidence from any virtual-currency kiosk operator of its current use of blockchain analytics.

(k) Full refund for new customers. The virtual-currency kiosk operator shall provide a full refund to a customer who was fraudulently induced to engage in a virtual-currency kiosk transaction, provided the fraudulently induced transaction occurred while the customer was a new customer and further provided the customer contacts the virtual-currency kiosk operator and a law enforcement or government agency to inform the operator and the agency of the fraudulent nature of the transaction within 90 days after the customer's last virtual-currency transaction with the virtual-currency kiosk operator. The refund shall include any fees charged in association with the fraudulently induced transaction.

(l) Fee refund for existing customers. The virtual-currency kiosk operator shall provide a fee refund to an existing customer who has been fraudulently induced to engage in a virtual-currency kiosk transaction, provided the customer contacts the virtual-currency kiosk operator and a law enforcement or government agency to inform the operator and the agency of the fraudulent nature of the transaction within 90 days after the last fraudulently induced transaction. The refund shall include all fees charged in association with the fraudulently induced transaction.

(m) Fraud prevention. A virtual-currency kiosk operator shall take reasonable steps to detect and prevent fraud, including establishing and maintaining a written antifraud policy. The antifraud policy shall, at a minimum, include the following:

- (1) the identification and assessment of fraud-related risk areas;
- (2) procedures and controls to protect against identified risks;
- (3) allocation of responsibility for monitoring risks;
- (4) procedures for the periodic evaluation and revision of the antifraud procedures, controls, and monitoring mechanisms;
- (5) procedures and controls that prevent more than one customer from using the same digital wallet;
- (6) procedures and controls that enable the virtual-currency kiosk operator to prevent a digital wallet from being used at a virtual-currency kiosk it operates if the operator knows or reasonably should know the digital wallet is affiliated with fraudulent activities; and
- (7) policies and procedures for using a risk-based method for monitoring customers on a post transaction basis.

(n) Due diligence policy. A virtual-currency kiosk operator shall maintain, implement, and enforce a written Enhanced Due Diligence Policy. The Policy

shall be reviewed and approved by the virtual-currency kiosk operator's board of directors or an equivalent governing body of the virtual-currency kiosk operator. The Policy shall identify, at a minimum, individuals who are at risk of fraud based on age or mental capacity.

(o) Compliance policies. A virtual-currency kiosk operator shall maintain, implement, and enforce written compliance policies and procedures. Such policies and procedures shall be reviewed and approved by the virtual-currency kiosk operator's board of directors or an equivalent governing body of the virtual-currency kiosk operator.

(p) Compliance officer.

(1) A virtual-currency kiosk operator shall designate and employ a compliance officer who meets the following requirements:

(A) is qualified to coordinate and monitor compliance with this section and all other applicable federal and State laws and regulations;

(B) is employed full-time by the virtual-currency kiosk operator; and

(C) is not an individual who owns more than 20 percent of the virtual-currency kiosk operator by whom the individual is employed.

(2) Compliance responsibilities required under federal and State law and regulation shall be completed by one or more full-time employees of the virtual-currency kiosk operator.

(q) Consumer protection officer. A virtual-currency kiosk operator shall designate and employ a consumer protection officer who meets the following requirements:

(1) is qualified to coordinate and monitor compliance with this section and all other applicable federal and State laws and regulations;

(2) is employed full-time by the virtual-currency kiosk operator; and

(3) is not an individual who owns more than 20 percent of the virtual-currency kiosk operator by whom the individual is employed.

(r) The Commissioner may adopt rules the Commissioner deems necessary and proper to carry out the purposes of this section, including with respect to what constitutes fraudulent activity or a fraudulently induced transaction in the context of customer transactions at a virtual-currency kiosk.

Sec. 25. 8 V.S.A. § 13301 is amended to read:

§ 13301. CORPORATORS OF MUTUAL FINANCIAL INSTITUTIONS

(a) Persons named in the organizational documents constitute the original board of corporators of a mutual financial institution. Membership on this board continues until terminated by death, resignation, or disqualification as provided in this section.

(b) All corporators shall be residents of the geographic area that the financial institution serves or an area proximate to this geographic area. A person ~~may~~ shall not continue as a corporator after ceasing to be a resident of the financial institution's geographic area or an area proximate to this geographic area.

(c) Any corporator failing to attend the annual meeting of the board of corporators for two successive years ceases to be a member of the board unless reelected by a vote of the remaining corporators.

(d) The number of corporators may be fixed or altered by the internal governance documents of the financial institution, and vacancies may be filled by election at any annual meeting.

(e) More than 50 percent of all corporators shall be depositors of the financial institution.

(f) At least two-thirds of all corporators shall be independent. As used in this subsection, an "independent corporator" means an individual who is not an employee, director, or officer of the financial institution, its subsidiaries, or its affiliates.

(g) Corporators shall be fiduciaries of the depositor base and shall exercise their authority in the best interests of the depositors with a duty of loyalty and care. In exercising their duties as corporators, corporators shall consider the interests of the depositors, the borrowers, and other customers of the financial institution; the general benefit and economic well-being of the communities served by the financial institution; and the safety, soundness, and general business needs of the financial institution.

and by renumbering the remaining section to be numerically correct.

NOTICE CALENDAR

Favorable with Amendment

S. 117

An act relating to rulemaking on safety and health standards and technical corrections on employment practices and unemployment compensation

Rep. Bosch of Clarendon, for the Committee on Commerce and Economic Development, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Safety and Health Rulemaking * * *

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

* * * Wage and Hour * * *

Sec. 5. 21 V.S.A. § 342a is amended to read:

§ 342a. INVESTIGATION OF COMPLAINTS OF UNPAID WAGES

* * *

(d) If the Commissioner determines that the unpaid wages were willfully withheld by the employer, the order for collection ~~may~~ shall provide that the employer is liable to pay an additional amount not to exceed twice the amount of unpaid wages, ~~one-half~~. One-half of which will the additional amount recovered above the employee's unpaid wages shall be remitted to the employee and ~~one-half of which~~ shall be retained by the Commissioner to offset administrative and collection costs.

* * *

Sec. 6. 21 V.S.A. § 384 is amended to read:

§ 384. EMPLOYMENT; WAGES

(a)(1) Beginning on January 1, 2022, an employer shall not employ any employee at a rate of less than \$12.55, and on each subsequent January 1, the minimum wage rate shall be increased by five percent or the percentage increase of the Consumer Price Index, CPI-U, U.S. city average, not seasonally adjusted, or successor index, as calculated by the U.S. Department of Labor or successor agency, rounded to one decimal point, for the 12 months preceding the previous September 1, whichever is smaller, but in no event shall the minimum wage be decreased. The minimum wage shall be rounded off to the nearest \$0.01.

* * *

Sec. 7. 21 V.S.A. § 385 is amended to read:

§ 385. ADMINISTRATION

The Commissioner and the Commissioner's authorized representatives have full power and authority for all the following:

* * *

~~(5) To recommend a suitable scale of rates for learners, apprentices, and persons with disabilities, which may be less than the regular minimum wage rate for experienced workers without disabilities.~~

* * * Notice of Potential Layoffs * * *

Sec. 8. [Deleted.]

* * * Unemployment Compensation * * *

Sec. 9. 21 V.S.A. § 1308 is amended to read:

§ 1308. ORGANIZATION

The Commissioner shall determine ~~his or her~~ the method of procedure in accordance with the provisions of this chapter. Notwithstanding any requirement in this chapter that the Commissioner mail notices and determinations, the Commissioner may provide claimants and employers with the option to authorize communications from the Commissioner to be delivered electronically.

Sec. 10. 21 V.S.A. § 1314 is amended to read:

§ 1314. REPORTS AND RECORDS; SEPARATION INFORMATION;

DETERMINATION OF ELIGIBILITY; FAILURE TO REPORT
EMPLOYMENT INFORMATION; DISCLOSURE OF
INFORMATION TO OTHER STATE AGENCIES TO
INVESTIGATE MISCLASSIFICATION OR MISCODING

* * *

(c) If an employing unit fails to comply adequately with the provisions of subsection (b) of this section and section 1314a of this subchapter, the Commissioner shall determine the benefit rights of a claimant upon the available information. Prompt notice in writing of the determination shall be given to the employing unit. The employing unit may request or authorize the Commissioner to provide notice of the determination electronically. The determination shall be final with respect to a noncomplying employer as to any charges against its experience-rating record for benefits paid to the claimant before the week following the receipt of the employing unit's reply. The

employing unit's experience rating record shall not be relieved of these charges, notwithstanding any other provision of this chapter, unless the Commissioner determines that failure to comply was due to unavoidable accident or mistake.

* * *

Sec. 11. 21 V.S.A. § 1314a is amended to read:

§ 1314a. QUARTERLY WAGE REPORTING; MISCLASSIFICATION;
PENALTIES

* * *

(d) Reports required by subsection (c) of this section shall be submitted to the Commissioner not later than 10 calendar days after the date the Commissioner's request was sent electronically or mailed to the employing unit.

(e) On request of the Commissioner, any employing unit or employer shall report, within 10 days after the mailing, electronic delivery, or personal delivery of the request, separation information for a claimant, any disqualifying income the claimant may have received, and any other information that the Commissioner may require to determine the claimant's eligibility for unemployment compensation. The Commissioner shall make a request when:

* * *

Sec. 12. 21 V.S.A. § 1330 is amended to read:

§ 1330. ASSESSMENT PROVIDED

When any employer fails to pay any contributions or payments required under this chapter, the Commissioner shall make an assessment of contributions against the employer together with applicable interest and penalty. After making the assessment, the Commissioner shall give notice to the employer electronically or by ordinary or certified mail, and the assessment shall be final unless the employer petitions for a hearing on the assessment pursuant to section 1331 of this subchapter.

Sec. 13. 21 V.S.A. § 1331 is amended to read:

§ 1331. NOTICE; HEARING

(a) Any employer against whom an assessment is made may, within 30 days after the date of the assessment, file with the Commissioner a petition for a hearing before a referee appointed for that purpose. The petition shall set

forth specifically and in detail the grounds upon which it is claimed the assessment is erroneous.

(b) Hearing or hearings on the assessment shall be held by the referee at times and places provided by the rules of the Board and due notice of the time and place of the hearing or hearings shall be given electronically or by ordinary or certified mail to the petitioner.

(c) After the hearing the petitioner shall be promptly notified electronically or by ordinary or certified mail of the findings of fact, conclusions, and decision of the referee.

* * *

Sec. 14. 21 V.S.A. § 1332 is amended to read:

§ 1332. REVIEW BY BOARD; SUPREME COURT APPEAL

* * *

(d) The parties shall be promptly notified electronically or by ordinary or certified mail of the findings of fact, conclusions, and decision of the Board. The decision of the Board shall be final unless it is appealed to the Supreme Court.

Sec. 15. 21 V.S.A. § 1337a is amended to read:

§ 1337a. ADMINISTRATIVE DETERMINATION; HEARING ON

(a) Any employing unit aggrieved by an administrative determination affecting its rate of contributions, its rights to adjustment or refund on contributions paid, its coverage as an employer, or its termination of coverage may, within 30 days after the date of the determination, file with the Commissioner a petition for a hearing on the determination. The petition shall set forth specifically and in detail the grounds upon which it is claimed the administrative determination is erroneous. Hearing or hearings on the petition shall be held by a referee appointed for that purpose, at times and places as provided by rules of the Board. Notice of the time and place of the hearing or hearings shall be given electronically or by ordinary or certified mail to the petitioner.

(b) After a hearing pursuant to subsection (a) of this section, the petitioner shall be promptly notified electronically or by ordinary or certified mail of the findings of fact, conclusions, and decision of the referee. The decision of the referee shall be final unless the employing unit or Commissioner makes application for review of the decision by the Board within 30 days after the date of the decision or unless the Board, on its own motion within the same period, initiates a review of the decision.

Sec. 16. 21 V.S.A. § 1357 is amended to read:

§ 1357. NOTICES; FORM AND SERVICE

Notices required under the provisions of this chapter, unless otherwise provided by the provisions of this chapter or by rules adopted by the Supreme Court, shall be deemed sufficient if given in writing and delivered to the person entitled to it by an agent of the Commissioner, or sent electronically or by ordinary or certified mail to the last known address of the person appearing in the records of the Commissioner. The manner of service shall be certified by the agent of the Commissioner making the service. Regardless of the manner of service and unless otherwise provided, appeal periods shall commence to run from the date of the determination or decision rendered. If a person to whom a notice has been sent files with the Commissioner within 60 days after the date of the notice a sworn statement to the effect that the notice was not received, or if the Commissioner is satisfied that the addressee did not receive the notice, a new notice shall be sent to that person and the appeal period shall commence to run from the date on which the new notice is sent.

