TO THE HOUSE OF REPRESENTATIVES:

The Committee on Commerce and Economic Development to which was referred House Bill No. 650 entitled "An act relating to educational technology products" 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. 9 V.S.A. chapter 62 is amended to read:

CHAPTER 62. PROTECTION OF PERSONAL INFORMATION

* * *

Subchapter 3A. Student Privacy

* * *

§ 2443f. ENFORCEMENT

(a) A person who violates a provision of this ~~chapter~~ subchapter commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(b) The Attorney General has the same authority to adopt rules to implement the provisions of this subchapter and to conduct civil investigations, enter into assurances of discontinuance, and bring civil actions as provided under chapter 63, subchapter 1 of this title.

Subchapter 3B. Educational Technology

§ 2444a. REGISTRATION REQUIREMENTS

(a) Definitions. As used in this section:

(1) "Educational technology product" and "product" mean any student-facing software, application, or platform that may collect, process, or transmit student data and that is used for teaching and learning purposes in a school in Vermont.

(2) "Filing" means an initial registration, amendment, periodic report, or other filing with the Secretary of State as the Secretary may require.

(3) "Provider of an educational technology product" and "provider" mean a person that provides an educational technology product that is in use at a school with or without a contract with the school or school district.

(4) "School" means a public school or an independent school approved pursuant to 16 V.S.A. § 166.

(b) Mandatory data reporting. In addition to all other requirements of a person registering with the Secretary of State pursuant to State law, a person doing business in this State as a provider of an educational technology product shall, at the time of a filing, provide the following:

(1) the name and primary physical, email, and internet addresses of the person;

(2) a link to the most recent version of the privacy policy and terms and conditions of each product in use;

(3) the name of each school or school district in which the provider is operating pursuant to a contract;

(4) the name and a brief description of each product of the provider, also indicating which products are offered at no cost to schools;

(5) which products are known by the provider to be in use in any school or school district; and

(6) an attestation that each product meets:

(A) the standards set forth in subchapter 3A of this chapter and subchapter 6 of this chapter (the Vermont Age-Appropriate Design Code Act); and

(B) all federal and State privacy laws, including the federal Children's Online Privacy Protection Act.

* * *

Sec. 2. EDUCATIONAL TECHNOLOGY REGISTRATION REVIEW; CERTIFICATION; AGENCY OF EDUCATION; REPORT

(a) Task. The Agency of Education shall:

(1) in consultation with the Secretary of State, review all educational technology product provider registrations pursuant to 9 V.S.A. § 2444a;

(2) in consultation with schools, create a list of educational technology products in use across the State;

(3) cross-reference the information gathered in subdivisions (1) and (2) of this subsection to determine the names of any unregistered educational technology providers operating in the State and forward the names of such providers to the Office of the Attorney General;

(4) determine where assistive technology should be included in an individualized education program;

(5) provide a recommendation as to how the State should certify educational technology products for use in schools, including:

(A) which State entities should be involved in the certification process and to what extent;

(B) the criteria to be considered in the certification process, which at the minimum shall include:

(i) the product's compliance with State curriculum standards;

(ii) advantages of using the product compared with nondigital methods;

(iii) whether the product was explicitly designed for educational use;

(iv) design features of the product, including any:

(I) geolocation tracking;

(II) use of artificial intelligence, which includes chatbots, synthetic content, and automated decision-making tools;

(III) targeted advertising;

(IV) personalized recommendation systems;

(V) access to adults unknown to a student; and

(VI) features that would lead to compulsive use;

(v) whether the product serves as beneficial assistive technology or provides some other form of benefit for special education purposes; and

(vi) the data privacy practices of the provider of the product;

(C) the timeline and estimated cost to establish and implement the certification process;

(D) the estimated cost or cost savings for schools assuming a State certification process is established; and

(E) whether any third-party services, including Internet Safety Labs, should be utilized to assist in certification; and

(6) provide the General Assembly with any other information it deems relevant to help ensure that educational technology products are safely and smartly used in Vermont schools.

(b) Report. On or before November 15, 2027, the Agency of Education shall submit a written report to the House Committees on Commerce and Economic Development and on Education and the Senate Committees on Economic Development, Housing and General Affairs and on Education with its findings and information gathered pursuant to subsection (a) of this section along with any recommendations for legislative action concerning the certification of educational technology products.

Sec. 3. EFFECTIVE DATE

This act shall take effect on July 1, 2026.

(Committee vote: _____)

_____

Representative _____

FOR THE COMMITTEE