

1 Sec. X. 16 V.S.A. § 4011 is amended to read:

2 § 4011. EDUCATION PAYMENTS

3 (a) Annually, the General Assembly shall appropriate funds to pay for  
4 statewide education spending and a portion of a base education amount for  
5 each adult education and secondary credential program student.

6 (b) For each fiscal year, the base education amount shall be \$6,800.00,  
7 increased by the most recent New England Economic Project Cumulative Price  
8 Index, as of November 15, for state and local government purchases of goods  
9 and services from fiscal year 2005 through the fiscal year for which the amount  
10 is being determined, plus an additional one-tenth of one percent.

11 \* \* \*

12 (f) Annually, ~~the Secretary shall pay to a local adult education and literacy~~  
13 ~~provider, as defined in section 942 of this title, that provides an adult education~~  
14 ~~and secondary credential program~~ from funds appropriated for this subsection  
15 to the Agency in an amount equal to 26 percent of the base education amount  
16 for each student who completes the diagnostic portions of the an adult  
17 education and secondary credential program, based on an average of the  
18 previous two years;~~40,~~ the Secretary shall pay to a local adult education and  
19 literacy provider, as defined in section 942 of this title, that provides an adult  
20 education and secondary credential program an amount that shall be calculated  
21 pursuant to the funding formula contained in the State Board of Education  
22 adult education rules. Forty percent of the payment required under this  
23 subsection shall be from State funds appropriated from the Education Fund and

1 60 percent of the payment required under this subsection shall be from State  
2 funds appropriated from the General Fund.

3 \* \* \*

4 Sec. X. ADULT EDUCATION; FUNDING; REPORT

5 (a) On or before December 1, 2025, the Agency of Education, in  
6 consultation with local adult education and literacy providers, shall submit a  
7 written report to the House Committee on Commerce and Economic  
8 Development, the Senate Committee on Economic Development, Housing and  
9 General Affairs, and the House and Senate Committees on Education with  
10 recommendations to modernize adult education funding to ensure funds are  
11 distributed equitably across all regions of the State.

12 (b) For fiscal year 2026, the Agency of Education shall negotiate in good  
13 faith to extend the existing contracts with local adult education and literacy  
14 providers for a term of one year. The Agency shall endeavor to maintain the  
15 terms of the existing contracts to the greatest extent possible.

16

1 Sec. X. 3 V.S.A. chapter 18 is amended to read:

2 Chapter 18: ~~VT~~ Vermont Saves

3 § 531. Definitions

4 As used in this chapter:

5 \* \* \*

6 (3) “Covered employer” means a person, entity, or subsidiary engaged  
7 in a business, industry, profession, trade, or other enterprise in the State ,  
8 whether for profit or not for profit, that ~~has~~ does not offer ~~currently offer~~ to  
9 an employee, or is within a control group that maintains or contributes to,  
10 ~~effective in form or operation at any time within the current calendar year or~~  
11 ~~two preceding calendar years~~, a specified tax-favored retirement plan. If an  
12 employer does not maintain a specified tax-favored retirement plan for a  
13 portion of a calendar year ending on or after the effective date of this chapter  
14 but does adopt such a plan for the remainder of that calendar year, the  
15 employer is not a covered employer for the remainder of the year. A covered  
16 employer does not include:

17 (A) the federal government, the State or any other state, any county  
18 or municipal corporation, or any of the State’s or any other state’s units or  
19 instrumentalities;

20 (B) any employer that has only been in business during the current calendar  
21 year.

1 (4) “ERISA” means the federal Employee Retirement Income Security  
2 Act of 1974, as amended, 29 U.S.C § 1001 et seq.

3 (5) “Internal Revenue Code” means the U.S. Internal Revenue Code of  
4 1986, as amended.

5 (6) “IRA” means a traditional IRA or a Roth IRA.

6 (7) “Participant” means an individual who has an IRA under the  
7 Program.

8 (8) “Payroll deduction IRA or payroll deduction IRA arrangement”  
9 means an arrangement by which an employer allows employees to contribute  
10 to an IRA by means of payroll deduction.

11 (9) “Program” means the VT Vermont Saves Program established in  
12 accordance with this chapter.