Sec. 17. 21 V.S.A. § 1325 is amended to read:

§ 1325. EMPLOYERS' EXPERIENCE-RATING RECORDS;

DISCLOSURE TO SUCCESSOR ENTITY

* * *

(b)(1) Disclosure of contribution rate to successor entity. Any individual or employing unit who in any manner succeeds to or acquires the organization, trade, or business or substantially all of the assets of any employer who has been operating the business within two weeks prior to the acquisition, except any assets retained by the employer incident to the liquidation of the employer's obligations, and who thereafter continues the acquired business shall be considered to be a successor to the predecessor from whom the business was acquired and, if not already an employer before the acquisition, shall become an employer on the date of the acquisition. The Commissioner shall transfer the experience-rating record of the predecessor employer to the successor employer. If the successor was not an employer before the date of acquisition, the successor's rate of contribution for the remainder of the rate year shall be the rate applicable to the predecessor employers with respect to the period immediately preceding the date of acquisition if there was only one predecessor or there were only predecessors with identical rates. If the predecessors' rates were not identical, the Commissioner shall determine a rate based on the combined experience of all the predecessor employers. If the successor was an employer before the date of acquisition, the contribution rate

that was assigned to the successor for the rate year in which the acquisition occurred will remain assigned to the successor for the remainder of the rate year, after which the experience-rating record of the predecessor shall be combined with the experience rating of the successor to form the single employer experience-rating record of the successor. At any time prior to the issuance of the certificate required by subsection 1322(b) of this chapter, an employing unit shall, upon request of a potential successor, disclose to the potential successor its current experience-rating record.

(2) Notwithstanding the provisions of subdivision (1) of this subsection, an individual or employing unit who in any manner succeeds to or acquires the organization, trade, or business or substantially all of the assets of any employing unit who was an employer before the date of acquisition and whose currently assigned contribution rate is higher than that currently assigned to the acquiring individual or employing unit shall not be treated as a successor.

(3) If a successor, upon acquisition of an employer under subdivision (1) of this subsection, divides operation of the successor business between two or more corporate entities, the successor shall designate one of the corporate entities involved in successor's business operations as the filing successor for purposes of quarterly wage reporting and benefit rate assignment. The designated filing successor shall include all employees involved in carrying on the successor business in the designated filing successor's quarterly wage reporting and shall pay the full successor benefit tax on all business employees.

* * *

Sec. 18. 21 V.S.A. § 1326 is amended to read:

§ 1326. RATE BASED ON BENEFIT EXPERIENCE

* * *

(d) The Commissioner shall compute a current fund ratio, and a highest benefit cost rate, as follows:

(1) The current fund ratio shall be determined by dividing the available balance of the Unemployment Compensation Fund on December 31 of the preceding calendar year by the total wages paid for employment during that calendar year as reported by employers by the following March 31.

~~(2)(A) The highest benefit cost rate shall be determined by dividing the highest amount of benefit payments made during a consecutive 12-month period that ended within the 10-year period ending on the preceding December 31, by the total wages paid during the four calendar quarter periods that ended within that 12-month period~~ is the highest annual ratio within the 10-year

period ending on the preceding December 31 of benefits paid, including the State's share of extended benefits, for taxpaying employers divided by total wages paid in covered employment for taxpaying employers for the same period.

(B) Notwithstanding any provision of subdivision (A) of this subdivision (d)(2) to the contrary, when computing the tax rate schedule to become effective on July 1, 2021 and on each subsequent July 1, the Commissioner shall calculate the highest benefit cost rate without consideration of benefit payments made in calendar year 2020.

* * *

Sec. 19. 21 V.S.A. § 1338a is amended to read:

§ 1338a. DISREGARDED EARNINGS

(a) An individual shall be deemed “partially unemployed” in any week of less than full-time work if the wages earned by the individual with respect to such week are less than the weekly benefit amount the individual would be entitled to receive if totally unemployed and eligible. As used in this section, “wages” in any one week includes only that amount of remuneration rounded down to the nearest dollar that is in excess of 50 percent of the individual’s weekly wage.

* * *

Sec. 20. 21 V.S.A. § 1462 is amended to read:

§ 1462. PERIOD OF DORMANCY

On July 1, 2020, the Short-Time Compensation Program established pursuant to sections 1451–1461 of this subchapter ~~shall cease~~ ceased operation and ~~shall not resume operation unless directed to do so by enactment of the General Assembly or, if the General Assembly is not in session, by order of the Joint Fiscal Committee. The Joint Fiscal Committee shall issue such order only upon finding that, due to a change in circumstances, resumption of the Short-Time Compensation Program would be the most effective way to assist employers in avoiding layoffs. Upon the effective date of such an enactment or order~~ Effective upon completion of the project to implement a modernized information technology system for the unemployment insurance program in 2026, the Short-Time Compensation Program shall resume operation pursuant to the provisions of sections 1451–1461 of this subchapter.

Sec. 21. 2022 Acts and Resolves No. 183, Sec. 52f is amended to read:

Sec. 52f. UNEMPLOYMENT INSURANCE; INFORMATION

TECHNOLOGY MODERNIZATION; ANNUAL REPORT;
INDEPENDENT VERIFICATION

(a)(1) The Secretary of Digital Services and the Commissioner of Labor shall, to the greatest extent possible, plan and carry out the development and implementation of a modernized information technology system for the unemployment insurance program so that the modernized system is ready and able to implement on or before July 1, ~~2025~~ 2026 the changes to the unemployment insurance weekly benefit amount set forth in Secs. 52d and 52e of this act.

* * *

Sec. 21a. 2022 Acts and Resolves No. 183, Sec. 59 is amended to read:

Sec. 59. EFFECTIVE DATES

* * *

(b)(1) Notwithstanding 1 V.S.A. § 214, Sec. 52a (repeal of prior unemployment insurance supplemental benefit) shall take effect retroactively on October 7, 2021.

* * *

(4)(A) Sec. 52d (amendment of temporary increase in unemployment insurance maximum weekly benefit) shall take effect on July 1, ~~2025~~ 2026 or the date on which the Commissioner of Labor determines that the Department of Labor is able to implement the provisions of that section as set forth in Sec. 52f(b), whichever is earlier, and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52d shall not take effect at all if Sec. 52c takes effect before the conditions of subdivision (A) of this subdivision (b)(4) are satisfied.

(5)(A) Sec. 52e (increase in unemployment insurance weekly benefit amount) shall take effect on July 1, ~~2025~~ 2026 and shall apply to benefit weeks beginning after that date.

(B) However, Sec. 52e shall not take effect at all if either

(i) Sec. 52d takes effect before July 1, ~~2025~~ 2026; or

(ii) Sec. 52c has not taken effect before July 1, ~~2025~~ 2026.

* * *

* * * Workers' Compensation * * *

Sec. 22. 21 V.S.A § 601 is amended to read:

§ 601. DEFINITIONS

As used in this chapter:

* * *

(31) "Medical case management" means the planning and coordination of health care services appropriate to achieve the goal of medical rehabilitation.

(A) Medical case management may include medical case assessment, including a personal interview with the injured employee; assistance in developing, implementing, and coordinating a medical care plan with health care providers in consultation with the injured employee and the employees' family; and an evaluation of treatment results. The goal of medical case management is to provide the injured employee with reasonable treatment options to ensure that the injured employee can make an informed choice.

(B) Medical case managers shall not provide medical care or adjust claims.

(C) An injured employee shall be entitled to medical case management services if reasonably supported. Reasonable support includes a recommendation made by a health care provider or evidence demonstrating the injured employee's medical recovery would benefit from the services, or both.

Sec. 23. 21 V.S.A. § 602 is amended to read:

§ 602. PROCESS AND PROCEDURE

* * *

(d) When an injured employee does not speak English fluently, the employer shall pay for translation services to ensure the injured employee fully understands the employee's rights and can effectively participate in the employee's medical recovery and the workers' compensation claims process.

Sec. 24. 21 V.S.A. § 640b is amended to read:

§ 640b. REQUEST FOR PREAUTHORIZATION TO DETERMINE IF
PROPOSED BENEFITS OR SERVICES ARE NECESSARY

(a) As used in this section:

(1) ~~“benefits”~~ “Benefits” means medical treatment and surgical, medical, and nursing services and supplies, including prescription drugs and durable medical equipment.

(2) “Services” means medical case management services.

* * *

(e) Within 14 days after receiving a request for preauthorization of proposed medical case management services, the insurer shall do one of the following, in writing:

(1) Authorize the services and notify the injured employee, the Department, and the treating provider recommending the services, if applicable.

(2) Deny the services because the entire claim is disputed, and the Commissioner has not issued an interim order to pay benefits. The insurer shall notify the injured employee, the Department, and the treating provider recommending the services, if applicable, of the decision to deny benefits.

(3) Deny the request if there is not reasonable support for the requested services. The insurer shall notify the injured employee, the Department, and the treating provider recommending the services, if applicable, of the decision to deny benefits.

(4) Notify the injured employee, the Department, and the treating provider recommending the services, if applicable, that the insurer has scheduled an examination of the injured employee pursuant to section 655 of this title or ordered a medical record review pursuant to section 655a of this title. Based on the examination or review, the insurer shall notify the injured employee and the Department of the decision within 45 days after a request for preauthorization. The Commissioner may, in the Commissioner’s sole discretion, grant a 10-day extension to the insurer to authorize or deny the services, and such an extension shall not be subject to appeal.

(f) If the insurer fails to authorize or deny the services pursuant to subsection (e) of this section within 14 days after receiving a request, the injured employee or the injured employee’s treating provider, if applicable, may request that the Department issue an order authorizing services. After receipt of the request, the Department shall issue an interim order within five days after notice to the insurer, and five days in which to respond, absent evidence that the entire claim is disputed. Upon request of a party, the Commissioner shall notify the parties that the services have been authorized by operation of law.

(g) If the insurer denies the preauthorization of the services pursuant to subdivision (e)(2), (3), or (4) of this section, the Commissioner may, on the Commissioner's own initiative or upon a request by the injured worker, issue an order authorizing the services if the Commissioner finds that the evidence shows that the services are reasonably supported.

Sec. 25. 21 V.S.A. § 650 is amended to read:

§ 650. PAYMENT; AVERAGE WAGE; COMPUTATION

* * *

(f)(1)(A) When benefits have been awarded or are not in dispute as provided in subsection (e) of this section, the employer shall establish a weekday on which payment shall be mailed or deposited and notify the claimant and the Department of that day. The employer shall ensure that each weekly payment is mailed or deposited on or before the day established.

(B) Payment shall be made by direct deposit to a claimant who elects that payment method. The employer shall notify the claimant of the claimant's right to payment by direct deposit.

(2) If the benefit payment is not mailed or deposited on the day established, the employer shall pay to the claimant a late fee equal to the greater of \$10.00 or:

(A) five percent of the benefit amount, ~~whichever is greater,~~ for each weekly the first payment that is made after the established day;

(B) 10 percent of the benefit amount for the second payment that is made after the established day; and

(C) 15 percent of the benefit amount for the third and any subsequent payments that are made after the established day.

(3) As used in this subsection, "paid" means the payment is mailed to the claimant's mailing address or, in the case of direct deposit, transferred into the designated account. In the event of a dispute, proof of payment shall be established by affidavit.

Sec. 26. LATE PAYMENT OF AVERAGE WEEKLY WAGES; PENALTY;
REPORT

(a) The payment of any late fee pursuant to 21 V.S.A. § 650(f)(2) shall be reported to the Commissioner on a quarterly basis for one year, commencing on October 1, 2025. The employer shall attest to the reasons for the late payment and the steps being taken to avoid future late payments of benefit

amounts. The Commissioner shall compile the information in a format of the Commissioner's choosing.

(b) An employer who fails to submit the report required by subsection (a) of this section may be assessed an administrative penalty of not more than \$500.00.

(c) On or before January 15, 2027, the Commissioner shall submit a written report to the General Assembly with the Commissioner's findings on the frequency of late payments at each penalty level, the reasons given for the late payments, and the effectiveness of the late fee penalties in reducing the number of late payments. The report shall include the Commissioner's recommendation on whether to continue the reporting requirement and whether the penalties for late payments should be maintained, increased, or decreased based upon the reported data.

