TO THE HOUSE OF REPRESENTATIVES:

The Committee on Commerce and Economic Development to which was referred House Bill No. 674 entitled "An act relating to the creation of the Vermont Sister State Program" respectfully reports that it has considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. § 2479 is added to read:

§ 2479. VERMONT SISTER STATE PROGRAM

(a) Creation and purpose.

(1) The Vermont Sister State Program is created within the Agency of Commerce and Community Development. The Agency shall provide support to the Program and to the Sister State Program Committee as required.

(2) The purpose of the Program is to strengthen Vermont's international engagement and to foster mutually beneficial relationships with national and subnational governments abroad, with a goal of promoting cultural exchange, economic development, educational cooperation, and diplomatic collaboration.

(b) Program oversight.

(1) The Sister State Program Committee, composed of the following members, shall oversee the Program:

(A) the Secretary of Commerce and Community Development or designee;

(B) a member of the House of Representatives, appointed by the Speaker of the House;

(C) a member of the Senate, appointed by the Committee on Committees;

(D) the Chair of the Board of Trustees of the Vermont Council on World Affairs or designee;

(E) the Vermont Adjutant General or designee;

(F) the Chair of the Board of Trustees of the Vermont Arts Council or designee; and

(G) three members, as follows:

(i) one member with expertise in cultural exchange or in Peace Corps operations, appointed by the Governor;

(ii) one member representing a private institution of higher education, appointed by the Committee on Committees; and

(iii) one member representing a public institution of higher education, appointed by the Speaker.

(2) Members of the Committee shall serve two-year terms, provided that members appointed pursuant to subdivision (1)(G) of this subsection shall serve initial terms of three years each to establish staggered terms. Members may be reappointed.

(3) The Committee shall elect a chair and vice chair from among its members that shall each serve a two-year term.

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

(c) Meetings.

(1) All meetings shall be called by the Chair, but in the event that the Committee does not have a chair, a meeting may be called by the Secretary of Commerce and Community Development or designee.

(2) The Committee shall meet:

(A) at least once quarterly, for the purpose of:

(i) evaluating current Program agreements;

(ii) proposing new Program agreements;

(iii) preparing its annual report; or

(iv) discussing any other matter that the Committee deems relevant to its work; and

(B) to review and score an eligible Program application not later than 30 days after the Committee receives the application from the Agency, pursuant to subdivision (d)(3) of this section.

(d) Program application, review, and approval procedures.

(1) Development of application process. The Agency, in consultation with the Committee, shall develop a process by which an entity can apply and

be considered for admission as a partner to the Program. This process shall include the development of:

(A) an official application to be in the Program;

(B) a confidential internal review procedure to be used by the Agency to review Program applicants for sensitive political, legal, ethical, and strategic factors;

(C) minimum eligibility requirements to be considered for the Program;

(D) a fixed-scoring system, including a rubric, to be uniformly applied by the Committee to evaluate all eligible applications; and

(E) a memorandum of understanding template to be used and signed by the State and an approved Program partner.

(2) Agency initial verification.

(A) When a Program application has been received by the Agency pursuant to this section, the Agency shall, before the Committee may meet to review the application:

(i) verify that the application meets the Program's minimum eligibility requirements; and

(ii) conduct a confidential internal review of the applicant.

(B) Not later than 10 days after completion of the Agency's initial verification and review of an application pursuant to subdivision (A) of this

subdivision (2), the Agency shall send the Committee a copy of the application along with a summary of the Agency's analysis.

(C) The confidential internal review process conducted in subdivision (A)(ii) of this subdivision (2), along with any and all documents reviewed during that process, shall be exempt from public inspection and copying.

(3) Committee review and recommendation.

(A) The Committee, upon receiving an application that has received preliminary approval from the Agency, shall meet to review the application pursuant to subdivision (c)(2)(B) of this section not later than 30 days after receipt of the application from the Agency.

(B) If the Committee recommends that an application reviewed pursuant to subdivision (A) of this subdivision (3) be approved, the Committee shall submit its recommendation to the Governor along with a copy of the application not later than 30 days after completing its review of the application.

(4) Governor's review.

(A) The Governor shall have the sole authority to issue final approval or disapproval of a Sister State Program application that the Committee recommended be approved. The Governor shall not review or approve of a Program application that the Committee recommended be disapproved. The Governor shall send written notice of the Governor's decision to the Agency not later than 10 days after the Governor's decision.

(B) If the Governor disapproves a Program application, the Governor's notice in subdivision (A) of this subdivision (4) shall include a written explanation of why the Governor did not follow the recommendation of the Committee.

(C) Upon the Agency's receipt of the Governor's decision pursuant to subdivision (A) of this subdivision (4), the Agency shall notify the applicant of the Governor's decision not later than 30 days after the Agency receives notice of the Governor's decision.

(D) If the application is approved by the Governor, the Agency shall finalize a memorandum of understanding between the State and the Sister State Program applicant.

(e) Reporting. The Committee shall submit an annual report not later than January 15 of each year to the Governor and to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs that includes the following:

(1) an executive summary of key development and outcomes of the Program;

(2) a description of Committee activities, including a summary of attendance and decisions at its meetings;

(3) updates on the Program, including an evaluation of sister state applications, new partners, significant developments, metrics of success, and challenges;

(4) a description of stakeholder engagement with the Program;

(5) a financial overview, including a summary of funding sources and expenditures; and

(6) an outlook for the Program, which shall include strategic objectives, potential new agreements, and growth opportunities for the next year.

(f) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than eight meetings per year.

(2) Other members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings per year.

(3) Payments to members of the Committee authorized under this subsection shall be made from monies appropriated to the Agency of Commerce and Community Development.

Sec. 2. REPEAL

2025 Acts and Resolves No. 65, Secs. 4 (9 V.S.A. chapter 111B), 5 (initial appointment deadline for Vermont-Ireland Trade Commission), and 6 (repeal; Vermont-Ireland Trade Commission) are repealed.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.

(Committee vote: _____)

_____

Representative _____

FOR THE COMMITTEE