VERMONT LEGISLATIVE
Joint Fiscal Office
1 Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • https://ljfo.vermont.gov

Fiscal Note

June 15, 2026 Ezra Holben, Fiscal Analyst

H.542 – An act relating to terminating testing of schools in Vermont for polychlorinated biphenyls

As passed by the General Assembly[1i]

Bill Summary

This bill would extend the deadline for school districts to have the Agency of Natural Resources (ANR) complete air quality testing in both public and approved and recognized independent schools built or renovated before 1980 for polychlorinated biphenyls (PCBs). It would also create a new special fund to fund grants for investigating, mitigating, and remediating PCBs in Vermont schools.

Additionally, this bill would require school districts who apply for school construction aid to support work at a school built or renovated before 1980 to complete indoor air quality testing for PCBs. This bill would require ANR, working with the Agency of Education (AOE), to submit a PCB funding report to the General Assembly. Finally, this bill would repeal previous PCB funding language from session law. This bill is effective upon passage, except for Section 3, which would take effect on July 2, 2026.

Fiscal Impact

This bill would extend the deadline for school districts to have ANR complete PCB testing in their schools to August 1, 2035. There is no appropriation included in this bill for testing.

Background and Details

The following sections have a fiscal impact.

Section 1: New PCB Testing Deadline

Section 1 would amend the deadline in Act 74 (2021), as amended by Act 166 (2022) and Act 78 (2023), for ANR to test all Vermont public schools and approved and recognized independent schools built or renovated before 1980 for PCBs. Currently, Vermont schools that require testing must be tested by July 1, 2027. This section would revise that deadline to August 1, 2035.

The fiscal impact of this is unclear. This bill does not contain an appropriation or funding source for this testing.

[1] *The Joint Fiscal Office (JFO) is a nonpartisan legislative office dedicated to producing unbiased fiscal analysis – this fiscal note is meant to provide information for legislative consideration, not to provide policy recommendations.*

Section 2: Creation of the School Polychlorinated Biphenyl Program Fund

Section 2 would create the School Polychlorinated Biphenyl Program Fund. School districts would be eligible for grants paid out of the Fund for investigating, mitigating, and remediating PCBs. The Program would be administered by the Secretary of Natural Resources.

The Fund would consist of:

1. reimbursements from a school that previously received a grant from the State for PCB investigation, mitigation, and remediation and has won a settlement related to PCBs;
2. funds received by the State from litigation for addressing PCBs in schools, less legal costs;
3. any monies transferred by the General Assembly; and
4. any gifts, donations, or other monies received.

JFO cannot estimate the fiscal impact of this section until the scope of funding is known. Unless monies are transferred to the Fund, grants cannot be issued to school districts. However, if monies are recovered through litigation or are transferred to the Fund, the Secretary may issue grants.

Section 3: Amending School Construction Aid Requirements

Section 3 would amend the criteria that the Secretary of Education must consider before approving a preliminary application for State aid for school construction. Under this section, if a district applies for construction aid for a school that was built or renovated prior to 1980, it must have completed air quality testing for PCBs at the school.

The fiscal impact of this section is currently unknown. Per ANR, about 171 schools that were built or renovated before 1980 have not yet been tested for PCBs. Under Section 3, these schools would not be eligible to receive aid for school construction until they have completed PCB testing. This section could lead to districts undertaking PCB testing to become eligible for construction aid. If this occurred, this could result in additional Education Fund expenditures in future years. All else equal, any increase in Education Spending would result in an increase to the homestead and/or nonhomestead tax rates. However, as most district budgets have passed, any impact from this section in fiscal year 2027 would likely be absorbed within existing budgets.

Section 4: Funding Report

Section 4 would require ANR, in consultation with AOE, to submit a funding report to the House and Senate Committees on Education. This report would contain an estimate of the cost to complete testing, mitigation, and remediation of PCBs in public schools and approved and recognized independent schools built or renovated before 1980. This report would also include a plan to fund these estimated costs. The report would be due by January 15, 2027.

The fiscal impact of this section is unclear.

Section 5: Repeal

Section 5 would repeal Section C.112(b)(1) and (2) of Act 78 (2023), which contain current law PCB funding language.

This section is not expected to have a fiscal impact, as the funds appropriated under that section have been obligated or spent.

[i] *The full fiscal note history is available on the fiscal tab of the bill page on the General Assembly website and can be pulled up through a bill number search on the JFO page.*