* * * Effective Date * * *

Sec. 27. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

and that after passage the title of the bill be amended to read: "An act relating to wage and hour, unemployment compensation, and workers' compensation"

(Committee vote: 11-0-0)

Rep. Burkhardt of South Burlington, for the Committee on Ways and Means, recommends that the bill ought to pass in concurrence with the proposal of amendment recommended by the Committee on Commerce and Economic Development.

(Committee Vote: 10-0-1)

Rep. Nigro of Bennington, for the Committee on Appropriations, recommends that the bill ought to pass in concurrence with the proposal of amendment recommended by the Committee on Commerce and Economic Development.

(Committee Vote: 9-0-2)

S. 125

An act relating to workers' compensation and collective bargaining rights

Rep. Dodge of Essex, for the Committee on General and Housing, recommends that the House propose to the Senate that the bill be amended by

striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. [Deleted.]

Sec. 2. [Deleted.]

Sec. 3. [Deleted.]

Sec. 4. [Deleted.]

* * * Labor Relations * * *

Sec. 5. 3 V.S.A. § 1011 is amended to read:

§ 1011. DEFINITIONS

As used in this chapter:

* * *

(8) “Employee,” means any individual employed and compensated on a permanent or limited status basis by the Judiciary Department, including permanent part-time employees and any individual whose employment has ceased as a consequence of, or in connection with, any current labor dispute or because of an unfair labor practice. “Employee” does not include any of the following:

- (A) a Justice, judge, assistant judge, magistrate, or hearing officer;
- (B) the Court Administrator;
- (C) a managerial,~~supervisory~~, or confidential employee;
- (D) a law clerk, attorney, or administrative assistant or private secretary to a judge, Justice, or Court Administrator;
- (E) an individual employed on a temporary, contractual, seasonal, or on-call basis, including an intern;
- (F) an employee during the initial or extended probationary period;
- (G) the head of a department or division;
- (H) [Repealed.]
- (I) an attorney for the Supreme Court, for the Court Administrator, or for any board or commission created by the Supreme Court;
- (J) an employee paid by the State who is appointed part-time as county clerk pursuant to 4 V.S.A. § 651 or 691;

(K) an employee who, after hearing by the Board upon petition of any individual, the employer, or a collective bargaining unit, is determined to be in a position that is sufficiently inconsistent with the spirit and intent of this chapter to warrant exclusion.

* * *

Sec. 5a. 3 V.S.A. § 941 is amended to read:

§ 941. UNIT DETERMINATION, CERTIFICATION, AND
REPRESENTATION

* * *

(c)(1) A petition may be filed with the Board, in accordance with procedures prescribed by the Board by an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging by filing a petition or petitions bearing signatures of not less than 30 percent of the employees that they wish to form a bargaining unit and be represented for collective bargaining, ~~or that the individual or employee organization currently certified as the bargaining agent is no longer supported by at least 51 percent of the employees in the bargaining unit~~, or that they are now included in an approved bargaining unit and wish to form a separate bargaining unit under Board criteria for purposes of collective bargaining. The employee, group of employees, individual, or employee organization that files the petition, shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(2) A petition may be filed with the Board, in accordance with procedures prescribed by the Board, by an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging by filing a petition or petitions bearing signatures of not less than 50 percent plus one of the employees that the individual or employee organization currently certified as the bargaining agent is no longer supported by a majority of the employees in the bargaining unit. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(A)(i) An employer shall, not more than seven business days after receiving a copy of the petition, file any objections to the appropriateness of the proposed bargaining unit and raise any other unit determination issues with the Board and provide a copy of the filing to the employee, group of employees, individual, or employee organization that filed the petition.

* * *

(d) The Board, a Board member, or a person or persons designated by the Board shall investigate the petition and do one of the following:

(1) Determine that the petition has made a sufficient showing of interest pursuant to ~~subdivision~~ subdivisions (c)(1) and (2) of this section.

* * *

~~* * * State Construction Projects * * *~~

Sec. 5b. [Deleted.]

Sec. 5c. 3 V.S.A. § 1021 is amended to read:

§ 1021. UNIT DETERMINATION; CERTIFICATION

(a) The Board shall determine issues of unit determination, certification, decertification, and representation in accordance with this chapter and the provisions of section 941 of this title. The Board shall decide the appropriate unit for collective bargaining in each case and the employees to be included in that unit to assure the employees the fullest freedom in exercising the rights guaranteed by this chapter.

* * *

Sec. 5d. 16 V.S.A. § 1992 is amended to read:

§ 1992. REFERENDUM PROCEDURE FOR REPRESENTATION

* * *

(b) Certification of a negotiating unit as exclusive representative shall be valid and not subject to challenge by referendum petition or otherwise for the remainder of the fiscal year in which the certification occurs and for an additional period of 12 months after final adoption of the budget for the succeeding fiscal year and shall continue thereafter until a new referendum is called for. An organization or group of teachers or administrators, or any person purporting to act on their behalf, shall submit a petition bearing signatures of not less than 50 percent plus one of the individuals currently in the bargaining unit alleging that the current exclusive representative of the teachers or administrators is no longer supported by a majority of the teachers or administrators employed by that school board. A copy of the petition shall be provided to the current bargaining agent at the same time as the petition is submitted to the school board.

* * *

Sec. 5e. 21 V.S.A. §§ 1581 and 1584 are amended to read:

§ 1581. PETITIONS FOR ELECTION; FILING, INVESTIGATIONS,
HEARINGS, DETERMINATIONS

(a) A petition may be filed with the Board, in accordance with rules adopted by the Board:

(1) ~~By~~ by an employee or group of employees, or any individual or labor organization acting in their behalf, alleging that not less than 30 percent of the employees:

~~(A)~~ wish to be represented for collective bargaining and that their employer declines to recognize their representative as the representative defined in section 1583 of this title; ~~or~~

~~(2)(B)~~ by an employee or group of employees, or any individual or labor organization acting on their behalf, alleging that not less than 50 percent plus one of the employees assert that the individual or labor organization that has been certified, or is being currently recognized by their employer as the bargaining representative, is no longer a representative as defined in section 1583 of this title; or

~~(2)(3)~~ By ~~by~~ an employer, alleging that one or more individuals or labor organizations have presented to him or her a claim to be recognized as the representative defined in section 1583 of this title.

* * *

§ 1584. PETITIONS AND ELECTION TO RESCIND
REPRESENTATIVE'S AUTHORITY

(a) When ~~30~~ 50 percent plus one or more of the employees in a bargaining unit covered by an agreement between their employer and a labor organization requiring membership in a labor organization as a condition of employment file a petition alleging that they desire that the authority of the labor organization to make such an agreement be rescinded, the Board shall take a secret ballot of the employees in such unit and certify the results thereof, in writing, to the labor organization and to the employer.

(b) No election shall be conducted under this section in a bargaining unit or a subdivision within which in the preceding 12 months a valid election or certification of a representative pursuant to this subchapter has occurred.

Sec. 5f. 21 V.S.A. § 1724 is amended to read:

§ 1724. CERTIFICATION PROCEDURE

(a)(1) A petition may be filed with the Board, in accordance with rules adopted by the Board:

(A) By an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging that not less than 30 percent of the employees wish to form a bargaining unit and be represented for collective bargaining, ~~or assert that the individual or employee organization currently certified as bargaining agent is no longer supported by at least 51 percent of the employees in the bargaining unit,~~ or that not less than 51 percent of the employees now included in an approved bargaining unit wish to form a separate bargaining unit under Board criteria for purposes of collective bargaining. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(B) By the employer alleging that the presently certified bargaining unit is no longer appropriate under Board criteria. The employer shall provide a copy of the petition to the current bargaining agent at the same time that the petition is filed with the Board.

(C) By an employee or group of employees, or any individual or employee organization purporting to act on their behalf, alleging that a majority of the employees in the bargaining unit no longer support the individual or employee organization currently certified as the bargaining agent. The petition shall bear signatures of not less than 50 percent plus one of the employees in the presently certified bargaining unit. The employee, group of employees, individual, or employee organization that files the petition shall, at the same time that the petition is filed with the Board, provide a copy of the petition to the employer and, if appropriate, the current bargaining agent.

(2)(A)(i) An employer shall, not more than seven business days after receiving a copy of the petition, file any objections to the appropriateness of the proposed bargaining unit and raise any other unit determination issues with the Board and provide a copy of the filing to the employee, group of employees, individual, or employee organization that filed the petition.

(ii) A hearing shall be held before the Board pursuant to subdivision (d)(1)(B) of this section in the event the employer challenges the appropriateness of the proposed bargaining unit, provided that a hearing shall not be held if the parties stipulate to the composition of the appropriate bargaining unit and resolve any unit determination issues before the hearing.

(iii) The Board may endeavor to informally mediate any dispute regarding the appropriateness of the proposed bargaining unit prior to the hearing.

(B)(i) Within five business days after receiving a copy of the petition, the employer shall file with the Board and the employee or group of employees, or the individual or employee organization purporting to act on their behalf, a list of the names and job titles of the employees in the proposed bargaining unit. To the extent possible, the list of employees shall be in alphabetical order by last name and provided in electronic format.

(ii) An employee or group of employees, or any person purporting to act on their behalf, that is seeking to demonstrate that the current bargaining agent is no longer supported by ~~at least 51 percent~~ a majority of the employees in the bargaining unit shall not be entitled to obtain a list of the employees in the bargaining unit from the employer pursuant to this subdivision (a)(2)(B), but may obtain a list pursuant to subdivision (e)(3) of this section after the Board has investigated its petition and determined that a secret ballot election shall be conducted.

(iii) The list shall be kept confidential and shall be exempt from copying and inspection under the Public Records Act.

* * *

(b) The Board, a Board member, or a person or persons designated by the Board shall investigate the petition and do one of the following:

(1) Determine that the petition has made a sufficient showing of interest pursuant to ~~subdivision~~ subdivisions (a)(1)(A) and (C) of this section.

(2)(A) If it finds reasonable cause to believe that a question of unit determination or representation exists, the Board shall schedule a hearing to be held before the Board not more than ~~ten~~ 10 business days after the petition was filed with the Board.

* * *

(e)(1) Except as otherwise provided pursuant to subsection (h) of this section, in determining the representation of municipal employees in a collective bargaining unit, the Board shall conduct an election by secret ballot of the employees and certify the results to the interested parties and to the employer. The election shall be held not more than 23 business days after the petition is filed with the Board except as otherwise provided pursuant to subdivision (4) of this subsection.

(2) The original ballot shall permit a vote against representation by anyone named on the ballot. No representative will be certified with less than a ~~51 percent affirmative vote~~ majority of all votes cast. If it is asserted that the certified bargaining agent is no longer supported by at least ~~51~~ 50 percent ~~plus one~~ of the employees in the bargaining unit and there is no attempt to seek the election of another employee organization or individual as bargaining representative, there shall be at least ~~51 percent negative vote~~ a majority of all votes cast to decertify the existing bargaining agent.

* * *

Sec. 5g. 21 V.S.A. § 1635 is amended to read:

§ 1635. ELECTION; BARGAINING UNIT

(a) ~~Petitions~~ Certification and decertification petitions and elections shall be conducted pursuant to the procedures provided in 3 V.S.A. §§ 941 and 942, except that only one bargaining unit shall exist for independent direct support providers, and the exclusive representative shall be the exclusive representative for the purpose of grievances.

* * *

Sec. 5h. 33 V.S.A. § 3607 is amended to read:

§ 3607. PETITIONS FOR ELECTION; FILING; INVESTIGATIONS;
HEARINGS; DETERMINATIONS

(a) A petition may be filed with the Board in accordance with rules prescribed by the Board:

(1) By an early care and education provider or group of providers or any individual or labor organization acting on the providers' behalf:

(A) ~~alleging~~ Alleging that not less than 30 percent of the providers in the petitioned bargaining unit wish to be represented for collective bargaining and that the State declines to recognize their representative as the representative defined in this chapter; ~~or~~.

(B) ~~asserting~~ Asserting that the labor organization that has been certified as the bargaining representative no longer represents a majority of early care and education providers. The petition alleging that the labor organization is no longer supported by a majority of the providers shall bear signatures of not less than 50 percent plus one of the providers in the bargaining unit.

(2) By the State alleging that one or more individuals or labor organizations have presented a claim to be recognized as the exclusive representative defined in this chapter.