13 \* \* \*

14 § 532. VT Vermont Saves Program; establishment

15 Establishment; purpose. There is established the VT Vermont Saves  
16 Program (Program), administered by the Office of the State Treasurer, for the  
17 purpose of increasing financial security for Vermonters by providing access to  
18 an IRA for Vermont employees of companies that do not currently offer a  
19 retirement savings program. The Program shall be designed to facilitate  
20 portability of benefits through withdrawals, rollovers, and direct transfers from

1 an IRA and achieve economies of scale and other efficiencies to minimize  
2 costs. The Program shall:

3 \* \* \*

4 (b) Type of IRA. The type of IRA to which contributions are made  
5 pursuant to subsection (a) of this section shall be a Roth IRA; provided,  
6 however, the Treasurer is authorized to add an option for all participants to:

7 (1) affirmatively elect to contribute to a traditional IRA instead of a  
8 Roth IRA; or

9 (2) open both a Roth IRA and a traditional IRA.

10 (c) Contributions.

11 (1) Unless otherwise specified by the covered employee, a covered  
12 employee shall automatically initially contribute five percent of the covered  
13 employee's salary or wages to the Program. A covered employee may elect to  
14 opt out of the Program at any time or contribute at any higher or lower rate,  
15 expressed as a percentage of salary or wages, or, as permitted by the Treasurer,  
16 expressed as a flat dollar amount, subject in all cases to the IRA contribution  
17 and eligibility limits applicable under the Internal Revenue Code at no  
18 additional charge.

19 (2) The Treasurer shall provide for, on a uniform basis, an annual  
20 increase of each active participant's contribution rate, by not less than one  
21 percent, but not more than ~~eight~~ ten percent, of salary or wages each year. Any

1 such increases shall apply to active participants, including participants by  
2 default with an option to opt out or participants who are initiated by affirmative  
3 participant election, provided that any increase is subject to the IRA  
4 contribution and eligibility limits applicable under the Internal Revenue Code.

1 Sec. X 29 V.S.A. chapter 61 is amended to read:

2 CHAPTER 61: Municipal Equipment and Vehicle Loan Fund

3 § 1601. Municipal Equipment and Vehicle Loan Fund

4 (a) There is hereby created a Municipal Equipment and Vehicle Loan Fund  
5 for the purpose of providing loans on favorable terms to municipalities for the  
6 purchase of motorized highway building and maintenance equipment, heavy  
7 equipment, and authorized emergency ~~construction, fire, emergency, or heavy~~  
8 equipment or vehicles as set forth in 23 V.S.A. § 4.

9 (b) The Municipal Equipment and Vehicle Loan Fund shall be  
10 administered by a committee comprised of the State Treasurer and the State  
11 Traffic Committee established by 19 V.S.A. § 1(24), pursuant to policies and  
12 procedures approved by ~~the Traffic~~ this Committee ~~established by 19 V.S.A. §~~  
13 ~~1(24)~~ with administrative support from the Office of the State Treasurer. The  
14 Committee shall establish criteria for distribution of available loan funds  
15 among municipalities considering at least financial need, equitable geographic  
16 distribution, and ability to repay. The Fund shall be a revolving fund and all  
17 principal and interest earned on loans and the fund balance remaining in the  
18 Fund at the end of any fiscal year shall not revert but be carried over in the  
19 Fund for use in the succeeding fiscal year. The Committee shall meet upon  
20 request of the Treasurer to consider applications.

21 § 1602. Application; loans; conditions

1           (a) Application forms shall be furnished by the Committee on request.  
2           Upon Committee approval of an application of a municipality or two or more  
3           municipalities applying jointly for purchases as set forth in Sec. 1601(a), the  
4           State Treasurer may loan money from the Fund to ~~that municipality or~~  
5           ~~municipalities the applicant(s) for the purchase of equipment. Purchases of~~  
6           ~~equipment eligible for.~~ Loans from the Fund shall be used on equipment and  
7           vehicles with have a useful life of at least five years and a purchase price of at  
8           least \$20,000.00 ~~but shall not be eligible for loans in excess of \$150,000.00~~  
9           from this Fund.

10           (b) The State Treasurer is authorized to establish terms and conditions,  
11           including repayment schedules of up to five years for loans from the Fund to  
12           ensure repayment of loans to the Fund. The amount of any loan shall be no  
13           more than (i) 75% of the purchase price or (ii) \$150,000, whichever is lower.  
14           Before a municipality may receive a loan from the Fund, it shall give to the  
15           State Treasurer security for the repayment of the funds. The security shall be  
16           in such form and amount as the Treasurer may determine and may include a  
17           lien on the equipment or emergency vehicle financed by the loan.

