

# Journal of the Senate

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THURSDAY, MAY 5, 2011

The Senate was called to order by the President.

## Devotional Exercises

A moment of silence was observed in lieu of devotions.

## Bill Referred

House a bill of the following title was read the first time and referred:

### H. 237.

An act relating to the use value program.

To the Committee on Rules.

## Bill Passed in Concurrence

### H. 455.

House bill of the following title was read the third time and passed in concurrence:

An act relating to the enhanced 911 emergency response system.

## Rules Suspended; House Proposal of Amendment Concurred In

### H. 73.

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and Senate bill entitled:

An act relating to establishing a government transparency office to enforce the public records act.

Was taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

First: In Sec. 2, 1 V.S.A. § 316, in subsection (c), in the first sentence, by striking out “In” where it appears before “the following instances” and inserting in lieu thereof the following: Unless otherwise provided by law, in

Second: In Sec. 4, 1 V.S.A. § 318, in subsection (g), by striking out the following: “may” where it occurs the first time and inserting in lieu thereof the following: shall

Third: In Sec. 11, in subsection (c), at the end of subdivisions (3) and (5), by striking out the following: “and” where it appears and by inserting in lieu thereof the following: ; and at the end of subdivision (6) and by adding subdivision (7) to read as follows:

(7) Whether a municipality and how a municipality shall appoint or designate an official, officer, or employee responsible for advising municipal employees and any agency, board, committee, department, instrumentality, commission, or authority of the municipality regarding the requirements of the public records act and proper management of public records. As used in this subdivision, “municipality” shall mean a city, town, village, or school district.

Fourth: In Sec. 11, in subsection (e), by striking out the last sentence and inserting in lieu thereof the following:

The study committee is authorized to meet three times each year during the interim between sessions of the general assembly, provided that the speaker of the house and the committee on committees may authorize the study committee to hold additional meetings during the interim between sessions so that the committee may accomplish its charge.

Fifth: In Sec. 14, by striking out the designation (a) where it appears and by striking out subsection (b) in its entirety.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

### **Appointments Confirmed**

The following Gubernatorial appointments were confirmed separately by the Senate, upon full reports given by the Committees to which they were referred:

Snyder, Michael of Stowe – Commissioner of the Department of Forests, Parks and Recreation – January 7, 2011, to February 28, 2013.

Noonan, Annie of Montpelier – Commissioner of the Department of Labor – January 7, 2011, to February 28, 2013.

Miller, Elizabeth of Burlington – Commissioner of the Department of Public Safety – January 7, 2011, to February 28, 2013.

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**Rules Suspended; Appointment Confirmed**

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended the gubernatorial appointment of Robert A. Mello was taken up for immediate consideration.

Thereupon, the following Gubernatorial appointment was confirmed separately by the Senate, upon full reports given by the Committee to which it was referred:

Mello, Robert A. of Hinesburg – Superior Court Judge – December 23, 2010, to March 31, 2016.

**Rules Suspended; House Proposal of Amendment Concurred In****S. 34.**

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and Senate bill entitled:

An act relating to the collection and disposal of mercury-containing lamps.

Was taken up for immediate consideration.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

## Sec. 1. FINDINGS

The general assembly finds and declares that:

(1) Extended producer responsibility programs are an effective method of managing certain types of potentially hazardous waste, such as mercury-containing lamps;

(2) In implementing extended producer responsibility programs, states are often faced with the issue of how to regulate products sold in the state by a manufacturer with no corporate presence in Vermont or the United States.

(3) Under Huey v. Bates, 135 Vt. 160 (1977), Northern Aircraft, Inc. v. Reed, 154 Vt. 36 (1990), and Hedges Western Auto Supply Co., 161 Vt. 614 (1994), a clear intention by a manufacturer or a distributor to participate in the Vermont market through the sale or purposeful utilization of an in-state distribution system is sufficient to provide the state with jurisdiction over the manufacturer or distributor.

(4) Thus, an extended producer responsibility program for the collection and disposal of mercury containing lamps may regulate a manufacturer or distributor that purposefully and intentionally sells or distributes mercury-containing lamps in Vermont.

Sec. 2. 10 V.S.A. chapter 164A is added to read:

CHAPTER 164A. COLLECTION AND DISPOSAL OF  
MERCURY-CONTAINING LAMPS

§ 7151. DEFINITIONS

As used in this chapter:

- (1) “Agency” means the agency of natural resources.
- (2) “Covered entity” means any person who presents to a collection facility that is included in an approved plan:
  - (A) any number of compact fluorescent mercury-containing lamps; or
  - (B) 10 or fewer mercury-containing lamps that are not compact fluorescent lamps.
- (3) “Lamp” means an electric lamp, including mercury-containing lamps, incandescent lamps, halogen lamps, and light-emitting diode lamps.
- (4) “Manufacturer” means a person who:
  - (A) Manufactures or manufactured a mercury-containing lamp under its own brand or label for sale in the state;
  - (B) Sells in the state under its own brand or label a mercury-containing lamp produced by another supplier;
  - (C) Owens a brand that it licenses or licensed to another person for use on a mercury-containing lamp sold in the state;
  - (D) Imports into the United States for sale in the state a mercury-containing lamp manufactured by a person without a presence in the United States;
  - (E) Manufactures a mercury-containing lamp for sale in the state without affixing a brand name; or
  - (F) Assumes the responsibilities, obligations, and liabilities of a manufacturer as defined under subdivisions (A) through (E) of this subdivision (4), provided that the secretary may enforce the requirements of this chapter against a manufacturer defined under subdivisions (A) through (E) of this subdivision (4) if a person who assumes the manufacturer’s responsibilities fails to comply with the requirements of this chapter.
- (5) “Mercury-containing lamp” means a general purpose lamp to which mercury is intentionally added during the manufacturing process. “Mercury-containing lamp” does not mean a lamp used for medical, disinfection, treatment, or industrial purposes.