* * *

* * * Effective Date * * *

Sec. 6. EFFECTIVE DATE

This act shall take effect on July 1, 2025.

and that after passage the title of the bill be amended to read: “An act relating to collective bargaining”

(Committee Vote: 8-2-1)

S. 126

An act relating to health care payment and delivery system reform

Rep. Black of Essex, for the Committee on Health Care, recommends that the House propose to the Senate that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Purpose of the Act; Goals * * *

Sec. 1. PURPOSE; GOALS

The purpose of this act is to achieve transformation of and structural changes to Vermont’s health care system. In enacting this legislation, the General Assembly intends to advance the following goals:

(1) improvements in health outcomes, population health, quality of care, and regional access to services;

(2) an integrated system of care, with robust care coordination and increased investments in primary care, home health care, and long-term care;

(3) stabilizing health care providers, controlling the costs of commercial health insurance, and managing hospital costs based on the total cost of care, beginning with reference-based pricing;

(4) evaluating progress in achieving system transformation and structural changes by creating and applying standardized accountability metrics; and

(5) establishing a health care system that will attract and retain high-quality health care professionals to practice in Vermont and that supports, develops, and preserves the dignity of Vermont’s health care workforce.

* * * Hospital Budgets and Payment Reform * * *

Sec. 2. 18 V.S.A. § 9375 is amended to read:

§ 9375. DUTIES

(a) The Board shall execute its duties consistent with the principles expressed in section 9371 of this title.

(b) The Board shall have the following duties:

(1) Oversee the development and implementation, and evaluate the effectiveness, of health care payment and delivery system reforms designed to control the rate of growth in health care costs; promote seamless care, administration, and service delivery; and maintain health care quality in Vermont, including ensuring that the payment reform pilot projects set forth in this chapter are consistent with such reforms.

(A) Implement by rule, pursuant to 3 V.S.A. chapter 25, methodologies for achieving payment reform and containing costs that may include the participation of Medicare and Medicaid, which may include the creation of health care professional cost-containment targets, reference-based pricing, global payments, bundled payments, global budgets, risk-adjusted capitated payments, or other uniform payment methods and amounts for integrated delivery systems, health care professionals, or other provider arrangements.

* * *

(5) Set rates for health care professionals pursuant to section 9376 of this title, to be implemented over time beginning with reference-based pricing as soon as practicable, but not later than hospital fiscal year 2027, and make adjustments to the rules on reimbursement methodologies as needed.

(6) Approve, modify, or disapprove requests for health insurance rates pursuant to 8 V.S.A. § 4062, taking into consideration the requirements in the underlying statutes; changes in health care delivery; changes in payment methods and amounts, including implementation of reference-based pricing; protecting insurer solvency; and other issues at the discretion of the Board.

(7) Review and establish hospital budgets pursuant to chapter 221, subchapter 7 of this title.

* * *

Sec. 3. 18 V.S.A. § 9376 is amended to read:

§ 9376. PAYMENT AMOUNTS; METHODS

(a) Intent. It is the intent of the General Assembly to ensure payments to health care professionals that are consistent with efficiency, economy, and

quality of care and will permit them to provide, on a solvent basis, effective and efficient health services that are in the public interest. It is also the intent of the General Assembly to eliminate the shift of costs between the payers of health services to ensure that the amount paid to health care professionals is sufficient to enlist enough providers to ensure that health services are available to all Vermonters and are distributed equitably.

(b) Rate-setting.

(1) The Board shall set reasonable rates for health care professionals, health care provider bargaining groups created pursuant to section 9409 of this title, manufacturers of prescribed products, medical supply companies, and other companies providing health services or health supplies based on methodologies pursuant to section 9375 of this title, in order to have a consistent reimbursement amount accepted by these persons. In its discretion, the Board may implement rate-setting for different groups of health care professionals over time and need not set rates for all types of health care professionals. In establishing rates, the Board may consider legitimate differences in costs among health care professionals, such as the cost of providing a specific necessary service or services that may not be available elsewhere in the State, and the need for health care professionals in particular areas of the State, particularly in underserved geographic or practice shortage areas.

(2) Nothing in this subsection shall be construed to:

(A) limit the ability of a health care professional to accept less than the rate established in subdivision (1) of this subsection (b) from a patient without health insurance or other coverage for the service or services received; or

(B) reduce or limit the covered services offered by Medicare or Medicaid.

(c) Methodologies. The Board shall approve payment methodologies that encourage cost-containment; provision of high-quality, evidence-based health services in an integrated setting; patient self-management; access to primary care health services ~~for underserved individuals, populations, and areas~~; and healthy lifestyles. Such methodologies shall be consistent with payment reform and with evidence-based practices, and may include fee-for-service payments if the Board determines such payments to be appropriate.

(d) Supervision. To the extent required to avoid federal antitrust violations and in furtherance of the policy identified in subsection (a) of this section, the Board shall facilitate and supervise the participation of health care

professionals and health care provider bargaining groups in the process described in subsection (b) of this section.

(e) Reference-based pricing.

(1)(A) The Board shall establish reference-based prices that represent the maximum amounts that hospitals shall accept as payment in full for items provided and services delivered in Vermont. The Board may also implement reference-based pricing for services delivered outside a hospital by setting the minimum amounts that shall be paid for items provided and services delivered by nonhospital-based health care professionals. The Board shall consult with health insurers, hospitals, other health care professionals as applicable, the Office of the Health Care Advocate, and the Agency of Human Services in developing reference-based prices pursuant to this subsection (e), including on ways to achieve all-payer alignment on the design and implementation of reference-based pricing.

(B) The Board shall implement reference-based pricing in a manner that does not allow health care professionals to charge or collect from patients or health insurers any amount in excess of the reference-based amount established by the Board.

(2)(A) Reference-based prices established pursuant to this subsection (e) shall be based on a percentage of the Medicare reimbursement for the same or a similar item or service or on another benchmark, as appropriate, provided that if the Board establishes prices that are referenced to Medicare, the Board may opt to update the prices in the future based on a reasonable rate of growth that is separate from Medicare rates, such as the Medicare Economic Index measure of inflation, in order to provide predictability and consistency for health care professionals and payers and to protect against federal funding pressures that may impact Medicare rates in an unpredictable manner. The Board may also reference to, and update based on, other payment or pricing systems where appropriate.

(B) In establishing reference-based prices for a hospital pursuant to this subsection (e), the Board shall consider the composition of the communities served by the hospital, including the health of the population, demographic characteristics, acuity, payer mix, labor costs, social risk factors, and other factors that may affect the costs of providing care in the hospital service area, as well as the hospital's role in Vermont's health care system.

(3)(A) The Board shall begin implementing reference-based pricing as soon as practicable but not later than hospital fiscal year 2027 by establishing the maximum amounts that Vermont hospitals shall accept as payment in full for items provided and services delivered. After initial implementation, the

Board shall review the reference-based prices for each hospital annually as part of the hospital budget review process set forth in chapter 221, subchapter 7 of this title.

(B) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of reference-based pricing to ensure that any decreases in amounts paid to hospitals also result in decreases in health insurance premiums. The Board shall post its findings regarding the alignment between price decreases and premium decreases annually on its website.

(4) The Board shall identify factors that would necessitate terminating or modifying the use of reference-based pricing in one or more hospitals, such as a measurable reduction in access to or quality of care.

(5) The Green Mountain Care Board, in consultation with the Agency of Human Services and the Comprehensive Primary Health Care Steering Committee established pursuant to section 9407 of this title, may implement reference-based pricing for services delivered outside a hospital, such as primary care services, and may increase or decrease the percentage of Medicare or another benchmark as appropriate, first to enhance access to primary care and later for alignment with the Statewide Health Care Delivery Strategic Plan established pursuant to section 9403 of this title, once established. The Board may consider establishing reference-based pricing for services delivered outside a hospital by setting minimum amounts that shall be paid for the purpose of prioritizing access to high-quality health care services in settings that are appropriate to patients' needs in order to contain costs and improve patient outcomes.

(6) The Board's authority to establish reference-based prices pursuant to this subsection shall not include the authority to set amounts applicable to items provided or services delivered to patients who are enrolled in Medicare or Medicaid.

Sec. 3a. 18 V.S.A. § 9451 is amended to read:

§ 9451. DEFINITIONS

As used in this subchapter:

(1) "Hospital" means a hospital licensed under chapter 43 of this title, except a hospital that is conducted, maintained, or operated by the State of Vermont.

(2) "Hospital network" means a system comprising two or more affiliated hospitals, and may include other health care professionals and facilities, that derives 50 percent or more of its operating revenue, at the

consolidated network level, from Vermont hospitals and in which the affiliated hospitals deliver health care services in a coordinated manner using an integrated financial and governance structure.

(3) “Volume” means the number of inpatient days of care or admissions and the number of all inpatient and outpatient ancillary services rendered to patients by a hospital.

Sec. 4. 18 V.S.A. § 9454 is amended to read:

§ 9454. HOSPITALS; DUTIES

* * *

(b) Hospitals shall submit information as directed by the Board in order to maximize hospital budget data standardization and allow the Board to make direct comparisons of hospital expenses across the health care system.

(c) Hospitals shall adopt a fiscal year that shall begin on October 1.

Sec. 5. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital’s proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

(1) review utilization information;

(2) consider the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title, once established, including the total cost of care targets, and consult with the Agency of Human Services to ensure compliance with federal requirements regarding Medicare and Medicaid;

(3) consider the Health Resource Allocation Plan identifying Vermont’s critical health needs, goods, services, and resources developed pursuant to section 9405 of this title;

~~(3)~~(4) consider the expenditure analysis for the previous year and the proposed expenditure analysis for the year under review;

~~(4)~~(5) consider any reports from professional review organizations;

(6) for a hospital that operates within a hospital network, review the hospital network’s financial operations as they relate to the budget of the individual hospital;

~~(5)~~(7) solicit public comment on all aspects of hospital costs and use and on the budgets proposed by individual hospitals;

~~(6)~~(8) meet with hospitals to review and discuss hospital budgets for the forthcoming fiscal year;

~~(7)~~(9) give public notice of the meetings with hospitals, and invite the public to attend and to comment on the proposed budgets;

~~(8)~~(10) consider the extent to which costs incurred by the hospital in connection with services provided to Medicaid beneficiaries are being charged to non-Medicaid health benefit plans and other non-Medicaid payers;

~~(9)~~(11) require each hospital to file an analysis that reflects a reduction in net revenue needs from non-Medicaid payers equal to any anticipated increase in Medicaid, Medicare, or another public health care program reimbursements, and to any reduction in bad debt or charity care due to an increase in the number of insured individuals;

~~(10)~~(12) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs;

~~(11)~~(13) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

~~(12)~~(14) review the hospital's investments in workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; and

~~(13)~~(15) consider the salaries for the hospital's executive and clinical leadership, including variable payments and incentive plans, and the hospital's salary spread, including a comparison of median salaries to the medians of northern New England states and a comparison of the base salaries and total compensation for the hospital's executive and clinical leadership with those of the hospital's lowest-paid employees who deliver health care services directly to hospital patients; and

(16) consider the number of employees of the hospital whose duties are primarily administrative in nature, as defined by the Board, compared with the number of employees whose duties primarily involve delivering health care services directly to hospital patients.

(c) Individual hospital budgets established under this section shall:

(1) be consistent, to the extent practicable, with the Statewide Health Care Delivery Strategic Plan, once established, including the total cost of care targets, and with the Health Resource Allocation Plan;

(2) reflect the reference-based prices established by the Board pursuant to section 9376 of this title;

(3) take into consideration national, regional, or in-state peer group norms, according to indicators, ratios, and statistics established by the Board;

~~(3)~~(4) promote efficient and economic operation of the hospital and, if a hospital is affiliated with a hospital network, ensure that hospital spending on the hospital network's operations is consistent with the principles for health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established;

~~(4)~~(5) reflect budget performances for prior years;

~~(5)~~(6) include a finding that the analysis provided in subdivision (b)(9) (b)(11) of this section is a reasonable methodology for reflecting a reduction in net revenues for non-Medicaid payers; and

~~(6)~~(7) demonstrate that they support equal access to appropriate mental health care that meets standards of quality, access, and affordability equivalent to other components of health care as part of an integrated, holistic system of care; and

(8) include meaningful variable payments and incentive plans for hospitals that are consistent with this section and with the principles for health care reform expressed in section 9371 of this title.

(d)(1) Annually, the Board shall establish a budget for each hospital on or before September 15, followed by a written decision by October 1. Each hospital shall operate within the budget established under this section.

* * *

(e)(1) The Board, in consultation with the Vermont Program for Quality in Health Care, shall utilize mechanisms to measure hospital costs, quality, and access and alignment with the Statewide Health Care Delivery Strategic Plan, once established.

(2)(A) Except as provided in subdivision (D) of this subdivision (e)(2), a hospital that proposes to reduce or eliminate any service in order to comply with a budget established under this section shall provide a notice of intent to the Board, the Agency of Human Services, the Office of the Health Care

Advocate, and the members of the General Assembly who represent the hospital service area not less than 45 days prior to the proposed reduction or elimination.