18           (c) The rates of interest shall be as established by this section to assist  
19           municipalities in purchasing equipment upon terms more favorable than in the  
20           commercial market. Such rates shall be not more than two percent per annum  
21           for a loan to a single municipality, and loans shall bear no interest charge if  
22           made to two or more municipalities purchasing equipment jointly.



1 (d) In any fiscal year, new loans from the Municipal Equipment Fund shall  
2 not exceed an aggregate of \$1,500,000.00. The Treasurer shall put forth  
3 recommendations to the General Assembly on maximum loan amount every  
4 five years, commencing January 15, 2028, based on requests received and  
5 loans granted pursuant to this chapter.

6 (e) When a municipality suffers the destruction of more than one piece of  
7 equipment or a vehicle at or near the same time or suffers some unanticipated  
8 hardship relating to the equipment or vehicle and the Committee finds that  
9 replacement would place an undue financial hardship on the municipality, the  
10 Committee may waive one or both of the loan limiting factors in section (b)  
11 above:

12 (1) The \$ 150,000.00 annual limitation on each municipality or

13 (2) The 75% of the purchase price limitation

14 (f) The State Treasurer shall put forth recommendations to the General  
15 Assembly on maximum individual loan amount from the fund every five years,  
16 commencing January 15, 2028, based on requests received and loans granted  
17 pursuant to this chapter in the five preceding years.

18 \* \* \*

1 Sec. X 32 V.S.A. § 1001 is amended to read:

2 § 1001. Capital Debt Affordability Advisory Committee

3 (a) Committee established. A Capital Debt Affordability Advisory  
4 Committee is hereby created with the duties and composition provided by this  
5 section.

6 (b) Committee duties.

7 (1) The Committee shall review ~~annually~~ biennially the size and  
8 affordability of the net State tax-supported indebtedness and submit to the  
9 Governor and to the General Assembly an estimate of the maximum amount of  
10 new long-term net State tax-supported debt that prudently may be authorized  
11 for the next two fiscal years. The estimate of the Committee shall be advisory  
12 and in no way bind the Governor or the General Assembly.

13 (A) The Governor or Emergency Board may request an off-cycle  
14 report from the Committee.

15 (B) For years in which the Committee does not provide its biennial  
16 report, an interim report shall be provided.

17 (2) The Committee shall conduct ongoing reviews of the amount and  
18 condition of bonds, notes, and other obligations of instrumentalities of the  
19 State for which the State has a contingent or limited liability or for which the  
20 General Assembly is permitted to replenish reserve funds, and, when deemed

1 appropriate, recommend limits on the occurrence of such additional obligations  
2 to the Governor and to the General Assembly.

3 (3) The Committee shall conduct ongoing reviews of the amount and  
4 condition of the Transportation Infrastructure Bond Fund established in 19  
5 V.S.A. § 11f and of bonds and notes issued against the Fund for which the  
6 State has a contingent or limited liability.

7 (c) Committee estimate of a prudent amount of net State tax-supported  
8 debt; affordability considerations. On or before September 30 ~~of each year in~~  
9 alternating years, the Committee shall submit to the Governor and the General  
10 Assembly the Committee's estimate of net State tax-supported debt that  
11 prudently may be authorized for the next two fiscal years, together with a  
12 report explaining the basis for the estimate. The Committee's estimate shall  
13 not take into consideration the balance remaining at the end of each fiscal year  
14 in the subaccounts of the Cash Fund for Capital and Essential Investments,  
15 established pursuant to section 1001b of this title. The provisions of 2 V.S.A.  
16 § 20(d) (expiration of required reports) shall not apply to the report to be made  
17 under this subsection. In developing its annual biennial estimate, and in  
18 preparing its annual biennial report, the Committee shall consider:

19 (1) The amount of net State tax-supported indebtedness that during the  
20 next fiscal year and annually for the following nine fiscal years:

21 (A) will be outstanding; and

22 (B) has been authorized but not yet issued.

1 (2) A projected schedule of affordable net State tax-supported bond  
2 authorizations for the next fiscal year and annually for the following nine fiscal  
3 years. The assessment of the affordability of the projected authorizations shall  
4 be based on all of the remaining considerations specified in this section.

