

1 TO THE HONORABLE SENATE:

2 The Committee on Education to which was referred Senate Bill No. 161  
3 entitled “An act relating to the Governor’s list of scholarship granting  
4 organizations” respectfully reports that it has considered the same and  
5 recommends that the bill be amended by striking out all after the enacting  
6 clause and inserting in lieu thereof the following:

7 Sec. 1. 3 V.S.A. § 24 is added to read:

8 § 24. GOVERNOR’S LIST OF SCHOLARSHIP GRANTING  
9 ORGANIZATIONS

10 (a) Annually on December 1, the Governor, or designee, may elect to  
11 provide a list of organizations that satisfy the conditions of subsection (b) of  
12 this section to the U.S. Secretary of the Treasury for purposes of making the  
13 federal qualified elementary and secondary education scholarship tax credit  
14 available for Vermont taxpayers under 26 U.S.C. § 25F. It shall be presumed  
15 that an organization listed in the previous year will be listed in the subsequent  
16 year unless the Governor finds that the organization has failed to meet the  
17 requirements of this section.

18 (b) An organization shall not be listed unless the organization meets the  
19 following criteria:

20 (1) it qualifies as a “scholarship granting organization” as defined under  
21 26 U.S.C. § 25F(c)(5);

1           (2) it is a nonprofit organization with the core mission of providing  
2           educational opportunities to economically underprivileged students through  
3           afterschool programs, summer programs, tutoring, and similar programs; and

4           (3) all grants and scholarships provided by the organization are to  
5           students attending a public school, as defined in 16 V.S.A. § 11(7), or an  
6           independent school, as defined in 16 V.S.A. § 11(8), that is also capable of  
7           receiving public tuition.

8           (c) In the Governor’s discretion, the Governor may audit an organization  
9           seeking placement on the list to ensure the organization meets all the  
10          requirements for placement as provided by this section and applicable federal  
11          law. The Governor shall not list an organization that the Governor knows is  
12          not in compliance with the requirements of this section or 26 U.S.C.  
13          § 25F(c)(5).

14          Sec. 2. EFFECTIVE DATE

15          This act shall take effect on July 1, 2026.  
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2 (Committee vote: \_\_\_\_\_)

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Senator \_\_\_\_\_

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FOR THE COMMITTEE