(B) The notice shall explain the rationale for the proposed reduction or elimination and describe how it is consistent with the Statewide Health Care Delivery Strategic Plan, once established, and the hospital's most recent community health needs assessment conducted pursuant to section 9405a of this title and 26 U.S.C. § 501(r)(3).

(C) The Board may evaluate the proposed reduction or elimination for consistency with the Statewide Health Care Delivery Strategic Plan, once established and the community health needs assessment, and may modify the hospital's budget or take such additional actions as the Board deems appropriate to preserve access to necessary services.

(D) A service that has been identified for reduction or elimination in connection with the transformation efforts undertaken by the Board and the Agency of Human Services pursuant to 2022 Acts and Resolves No. 167 does not need to comply with subdivisions (A)–(C) of this subdivision (e)(2).

(3) The Board, in collaboration with the Department of Financial Regulation, shall monitor the implementation of any authorized decrease in hospital services to determine its benefits to Vermonters or to Vermont's health care system, or both.

(4) The Board may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks.

(5) The Board may waive one or more of the review processes listed in subsection (b) of this section.

* * *

Sec. 6. 18 V.S.A. § 9458 is added to read:

§ 9458. HOSPITAL NETWORKS; STRUCTURE; FINANCIAL
OPERATIONS

(a) The Board may review and evaluate the structure of a hospital network to determine:

(1) whether any network operations should be organized and operated out of a hospital instead of at the network; and

(2) whether the existence and operation of a network provides value to Vermonters, is in the public interest, and is consistent with the principles for

health care reform expressed in section 9371 of this title and with the Statewide Health Care Delivery Strategic Plan, once established.

(b) In order to protect the public interest, the Board may, on its own initiative, investigate the financial operations of a hospital network, including compensation of the network's employees and executive leadership.

(c) The Board may recommend any action it deems necessary to correct any aspect of the structure of a hospital network or its financial operations that are inconsistent with the principles for health care reform expressed in section 9371 of this title or with the Statewide Health Care Delivery Strategic Plan, once established.

* * * Health Care Contracts * * *

Sec. 7. 18 V.S.A. § 9418c is amended to read:

§ 9418c. FAIR CONTRACT STANDARDS

* * *

(e)(1) The requirements of subdivision (b)(5) of this section do not prohibit a contracting entity from requiring a reasonable confidentiality agreement between the provider and the contracting entity regarding the terms of the proposed health care contract.

(2) Upon request, a contracting entity or provider shall provide an unredacted copy of an executed or proposed health care contract to the Department of Financial Regulation or the Green Mountain Care Board, or both.

* * * Statewide Health Care Delivery Strategic Plan; Health Care Delivery
Advisory Committee; Comprehensive Primary Health Care Steering
Committee * * *

Sec. 8. 18 V.S.A. § 9403 is added to read:

§ 9403. STATEWIDE HEALTH CARE DELIVERY STRATEGIC PLAN

(a) The Agency of Human Services, in collaboration with the Green Mountain Care Board, the Department of Financial Regulation, the Vermont Program for Quality in Health Care, the Office of the Health Care Advocate, the Health Care Delivery Advisory Committee established in section 9403a of this title, the Comprehensive Primary Health Care Steering Committee established pursuant to section 9407 of this title, and other interested stakeholders, shall lead development of an integrated Statewide Health Care Delivery Strategic Plan as set forth in this section.

(b) The Plan shall:

(1) Align with the principles for health care reform expressed in section 9371 of this title.

(2) Identify existing services and promote universal access across Vermont to high-quality, cost-effective acute care; primary care, including primary mental health services; chronic care; long-term care; substance use disorder treatment services; emergency medical services; nonemergency medical services; nonmedical services and supports; and hospital-based, independent, and community-based services.

(3) Define a shared vision and shared goals and objectives for improving access to and the quality, efficiency, and affordability of health care services in Vermont, including benchmarks for evaluating progress.

(4) Identify the resources, infrastructure, and support needed to achieve established targets, which will ensure the feasibility and sustainability of implementation.

(5) Provide a phased implementation timeline with milestones and regular reporting to ensure adaptability as needs evolve.

(6) Promote accountability and continuous quality improvement across Vermont's health care system through the use of data, scientifically grounded methods, and high-quality performance metrics to evaluate effectiveness and inform decision making.

(7) Provide annual targets for the total cost of care across Vermont's health care system. Using these total cost of care targets, the Plan shall identify appropriate allocations of health care resources and services across the State that balance quality, access, and cost containment. The Plan shall also establish targets for the percentages of overall health care spending that should reflect spending on primary care services, including mental health services, and on preventive care services, which targets shall be aligned with the total cost of care targets.

(8) Build on data and information from:

(A) the transformation planning resulting from 2022 Acts and Resolves No. 167, Secs. 1 and 2;

(B) the expenditure analysis and health care spending estimate developed pursuant to section 9383 of this title;

(C) the State Health Improvement Plan adopted pursuant to subsection 9405(a) of this title;

(D) the Health Resource Allocation Plan published by the Green Mountain Care Board in accordance with subsection 9405(b) of this title;

(E) hospitals' community health needs assessments and strategic planning conducted in accordance with section 9405a of this title;

(F) hospital and ambulatory surgical center quality information published by the Department of Health pursuant to section 9405b of this title;

(G) the statewide quality assurance program maintained by the Vermont Program for Quality in Health Care pursuant to section 9416 of this title;

(H) the 2020 report determining the proportion of health care spending in Vermont that is allocated to primary care, submitted to the General Assembly by the Green Mountain Care Board and the Department of Vermont Health Access in accordance with 2019 Acts and Resolves No. 17, Sec. 2;

(I) the 2024 report on Blueprint for Health payments to patient-centered medical homes, submitted to the General Assembly by the Agency of Human Services in accordance with 2023 Acts and Resolves No. 51, Sec. 5; and

(J) such additional sources of data and information as the Agency and other stakeholders deem appropriate.

(9) Identify:

(A) opportunities to improve the quality of care across the health care delivery system, including exemplars of high-quality care to stimulate best practice dissemination;

(B) gaps in access to care, including disparities in access resulting from geographic or demographic factors or health status, as well as unnecessary duplication of services, including circumstances in which service closures or consolidations may result in improvements in quality, access, and affordability;

(C) opportunities to reduce administrative burdens;

(D) federal, State, and other barriers to achieving the Plan's goals and, to the extent feasible, how those barriers can be removed or mitigated;

(E) priorities in steps for achieving the goals of the Plan;

(F) barriers to adequate mental health and substance use disorder services;

(G) opportunities to integrate health care services for individuals in the custody of the Department of Corrections as part of Vermont's health care delivery system;

(H) enhancements in quality reporting and data collection to provide a more current and accurate picture of the quality of health care delivery across Vermont; and

(I) systems to ensure that reported data is shared with and is accessible to the health care professionals who are providing care, enabling them to track performance and inform improvement.

(c)(1) On or before January 15, 2027, the Agency shall provide the Plan to the House Committees on Health Care and on Human Services and the Senate Committee on Health and Welfare.

(2) The Agency shall prepare an updated Plan every two years and shall provide it to the General Assembly on or before December 1 of every other year, beginning on December 1, 2029.

Sec. 9. 18 V.S.A. § 9403a is added to read:

§ 9403a. HEALTH CARE DELIVERY ADVISORY COMMITTEE

(a) There is created the Health Care Delivery Advisory Committee to:

(1) establish health care affordability benchmarks;

(2) evaluate and monitor the performance of Vermont's health care system and its impacts on population health outcomes;

(3) collaborate with the Agency of Human Services and other interested stakeholders in the development and maintenance of the Statewide Health Care Delivery Strategic Plan developed pursuant to section 9403 of this title;

(4) advise the Green Mountain Care Board on the design and implementation of an ongoing evaluation process to continuously monitor current performance in the health care delivery system; and

(5) provide coordinated and consensus recommendations to the General Assembly on issues related to health care delivery and population health.

(b)(1) The Advisory Committee shall be composed of the following 19 members:

(A) the Secretary of Human Services or designee;

(B) the Chair of the Green Mountain Care Board or designee;

(C) the Chief Health Care Advocate from the Office of the Health Care Advocate or designee;

(D) a member of the Health Equity Advisory Commission, selected by the Commission's Chair;

(E) one representative of commercial health insurers offering major medical health insurance plans in Vermont, selected by the Commissioner of Financial Regulation;

(F) two representatives of Vermont hospitals, selected by the Vermont Association of Hospitals and Health Systems, who shall represent hospitals that are located in different regions of the State and that face different levels of financial stability;

(G) one representative of Vermont's federally qualified health centers, selected by Bi-State Primary Care Association;

(H) one representative of physicians, selected by the Vermont Medical Society;

(I) one representative of independent physician practices, selected by HealthFirst;

(J) one representative of advanced practice registered nurses, selected by the Vermont Nurse Practitioners Association;

(K) one representative of Vermont's free clinic programs, selected by Vermont's Free & Referral Clinics;

(L) one representative of Vermont's designated and specialized service agencies, selected by Vermont Care Partners;

(M) one preferred provider from outside the designated and specialized service agency system, selected by the Commissioner of Health;

(N) one Vermont-licensed mental health professional from an independent practice, selected by the Commissioner of Mental Health;

(O) one representative of Vermont's home health agencies, selected jointly by the VNAs of Vermont and Bayada Home Health Care;

(P) one representative of long-term care facilities, selected by the Vermont Health Care Association;

(Q) one representative of small businesses, selected by the Vermont Chamber of Commerce; and

(R) the Executive Director of the Vermont Program for Quality in Health Care or designee.

(2) The Secretary of Human Services or designee shall be the Chair of the Advisory Committee.

(3) The Agency of Human Services shall provide administrative and technical assistance to the Advisory Committee.

(c) Members of the Advisory Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Advisory Committee.

Sec. 9a. 18 V.S.A. § 9407 is added to read:

§ 9407. COMPREHENSIVE PRIMARY HEALTH CARE STEERING
COMMITTEE

(a) There is created the Comprehensive Primary Health Care Steering Committee to inform the work of State government, including the Blueprint for Health and the Office of Health Care Reform in the Agency of Human Services, as it relates to access to, delivery of, and payment for primary care services in Vermont.

(b) The Steering Committee shall be composed of the following members:

(1) the Chair of the Department of Family Medicine at the University of Vermont Larner College of Medicine or designee;

(2) the Chair of the Department of Pediatrics at the University of Vermont Larner College of Medicine or designee;

(3) the Associate Dean for Primary Care at the University of Vermont Larner College of Medicine or designee;

(4) the Executive Director of the Vermont Child Health Improvement Program at the University of Vermont Larner College of Medicine or designee;

(5) the President of the Vermont Academy of Family Physicians or designee;

(6) the President of the American Academy of Pediatrics, Vermont Chapter, or designee;

(7) a member of the Green Mountain Care Board's Primary Care Advisory Committee, selected by the Green Mountain Care Board;

(8) the Executive Director of the Blueprint for Health;

(9) a primary care clinician who practices at an independent practice, selected by HealthFirst;

(10) a primary care clinician who practices at a federally qualified health center, selected by Bi-State Primary Care Association;

(11) a primary care physician, selected by the Vermont Medical Society;

(12) a primary care physician assistant, selected by the Physician Assistant Academy of Vermont;

(13) a primary care nurse practitioner, selected by the Vermont Nurse Practitioners Association;

(14) a mental health provider who practices at a community mental health center designated pursuant to section 8907 of this title, selected by Vermont Care Partners;

(15) a licensed independent clinical social worker, selected by the National Association of Social Workers, Vermont Chapter; and

(16) a psychologist, selected by the Vermont Psychological Association.

(c) The Steering Committee shall:

(1) engage in an ongoing assessment of comprehensive primary care needs in Vermont;

(2) provide recommendations for recruiting and retaining high-quality primary care providers, including on ways to encourage new talent to join Vermont's primary care workforce;

(3) develop proposals for sustainable payment models for primary care;

(4) identify methods for enhancing Vermonters' access to primary care;

(5) recommend opportunities to reduce administrative burdens on primary care providers;

(6) recommend mechanisms for measuring the quality of primary care services delivered in Vermont;

(7) provide input into the Statewide Health Care Delivery Strategic Plan as it is developed, updated, and implemented pursuant to section 9403 of this title;

(8) consult with the Green Mountain Care Board in the event that the Board develops reference-based pricing for primary care providers as permitted under subdivision 9376(e)(5) of this title; and

(9) offer additional recommendations and guidance to the Blueprint for Health, the Office of Health Care Reform, the General Assembly, and others in State government on ways to increase access to primary care services and to improve patient and provider satisfaction with primary care delivery in Vermont.