5 (3) Projected debt service requirements during the next fiscal year, and  
6 annually for the following nine fiscal years, based upon:

7 (A) existing outstanding debt;

8 (B) previously authorized but unissued debt; and

9 (C) projected bond authorizations.

10 (4) The criteria that recognized bond rating agencies use to judge the  
11 quality of issues of State bonds, including:

12 (A) existing and projected total debt service on net tax-supported  
13 debt as a percentage of combined General and Transportation Fund revenues,  
14 excluding surpluses in these revenues that may occur in an individual fiscal  
15 year, ~~and~~

16 (B) existing and projected total net tax-supported debt outstanding as  
17 a percentage of total State personal income,

18 (C) existing and projected pension and other postemployment benefit  
19 (OPEB) liability metrics, and;

20 (D) other metrics at the Committee's discretion, including long-term  
21 liabilities not covered above.

1           (5) The principal amounts currently outstanding, and balances for the  
2 next fiscal year, and annually for the following nine fiscal years, of existing:

3           (A) obligations of instrumentalities of the State for which the State  
4 has a contingent or limited liability;

5           (B) any other long-term debt of instrumentalities of the State not  
6 secured by the full faith and credit of the State, or for which the General  
7 Assembly is permitted to replenish reserve funds; and

8           (C) to the maximum extent obtainable, all long-term debt of  
9 municipal governments in Vermont that is secured by general tax or user fee  
10 revenues.

11           (6) The impact of capital spending upon the economic conditions and  
12 outlook for the State.

13           (7) The cost-benefit of various levels of debt financing, types of debt,  
14 and maturity schedules.

15           (8) Any projections of capital needs authorized or prepared by the  
16 Agency of Transportation, the Joint Fiscal Office, or other agencies or  
17 departments.

18           (9) The capital asset depreciation ratio reflecting unfunded capital  
19 maintenance costs.

20           (10) Any other factor that is relevant to:

1 (A) the ability of the State to meet its projected debt service  
2 requirements for the next five fiscal years; or

3 (B) the interest rate to be borne by the credit rating on, or other  
4 factors affecting the marketability of State bonds.

5 ~~(10)~~ (11) The effect of authorizations of new State debt on each of the  
6 considerations of this section.

7 \* \* \*

1       Sec. X SECRETARY OF ADMINISTRATION; REPORT ON STATUS OF  
2                FEDERAL FUNDS

3                (a) The Secretary of Administration shall report to the Joint Fiscal  
4                Committee at its July, September, and November 2025 meetings, and at other  
5                meetings as requested, on any reductions to federal revenues to the State and  
6                the status of any appropriations impacts by such reductions.

1 **Sec. E.133** VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM  
2 AND VERMONT PENSION INVESTMENT COMMISSION;  
3 OPERATING BUDGET, SOURCE OF FUNDS

4 (a) Of the \$3,390,593 appropriated in Sec. B.133 of this act, \$2,247,471  
5 constitutes the Vermont State Employees' Retirement System operating  
6 budget, and \$1,143,122 constitutes the portion of the Vermont Pension  
7 Investment Commission's budget attributable to the Vermont State  
8 Employees' Retirement System.

9  
10 **Sec. E.134** VERMONT MUNICIPAL EMPLOYEES' RETIREMENT  
11 SYSTEM AND VERMONT PENSION INVESTMENT  
12 COMMISSION; OPERATING BUDGET; SOURCE OF FUNDS

13 (a) Of the \$1,941,020 appropriated in Sec. B.134 of this act, \$1,494,924  
14 constitutes the Vermont Municipal Employees' Retirement System operating  
15 budget, and \$446,096 constitutes the portion of the Vermont Pension  
16 Investment Commission's budget attributable to the Vermont Municipal  
17 Employees' Retirement System.

18  
19 **Sec. E.514.1** VERMONT STATE TEACHERS' RETIREMENT SYSTEM  
20 AND VERMONT PENSION INVESTMENT COMMISSION;  
21 OPERATING BUDGET; SOURCE OF FUNDS

22 (a) Of the \$3,918,155 appropriated in Sec. B.514.1 of this act, \$2,719,271  
23 constitutes the Vermont State Teachers' Retirement System operating budget,



1 and \$1,198,884 constitutes the portion of the Vermont Pension Investment  
2 Commission's budget attributable to the Vermont State Teachers' Retirement  
3 System.