(d) The Steering Committee shall receive administrative and technical assistance from the Agency of Human Services.

(e)(1) The Executive Director of the Blueprint for Health shall call the first meeting of the Steering Committee to occur on or before September 1, 2025.

(2) The Steering Committee shall select a chair from among its members at the first meeting.

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

(f) Members of the Steering Committee shall not receive per diem compensation or reimbursement of expenses for their participation on the Steering Committee.

* * * Data Integration; Data Sharing * * *

Sec. 10. INTEGRATION OF HEALTH CARE DATA; REPORT

(a) The Agency of Human Services shall collaborate with the Health Information Exchange Steering Committee to evaluate the potential for developing an integrated statewide system of clinical and claims data. The Agency's analysis shall address:

(1) the feasibility of developing an integrated statewide system of clinical and claims data;

(2) the potential uses of an integrated statewide system of clinical and claims data;

(3) whether and to what extent an integrated statewide system of clinical and claims data would:

(A) improve patient, provider, and payer access to relevant information;

(B) reduce administrative burdens on providers;

(C) increase access to and quality of health care for Vermonters; and

(D) reduce costs and, if so, how to measure such reductions;

(4) appropriate privacy and security safeguards for an integrated statewide system of clinical and claims data; and

(5) any additional considerations regarding an integrated statewide system of clinical and claims data that the Agency and the Health Information Exchange Steering Committee deem appropriate.

(b) On or before January 15, 2026, the Agency of Human Services shall provide its findings and recommendations regarding development of an integrated statewide system of clinical and claims data to the House Committee on Health Care and the Senate Committee on Health and Welfare.

In addition to the information required pursuant to subsection (a) of this section, the Agency shall explain the advantages and disadvantages of developing an integrated statewide system of clinical and claims data; provide the Agency's recommendations regarding whether the State should pursue development and implementation of such an integrated system; and describe the value, if any, that such an integrated system would bring to Vermont's health care system. The Agency shall not begin implementation of an integrated statewide system of clinical and claims data unless and until directed to do so by legislation enacted by the General Assembly.

Sec. 11. 18 V.S.A. § 9374 is amended to read:

§ 9374. BOARD MEMBERSHIP; AUTHORITY

* * *

(i)(1) In addition to any other penalties and in order to enforce the provisions of this chapter and empower the Board to perform its duties, the Chair of the Board may issue subpoenas, examine persons, administer oaths, and require production of papers and records. Any subpoena or notice to produce may be served by registered or certified mail or in person by an agent of the Chair. Service by registered or certified mail shall be effective three business days after mailing. Any subpoena or notice to produce shall provide at least six business days' time from service within which to comply, except that the Chair may shorten the time for compliance for good cause shown. Any subpoena or notice to produce sent by registered or certified mail, postage prepaid, shall constitute service on the person to whom it is addressed.

(2) Each witness who appears before the Chair under subpoena shall receive a fee and mileage as provided for witnesses in civil cases in Superior Courts; provided, however, any person subject to the Board's authority shall not be eligible to receive fees or mileage under this section.

(3) The Board may share any information, papers, or records it receives pursuant to a subpoena or notice to produce issued under this section with the Agency of Human Services or the Department of Financial Regulation, or both, as appropriate to the work of the Agency or Department, provided that the Agency or Department agrees to maintain the confidentiality of any information, papers, or records that are exempt from public inspection and copying under the Public Records Act.

* * *

* * * Health Care Reforms Addressing Exigent Needs * * *

Sec. 11a. HEALTH CARE SPENDING REDUCTIONS;

AGENCY OF HUMAN SERVICES; REPORTS

(a)(1) The Agency of Human Services shall facilitate collaboration and coordination among health care providers in order to encourage cooperation in developing rapid responses to the urgent financial pressures facing the health care system and to identify opportunities to increase efficiency, improve the quality of health care services, reduce spending on prescription drugs, and increase access to essential services, including primary care, emergency departments, mental health and substance use disorder treatment services, prenatal care, and emergency medical services and transportation, while reducing hospital spending for hospital fiscal year 2026 by not less than 2.5 percent.

(2) The Agency of Human Services shall facilitate and supervise the participation of hospitals and other health care providers in the process set forth in subdivision (1) of this subsection as necessary for this collaborative process to be afforded state-action immunity under applicable federal and State antitrust laws.

(b) The Agency of Human Services shall report on the proposed reductions that it has approved pursuant to this section, including applicable timing and appropriate accountability measures, to the Health Reform Oversight Committee and the Joint Fiscal Committee on or before July 1, 2025. On or before the first day of each month of hospital fiscal year 2026, beginning on October 1, 2025, the Agency shall provide updates to the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, regarding progress in implementing and achieving the hospital spending reductions identified pursuant to this section.

Sec. 11b. HEALTH CARE SYSTEM TRANSFORMATION; AGENCY OF

HUMAN SERVICES; REPORTS

(a) The Agency of Human Services shall identify specific outcome measures for determining whether, when, and to what extent each of the following goals of its health care system transformation efforts pursuant to 2022 Acts and Resolves No. 167 (Act 167) has been met:

- (1) reduce inefficiencies;
- (2) lower costs;
- (3) improve health outcomes;

(4) reduce health inequities; and

(5) increase access to essential services.

(b)(1) On or before July 1, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee:

(A) the specific outcome measures developed pursuant to subsection (a) of this section, along with a timeline for accomplishing them;

(B) how the Agency will determine its progress in accomplishing the outcome measures and achieving the transformation goals, including how it will determine the amount of savings attributable to each inefficiency reduced and how it will evaluate increases in access to essential services;

(C) the impact that each transformation decision made by an individual hospital as part of the Act 167 transformation process has or will have on the State's health care system, including on health care costs and on health insurance premiums;

(D) how the Agency is tracking and coordinating the transformation efforts of individual hospitals to ensure that they complement the transformation efforts of other hospitals and other health care providers and that they will contribute in a positive way to a transformed health care system that meets the Act 167 goals; and

(E) the amount of State funds, and federal funds, if applicable, that the Agency has spent on Act 167 transformation efforts to date or has obligated for those purposes and the amount of unspent State funds appropriated for Act 167-related purposes that remain for the Agency's Act 167 transformation efforts.

(2) On or before the first day of each month beginning on August 1, 2025, the Agency shall provide the Health Reform Oversight Committee and the Joint Fiscal Committee when the General Assembly is not in session, and to the House Committee on Health Care and the Senate Committee on Health and Welfare when the General Assembly is in session, with updates on each of the items set forth in subdivisions (1)(A)–(E) of this subsection.

Sec. 11c. HEALTH CARE SYSTEM TRANSFORMATION; INCENTIVES;

TELEHEALTH

(a) To encourage hospitals to engage proactively, think expansively, and propose transformation initiatives that will reduce costs to Vermont's health care system without negatively affecting health care quality or jeopardizing access to necessary services, the Agency of Human Services shall award grants

to the hospitals in State fiscal year 2026 that actively participate in health care transformation efforts to assist them in building partnerships, reducing hospital costs for hospital fiscal year 2026, and expanding Vermonters' access to health care services, including those delivered using telehealth.

(b) Notwithstanding any provision of 32 V.S.A. § 10301 to the contrary, the sum of \$2,000,000.00 is appropriated from the Health IT-Fund to the Agency of Human Services in fiscal year 2026 for grants to hospitals for the collaborative efforts to reduce hospital costs in accordance with subsection (a) of this section and Sec. 11a of this act and to expand access to health care services, such as by enhancing telehealth infrastructure development. It is the intent of the General Assembly that these funds should be awarded on a first-come, first-served basis until all of the funds have been distributed.

(c) On or before November 15, 2025, the Agency of Human Services shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee regarding how much of the \$2,000,000.00 appropriated to the Agency pursuant to subsection (b) of this section was obligated as of November 1, 2025 and how much had already been disbursed to hospitals as of that date.

Sec. 11d. DEPARTMENT OF FINANCIAL REGULATION;

DOMESTIC HEALTH INSURER SUSTAINABILITY;

REPORT

On or before November 1, 2025, the Department of Financial Regulation shall provide to the Health Reform Oversight Committee a plan for preserving the sustainability of domestic health insurers in Vermont, which may include utilizing reinsurance.

* * * Retaining Accountable Care Organization Capabilities * * *

Sec. 12. RETAINING ACCOUNTABLE CARE ORGANIZATION

CAPABILITIES; REPORT

The Agency of Human Services shall explore opportunities to retain capabilities developed by or on behalf of a certified accountable care organization that were funded in whole or in part using State or federal monies, or both, and that have the potential to make beneficial contributions to Vermont's health care system, such as capabilities related to comprehensive payment reform and quality data measurement and reporting. On or before November 1, 2025, the Agency of Human Services shall report its findings and recommendations to the Health Reform Oversight Committee.

* * * Implementation Updates * * *

Sec. 13. [Deleted.]

Sec. 14. GREEN MOUNTAIN CARE BOARD; IMPLEMENTATION;
REPORT

On or before February 15, 2026, the Green Mountain Care Board shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the Board's implementation of this act, including the status of its efforts to establish methodologies for and begin implementation of reference-based pricing, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont. The Board shall also report on the potential future use of global hospital budgets, including providing the Board's definition of the term "global hospital budgets"; determining whether it is feasible to develop and implement global hospital budgets for Vermont hospitals and, if so, over what time period; and the advantages and disadvantages of pursuing global hospital budgets.

Sec. 15. 3 V.S.A. § 3027 is amended to read:

§ 3027. HEALTH CARE SYSTEM REFORM; IMPROVING QUALITY
AND AFFORDABILITY; REPORT

(a) The Director of Health Care Reform in the Agency of Human Services shall be responsible for the coordination of health care system reform efforts among Executive Branch agencies, departments, and offices, and for coordinating with the Green Mountain Care Board established in 18 V.S.A. chapter 220.

(b) On or before February 15 annually, the Agency of Human Services shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding all of the following:

(1) The status of the Agency's efforts to develop, update, and implement the Statewide Health Care Delivery Strategic Plan in accordance with 18 V.S.A. § 9403. The Agency shall adopt an evaluation framework using an evidence-based approach to assess both the effectiveness of Plan development and implementation and the Plan's overall impact. The evaluation shall include identifying what was accomplished, how well it was executed, and the benefits to specific cohorts within Vermont's health care system, and the Agency shall include updated evaluation results annually as part of its report.

(2) The activities of the Health Care Delivery Advisory Committee established pursuant to 18 V.S.A. § 9403a during the previous calendar year.

(3) The effects of the Statewide Health Care Delivery Strategic Plan, the efforts and activities of the Health Care Delivery Advisory Committee, and other efforts and activities engaged in or directed by the Agency on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont.

Sec. 16. 18 V.S.A. § 9375(d) is amended to read:

(d) Annually on or before January 15, the Board shall submit a report of its activities for the preceding calendar year to the House Committee on Health Care and the Senate Committee on Health and Welfare.

(1) The report shall include:

* * *

(G) the status of its efforts to establish methodologies for and begin implementation of reference-based pricing and any considerations regarding the future use of global hospital budgets, and the effects of these efforts and activities on increasing access to care, improving the quality of care, and reducing the cost of care in Vermont;

~~(H)~~ any recommendations for modifications to Vermont statutes; and

~~(H)(I)~~ any actual or anticipated impacts on the work of the Board as a result of modifications to federal laws, regulations, or programs.

* * *

* * * Effective Dates * * *

Sec. 17. EFFECTIVE DATES

(a) Sec. 16 (18 V.S.A. § 9375(d); Green Mountain Care Board annual report) shall take effect on July 1, 2026.

(b) The remaining sections shall take effect on passage.

(Committee vote: 8-3-0)

Senate Proposal of Amendment

H. 98

An act relating to confirmatory adoptions

The Senate proposes to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 15A V.S.A. § 1-114 is added to read:

§ 1-114. CONFIRMATORY ADOPTION FOR CHILDREN BORN
THROUGH ASSISTED REPRODUCTION

(a) As used in this section:

(1) “Assisted reproduction” means a method of causing pregnancy other than sexual intercourse and includes:

- (A) intrauterine, intracervical, or vaginal insemination;
- (B) donation of gametes;
- (C) donation of embryos;
- (D) in vitro fertilization and transfer of embryos; and
- (E) intracytoplasmic sperm injection.

(2) “Donor” means a person who contributes a gamete or gametes or an embryo or embryos to another person for assisted reproduction or gestation, whether or not for consideration. This term does not include:

(A) a person who gives birth to a child conceived by assisted reproduction except as otherwise provided in 15C V.S.A. chapter 8; or

(B) a parent under 15C V.S.A. chapter 7 or an intended parent under 15C V.S.A. chapter 8.

(3) “Marriage” includes civil union and any legal relationship that provides substantially the same rights, benefits, and responsibilities as marriage and is recognized as valid in the state or jurisdiction in which it was entered.

(4) “Petitioners” means the persons filing a petition for adoption in accordance with this section.

(b) Whenever a child is born as a result of assisted reproduction and the person or persons who did not give birth are a parent pursuant to 15C V.S.A. § 703 or presumed parent pursuant to 15C V.S.A. § 401 and the parents seek to file a petition to confirm parentage through an adoption of the child, the court shall permit the parents to file a petition for adoption in accordance with this section.

(c) A complete petition shall comprise the following:

- (1) the petition for adoption signed by all parents;
- (2) a copy of the petitioners’ marriage certificate, if petitioners are married;

(3) a declaration signed by the parents explaining the circumstances of the child's birth through assisted reproduction, attesting to their consent to assisted reproduction, and stating that there are no other persons with a claim to parentage of the child under Title 15C; and

(4) a certified copy of the child's birth certificate.

(d) A complete petition for adoption, as described in subsection (c) of this section, shall serve as the petitioners' written consents to adoption and no additional consent or notice shall be required.

(e) If the petitioners conceived through assisted reproduction with donor gametes or donor embryos, the court shall not require notice of the adoption to the donor or consent to the adoption by the donor.

(f) Unless otherwise ordered by the court for good cause shown and supported by written findings of the court demonstrating good cause, for purposes of evaluating and granting a petition for adoption pursuant to this section, the court shall not require:

(1) an in-person hearing or appearance, although the court may require a remote hearing;

(2) an investigation or home study by, a notice to, or the approval of the Department for Children and Families;

(3) a criminal-record check;

(4) verification that the child is not registered with the federal register for missing children or the central register; or

(5) a minimum residency period in the home of the petitioners.

(g) The court shall grant the adoption under this section and issue an adoption decree promptly after the filing of a complete petition and upon finding that:

(1) for marital parents, the parent who gave birth and the spouse were married at the time of the child's birth and the child was born through assisted reproduction; or

(2) for nonmarital parents:

(A) the person who gave birth and the nonmarital parent consented to the assisted reproduction; and

(B) no other person has a claim to parentage pursuant to Title 15C or that any other person with a claim to parentage of the child who is required to

be provided notice of, or who must consent to, the adoption has been notified or provided consent to the adoption.

(h) Unless notice has been waived or consent given for the adoption, a copy of the petition and notice of a proceeding under this section shall be served upon any person entitled to notice within 30 days after the petition is filed. The notice shall include the address and telephone number of the court where the petition is pending and a statement that the person served with the notice and petition shall file a written appearance in the proceeding within 20 days after service in order to participate in the proceeding and to receive further notice of the proceeding, including notice of the time and place of any hearing. Service of the notice and petition shall be made in a manner appropriate under the Vermont Rules of Probate Procedure unless the court otherwise directs. Proof of service on each person entitled to receive notice shall be on file with the court before the court acts on the petition.

(i) A petition to adopt a child pursuant to this section shall not be denied on the basis that any of the petitioners' parentage is already presumed or legally recognized in Vermont.

(j) When parentage is presumed or legally recognized pursuant to 15C V.S.A. § 201, the fact that a person did not petition for adoption pursuant to this section shall not be considered as evidence when two or more presumptions conflict, nor in determining the best interests of the child.

Sec. 2. 14 V.S.A. § 2622 is amended to read:

§ 2622. DEFINITIONS

As used in this article:

(1) "Child" means an individual who is under 18 years of age and who is the subject of a petition for guardianship filed pursuant to section 2623 of this title.

(2) "Child in need of guardianship" means:

(A) A child who the parties consent is in need of adult care because of any one of the following:

(i) The child's custodial parent has a serious or terminal illness.

(ii) A custodial parent's physical or mental health prevents the parent from providing proper care and supervision for the child.

(iii) The child's home is no longer habitable as the result of a natural disaster.

(iv) A custodial parent of the child is incarcerated.

(v) A custodial parent of the child is on active military duty.

(vi) A custodial parent of the child is unavailable to care for the child because the parent has been subject to an adverse immigration action.

(vii) The parties have articulated and agreed to another reason that guardianship is in the best interests of the child.

(B) A child who is:

(i) abandoned or abused by the child's parent;

(ii) without proper parental care, subsistence, education, medical, or other care necessary for the child's well-being; or

(iii) without or beyond the control of the child's parent.

(3) "Custodial parent" means a parent who, at the time of the commencement of the guardianship proceeding, has the right and responsibility to provide the routine daily care and control of the child. The rights of the custodial parent may be held solely or shared and may be subject to the court-ordered right of the other parent to have contact with the child. If physical parental rights and responsibilities are shared pursuant to court order, both parents shall be considered "custodial parents" for purposes of this subdivision.

(4) "Nonconsensual guardianship" means a guardianship with respect to which:

(A) a parent is opposed to establishing the guardianship; or

(B) a parent seeks to terminate a guardianship that the parent previously agreed to establish.

(5) "Noncustodial parent" means a parent who is not a custodial parent at the time of the commencement of the guardianship proceeding.

(6) "Parent" means a child's biological or adoptive parent, including custodial parents; noncustodial parents; parents with legal or physical responsibilities, or both; and parents whose rights have never been adjudicated.

(7) "Parent-child contact" means the right of a parent to have visitation with the child by court order.

(8) "Standby guardianship" means a consensual guardianship agreement between the custodial parent and their chosen guardian that meets the requirements of section 2626a of this title, in which the custodial parent has been subject to an adverse immigration action that has rendered the parent unavailable to care for their child.

(9) “Adverse immigration action” means:

(A) arrest or apprehension by any federal law enforcement officer for an alleged violation of federal immigration law;

(B) arrest, detention, or custody by the Department of Homeland Security, or a federal, state, or local agency authorized by or acting on behalf of the Department of Homeland Security, for an alleged violation of federal immigration law;

(C) departure from the United States under an order of removal, deportation, exclusion, voluntary departure, or expedited removal or a stipulation of voluntary departure;

(D) the denial, revocation, or delay of the issuance of a visa or transportation letter by the Department of State;

(E) the denial, revocation, or delay of the issuance of a parole document or reentry permit by the Department of Homeland Security; or

(F) the denial of admission or entry into the United States by the Department of Homeland Security or other local or state officer acting on behalf of the Department of Homeland Security.

Sec. 3. 14 V.S.A. § 2623 is amended to read:

§ 2623. PETITION FOR GUARDIANSHIP OF MINOR; SERVICE

(a) A parent or a person interested in the welfare of a minor may file a petition with the Probate Division of the Superior Court for the appointment of a guardian for a child. The petition shall state:

(1) the names and addresses of the parents, the child, and the proposed guardian;

(2) the proposed guardian’s relationship to the child;

(3) the names of all members of the proposed guardian’s household and each person’s relationship to the proposed guardian and the child;

(4) that the child is alleged to be a child in need of guardianship;

(5) specific reasons with supporting facts why guardianship is sought;

(6) whether the parties agree that the child is in need of guardianship and that the proposed guardian should be appointed as guardian;

(7) the child’s current school and grade level;

(8) if the proposed guardian intends to change the child's current school, the name and location of the proposed new school and the estimated date when the child would enroll;

(9) the places where the child has lived during the last five years, and the names and present addresses of the persons with whom the child has lived during that period; ~~and~~

(10) any prior or current court proceedings, child support matters, or parent-child contact orders involving the child;

(11) whether the petition seeks a standby guardianship and the reasons for the request, including the adverse immigration action that the custodial parent is subject to; and

(12) whether the petition is an emergency petition filed pursuant to subdivision 2625(f)(1) of this title.

(b)(1) A petition for guardianship of a child under this section shall be served on all parties and interested persons as provided by Rule 4 of the Vermont Rules of Probate Procedure.

(2)(A) The Probate Division may waive the notice requirements of subdivision (1) of this subsection (b) with respect to a parent if the court finds that:

(i) the identity of the parent is unknown; ~~or~~

(ii) the location of the parent is unknown and cannot be determined with reasonable effort; ~~or~~

(iii)(I) the custodial parent is detained as the result of an adverse immigration action; and

(II) the guardian and the custodial parent's attorney are unable to contact the custodial parent after making reasonable efforts.

(B) After a guardianship for a child is created, the Probate Division shall reopen the proceeding at the request of a parent of the child who did not receive notice of the proceeding as required by this subsection (b).

Sec. 4. 14 V.S.A. § 2625 is amended to read:

§ 2625. HEARING; COUNSEL; GUARDIAN AD LITEM

(a) The Probate Division shall schedule a hearing upon the filing of the petition and shall provide notice of the hearing to all parties and interested persons who were provided notice under subdivision 2623(c)(1) of this title.

(b) The child shall attend the hearing if ~~he or she~~ the child is 14 years of age or older unless the child's presence is excused by the court for good cause. The child may attend the hearing if ~~he or she~~ the child is less than 14 years of age.

(c) The court shall appoint counsel for the child if the child will be called as a witness. In all other cases, the court may appoint counsel for the child.

(d)(1) The child may be called as a witness only if the court finds after hearing that:

(A) the child's testimony is necessary to assist the court in determining the issue before it;

(B) the probative value of the child's testimony outweighs the potential detriment to the child; and

(C) the evidence sought is not reasonably available by any other means.

(2) The examination of a child called as a witness may be conducted by the court in chambers in the presence of such other persons as the court may specify and shall be recorded.

(e) The court may appoint a guardian ad litem for the child on motion of a party or on the court's own motion.

(f)(1) The court may grant an emergency guardianship petition filed ex parte by the proposed guardian, or by the custodial parent's attorney in the case of a standby guardianship petition filed pursuant to section 2626a of this title, if the court finds that:

(A)(i) both parents are deceased or medically incapacitated; ~~and~~ or

(ii) in the case of a standby guardianship petition filed pursuant to section 2626a of this title, the custodial parent has been subject to an adverse immigration action that renders the parent unavailable to care for the child; and

(B) the best interests of the child require that a guardian be appointed without delay and before a hearing is held.

(2) If the court grants an emergency guardianship petition pursuant to subdivision (1) of this subsection (f), it shall schedule a hearing on the petition as soon as practicable and in no event more than three business days after the petition is filed.

Sec. 5. 14 V.S.A. § 2626a is added to read:

§ 2626a. CONSENSUAL STANDBY GUARDIANSHIP

(a)(1) If the petition requests a consensual standby guardianship, the petition shall include or be accompanied by a consent signed by the custodial parent attesting that the custodial parent understands the nature of the standby guardianship and knowingly and voluntarily consents to the standby guardianship.

(2) The consent required by this subsection shall be on a form approved by the Court Administrator.

(b)(1) The court shall schedule a hearing on the petition within 14 days. The custodial parent shall be permitted to appear at and participate in the hearing remotely.

(2) On or before the date of the hearing, the parties shall file an agreement between the proposed guardian and the custodial parents. The agreement shall provide:

(A) that the parties are creating a standby guardianship that is effective only if the custodial parent has been subject to an adverse immigration action that renders the custodial parent unavailable to care for the child;

(B) the responsibilities of the guardian;

(C) the responsibilities of the parents;

(D) the expected duration of the guardianship, if known;

(E) parent-child contact and parental involvement in decision making; and

(F) that the guardianship shall presumptively terminate if the custodial parent is released from custody and reunited with the child.

(3) Any party may notify the court that the guardianship is presumptively terminated pursuant to subdivision (2)(F) of this subsection.

(c) Vermont Rule of Probate Procedure 43 (relaxed rules of evidence in probate proceedings) shall apply to hearings under this section.

(d) The court shall grant the petition if it finds after the hearing by clear and convincing evidence that:

(1) the child is a child in need of guardianship as defined in subdivision 2622(2)(A) of this title because the parent has been subject to an adverse immigration action that renders the parent unavailable to care for the child;

(2) the child's custodial parents knowingly and voluntarily consented to the standby guardianship;

(3) the guardian or the custodial parent's attorney made reasonable efforts to notify the parent of the proceeding;

(4) the agreement is voluntary;

(5) the proposed guardian is suitable; and

(6) the guardianship is in the best interests of the child.

(e) There shall be a rebuttable presumption that the guardianship is in the best interests of the child if:

(1) the custodial parent has been subject to an adverse immigration action and is unavailable to care for their child;

(2) all parties consented to the guardianship; and

(3) the custodial parent is represented by an attorney.

(f) If the court grants the petition, it shall approve the agreement at the hearing and issue an order establishing a guardianship under section 2628 of this title within 45 days after the petition was filed, unless the court extends the time for issuing the order for good cause shown. The order shall be consistent with the terms of the parties' agreement unless the court finds that the agreement was not reached voluntarily or is not in the best interests of the child.

Sec. 6. 14 V.S.A. § 2628 is amended to read:

§ 2628. GUARDIANSHIP ORDER

(a) If the court grants a petition for guardianship of a child under subsection 2626(d), 2626a(d), or 2627(d) of this title, the court shall enter an order establishing a guardianship and naming the proposed guardian as the child's guardian.

(b) A guardianship order issued under this section shall include provisions addressing the following matters:

(1) the powers and duties of the guardian consistent with section 2629 of this title;

(2) the expected duration of the guardianship, if known;

(3) a family plan on a form approved by the Court Administrator that:

(A) in a consensual case is consistent with the parties' agreement; or

(B) in a nonconsensual case includes, at a minimum, provisions that address parent-child contact consistent with section 2630 of this title; and

(4) the process for reviewing the order consistent with section 2631 of this title.

Sec. 7. 14 V.S.A. § 2629 is amended to read:

§ 2629. POWERS AND DUTIES OF GUARDIAN

(a) The court shall specify the powers and duties of the guardian in the guardianship order.

(b) The duties of a custodial guardian shall include the duty to:

(1) take custody of the child and establish ~~his or her~~ the child's place of residence, provided that a guardian shall not change the residence of the child to a location outside the State of Vermont without prior authorization by the court following notice to the parties and an opportunity for hearing;

(2) make decisions related to the child's education;

(3) make decisions related to the child's physical and mental health, including consent to medical treatment and medication;

(4) make decisions concerning the child's contact with others, provided that the guardian shall comply with all provisions of the guardianship order regarding parent-child contact and contact with siblings;

(5) receive funds paid for the support of the child, including child support and government benefits; and

(6) file an annual status report to the Probate Division, with a copy to each parent at ~~his or her~~ the parent's last known address, including the following information:

(A) the current address of the child and each parent;

(B) the child's health care and health needs, including any medical and mental health services the child received;

(C) the child's educational needs and progress, including the name of the child's school, day care, or other early education program, the child's grade level, and the child's educational achievements;

(D) contact between the child and ~~his or her~~ the child's parents, including the frequency and duration of the contact and whether it was supervised;

(E) how the parents have been involved in decision making for the child;

(F) how the guardian has carried out ~~his or her~~ the guardian's responsibilities and duties, including efforts made to include the child's parents in the child's life;

(G) the child's strengths, challenges, and any other areas of concern; and

(H) recommendations with supporting reasons as to whether the guardianship order should be continued, modified, or terminated.

(c) In the case of a standby guardianship petition filed pursuant to section 2626a of this title, the guardian shall provide status reports to the custodial parent at the parent's last known email address and to the custodial parent's attorney at the attorney's last known address.

Sec. 8. 14 V.S.A. § 2632 is amended to read:

§ 2632. TERMINATION

(a) A parent may file a motion to terminate a guardianship at any time. The motion shall be filed with the Probate Division that issued the guardianship order and served on all parties and interested persons.

(b)(1) If the motion to terminate is made with respect to a consensual guardianship established under section 2626 of this title or a standby guardianship established under section 2626a of this title, the court shall grant the motion and terminate the guardianship unless the guardian files a motion to continue the guardianship within 30 days after the motion to terminate is served. In the case of a standby guardianship established under section 2626a of this title, the court may, for good cause shown, accept filings that do not meet the format and signing requirements for the motion under Vermont Rules of Probate Procedure 10 and 11.

(2) If the guardian files a motion to continue the guardianship, the matter shall be set for hearing and treated as a nonconsensual guardianship proceeding under section 2627 of this title. The parent shall not be required to show a change in circumstances, and the court shall not grant the motion to continue the guardianship unless the guardian establishes by clear and convincing evidence that the minor is a child in need of guardianship under subdivision 2622(2)(B) of this title. In the case of a standby guardianship established under section 2626 of this title, the custodial parent shall be permitted to appear at and participate in the hearing remotely.

(3) If the court grants the motion to continue, it shall issue an order establishing a guardianship under section 2628 of this title.

(c)(1) If the motion to terminate the guardianship is made with respect to a nonconsensual guardianship established under section 2627 or subdivision 2632(b)(3) of this title, the court shall dismiss the motion unless the parent establishes that a change in circumstances has occurred since the previous guardianship order was issued.

(2) If the court finds that a change in circumstances has occurred since the previous guardianship order was issued, the court shall grant the motion to terminate the guardianship unless the guardian establishes by clear and convincing evidence that the minor is a child in need of guardianship under subdivision 2622(2)(B) of this title.

Sec. 9. EFFECTIVE DATES

(a) Sec. 1 shall take effect on July 1, 2025.

(b) Secs. 2–8 and this section shall take effect on passage.

Senate Proposal of Amendment to House Proposal of Amendment to Senate Proposal of Amendment

H. 398

An act relating to the Vermont Economic Development Authority

The Senate concurs in the House proposal of amendment to the Senate proposal of amendment with further proposal of amendment thereto:

In Sec. 1, 10 V.S.A. chapter 12, in section 280gg, by striking out subsection (e) in its entirety and inserting in lieu thereof a new subsection (e) to read as follows:

(e) In determining whether to issue financial assistance from the Vermont Disaster Recovery Loan Fund established by this subchapter 15, the Authority shall consider whether a business has received disaster recovery financial assistance from the State for the same disaster event.

CONSENT CALENDAR FOR NOTICE

Concurrent Resolutions for Adoption Under Joint Rules 16a - 16d

The following concurrent resolutions have been introduced for approval by the Senate and House and will be adopted automatically unless a Senator or Representative requests floor consideration in that member's chamber prior to adjournment of the next legislative day. Requests for floor consideration in either chamber should be communicated to the Senate Secretary's Office or the House Clerk's Office, as applicable. For text of resolutions, see Addendum to House Calendar.

H.C.R. 130

House concurrent resolution commemorating the bicentennial of the 1824–1825 Farewell American tour of the Marquis de Lafayette

H.C.R. 131

House concurrent resolution congratulating Westgate Housing Inc. of Brattleboro on the nonprofit corporation's 25th anniversary

H.C.R. 132

House concurrent resolution congratulating the West Rutland High School Golden Horde girls' basketball team on winning a fourth consecutive Division IV championship

H.C.R. 133

House concurrent resolution congratulating West Rutland High School girls' basketball standout Peyton Guay and extending to her best wishes for every future success

H.C.R. 134

House concurrent resolution honoring Cassandra Polhemus for her exemplary leadership of the Vermont Economic Development Authority

H.C.R. 135

House concurrent resolution honoring esteemed Bennington Rural Firefighter Timothy Burgess

H.C.R. 136

House concurrent resolution congratulating Mapenzi Selemani of Winooski on winning the 2025 Poetry Out Loud Vermont State championship and commemorating the 20th anniversary of Poetry Out Loud

H.C.R. 137

House concurrent resolution celebrating the 40th anniversary of Robin's Nest Children's Center in Burlington's Old North End

H.C.R. 138

House concurrent resolution honoring Christine J. Brock for her 52 years of dedicated public service on the staff of the Vermont Judiciary

H.C.R. 139

House concurrent resolution congratulating the Brattleboro Area Farmers' Market on its 50th anniversary

H.C.R. 140

House concurrent resolution commemorating the 250th anniversary of the U.S. Army and honoring the U.S. Army veterans in residence at the Vermont Veterans' Home

For Informational Purposes

H.C.R. REQUEST DEADLINE

All requests for a 2025 House Concurrent Resolution should be submitted to Michael Chernick in the Office of Legislative Counsel by noon on **Friday, April 25, 2025**.

CROSSOVER DATES

The Joint Rules Committee established the following crossover dates:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 14, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by **Friday, March 14, 2025**.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday, March 21, 2025**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Exceptions to the foregoing deadlines include the major money bills (the general Appropriations bill (“The Big Bill”), the Transportation Capital bill, the Capital Construction bill, and the Fee/Revenue bills).

HOUSE CONCURRENT RESOLUTION (H.C.R.) PROCESS

Joint Rules 16a–16d provide the procedure for the General Assembly to adopt concurrent resolutions pursuant to the Consent Calendar. Here are the steps for Representatives to introduce an H.C.R. and to have it ceremonially read during a House session:

1. Meet with Legislative Counselor Michael Chernick regarding your H.C.R. draft request. Come prepared with an idea and any relevant supporting documents.
2. Have a date in mind if you want a ceremonial reading. You should meet with Counselor Chernick at least two weeks prior to the week you want your ceremonial reading to happen.
3. Counselor Chernick will draft your H.C.R., and Resolutions Editor and Coordinator Jill Pralle will edit it. Upon completion of this process, a paper or electronic copy will be released to you. If a paper copy is released to you, a sponsor signout sheet will also be included.
4. Please submit the sponsor list to Counselor Chernick by paper *or* electronically, but not both.
5. The final list of sponsors needs to be submitted to Counselor Chernick not later than 12:00 noon the Thursday of the week prior to the H.C.R.’s appearance on the Consent Calendar.
6. The Office of Legislative Counsel will then send your H.C.R. to the House Clerk’s Office for incorporation into the Consent Calendar and House Calendar Addendum for the following week.
7. The week that your H.C.R. is on the Consent Calendar, any presentation copies that you requested will be mailed or available for pickup on Friday, after the House and Senate adjourn, which is when your H.C.R. is adopted pursuant to Joint Rules.
8. Your H.C.R. can be ceremonially read during a House session once it is adopted. If you would like to schedule a ceremonial reading, contact Second Assistant Clerk Courtney Reckord to confirm your requested ceremonial reading date.

JOINT FISCAL COMMITTEE NOTICES

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3)(D):

- JFO #3244:** \$2,335,401.00 to the Agency of Human Services, Department of Health from the Substance Abuse and Mental Health Services Administration. Funds support continued crisis counseling assistance and training in response to the July 2024 flood event. *[Received February 7, 2025]*
- JFO #3245:** \$250,000.00 to the Agency of Human Services, Department of Health from the National Association of State Mental Health Program Directors. Funds used to provide trainings for crisis staff and to make improvements to the State's crisis system dispatch platform. *[Received February 7, 2025]*
- JFO #3246:** 125+ acre land donation valued at \$184,830.00 from Pieter Van Schaik of Cavendish, VT to the Agency of Natural Resources, Department of Forests, Parks and Recreation. The acreage will become part of the Lord State Forest. *[Received March 24, 2025]*
- JFO #3247:** \$2,875,419.00 to the Agency of Human Services, Department for Children and Families to support families affected by the July 2024 flood event. The request includes three (3) limited-service positions. Two (2) Emergency Management Specialists to the AHS central office and one (1) Grants and Contract Manager to the Department of Children and Families Positions funded through June 30, 2027. *[Received 04/10/2025, expedited review requested 04/10/2025]*
- JFO #3248:** \$35,603.00 to the Vermont Department of Libraries from the Vermont Community Foundation and the dissolution of the VT Public Library Foundation. The grant will provide modest grants to VT libraries with a preference for smaller libraries and for programs and projects that support children and diversity. *[Received April 10, 2025]*
- JFO #3249:** \$22,117.00 to the Agency of Human Services, Department of Corrections to ensure compliance with the Prison Rape Elimination Act (PREA). *[Received April 10, 2025]*
- JFO #3250:** \$391,666.00 to the Vermont Agency of Natural Resources, Department of Forests, Parks and Recreation from the Northern Border Regional Commission. Funds will support the Vermont Outdoor Recreation Economic Collaboration (VOREC) Program Director as well as VOREC initiatives. *[Received April 11, 2025]*

JFO #3251: \$50,000.00 to the Agency of Human Services, Central Office from the National Governor's Association. The funds will support state-side improvements of service-to-career pathways, with a focus on emergency responders. *[Received April 11, 2025]*

JFO #3252: \$10,000,000.00 to the Vermont Department of Libraries from the U.S. Department of Housing and Urban Development. The Public Facilities Preservation Initiative grant will provide smaller grants to rural libraries for the completion of necessary capital improvement projects. *[Received April 11, 2025]*