(6) "Program year" means the period from July 1 through June 30.

(7) "Retailer" means a person who sells a mercury-containing lamp to a person in the state through any means, including a sales outlet, a catalogue, the telephone, the Internet, or any electronic means.

(8) "Secretary" means the secretary of natural resources.

(9) "Sell" or "sale" means any transfer for consideration of title or of the right to use by lease or sales contract a mercury-containing lamp to a person in the state of Vermont. "Sell" or "sale" does not include the sale, resale, lease, or transfer of a used mercury-containing lamp or a manufacturer's or a distributor's wholesale transaction with a distributor or a retailer.

(10) "Stewardship organization" means an organization, association, or entity that has developed a system, method, or other mechanism which assumes the responsibilities, obligations, and liabilities under this chapter of multiple manufacturers of mercury-containing lamps.

§ 7152. SALE OF MERCURY-CONTAINING LAMPS; STEWARDSHIP ORGANIZATION REGISTRATION

(a) Sale prohibited. Beginning on July 1, 2012, except as set forth under section 7155 of this title, a manufacturer of a mercury-containing lamp shall not sell, offer for sale, or deliver to a retailer for subsequent sale a mercury-containing lamp unless all the following have been met:

(1) The manufacturer is implementing an approved collection plan;

(2) The manufacturer has paid the fee under section 7158 of this title;

(3) The name of the manufacturer and the manufacturer's brand are designated on the agency of natural resources' website as covered by an approved plan.

(4) The manufacturer has submitted an annual report under section 7153 of this title;

(5) The manufacturer has conducted a plan audit consistent with the requirements of subsection 7153(b) of this title; and

(6) The manufacturer has demonstrated that no alternative non-mercury energy efficient lamp is available that provides the same or better overall performance at a cost equal to or better than the classes of lamps that the manufacturer proposes to sell.

(b) Stewardship organization registration requirements.

(1) Beginning January 1, 2012 and annually thereafter, a stewardship organization shall file a registration form with the secretary. The secretary

shall provide the registration form to a stewardship organization. The registration form shall include:

(A) a list of the manufacturers participating in the stewardship organization;

(B) the name, address, and contact information of a person responsible for ensuring the manufacturer's compliance with this chapter;

(C) a description of how the stewardship organization meets the requirements of 10 V.S.A. § 7155(b), including any reasonable requirements for participation in the stewardship organization; and

(D) the name, address, and contact information of a person for a nonmember manufacturer to contact on how to participate in the stewardship organization to satisfy the requirements of this chapter.

(2) A renewal of a registration without changes may be accomplished through notifying the agency of natural resources on a form provided by the agency.

#### § 7153. ANNUAL REPORT; PLAN AUDIT

(a) Annual report. At the end of each program year, a manufacturer of a mercury-containing lamp shall submit an annual report to the secretary that contains the following:

(1) a description of the collection program;

(2) The number and type of mercury-containing lamps collected and the collection facility from which the lamps were collected.

(3) an estimate of the number of mercury-containing lamps available for collection and the methodology used to develop this number. Sales data and other confidential business information provided under this section shall not be subject to inspection and review pursuant to subchapter 3 of chapter 5 of Title 1 (access to public records). Confidential information shall be redacted from any final public report.

(4) the steps that the manufacturer has taken during the past program year to improve the collection rate and life cycle performance of mercury-containing lamps.

(b) Plan audit. Once every five years, the manufacturer shall hire an independent third party to audit the plan and plan operation. The auditor shall examine the effectiveness of the program in collecting and disposing of mercury-containing lamps. The auditor shall examine the cost-effectiveness of the program and compare it to that of collection programs for mercury-containing lamps in other jurisdictions. The auditor shall make

recommendations to the secretary on ways to increase program efficacy and cost-effectiveness.

§ 7154. COLLECTION PLANS

(a) Collection plan required. Prior to February 1, 2012, a manufacturer, individually or as a participant in a stewardship organization, shall submit a collection plan to the secretary for review.

(1) Free collection of mercury-containing lamps. The collection program shall provide for free collection of mercury-containing lamps from covered entities. A manufacturer shall accept all mercury-containing lamps collected from a covered entity and shall not refuse the collection of a mercury-containing lamp based on the brand or manufacturer of the mercury-containing lamp. The collection program shall also provide for the payment of the costs for recycling and transportation from a collection facility to a recycler.

(2) Convenient collection location. The manufacturer shall develop a collection program that:

(A) allows all municipal collection locations and all retailers that sell mercury-containing lamps to opt to be a collection facility; and

(B) at a minimum, has not less than two collection facilities in each county.

(3) Public education and outreach. The collection plan shall include an education and outreach program that may include media advertising, retail displays, articles in trade and other journals and publications, and other public educational efforts. At a minimum, the education and outreach program shall notify the public of the following:

(A) that there is a free collection program for mercury-containing lamps;

(B) the location of collection points and how a covered entity can access this collection program; and

(C) the special handling considerations associated with mercury-containing lamps.

(4) Compliance with appropriate environmental standards. In implementing a collection plan, a manufacturer shall comply with all applicable laws related to the collection, transportation, and disposal of mercury-containing lamps. A manufacturer shall comply with any special handling or disposal standards established by the secretary for a mercury-containing lamp or for the collection plan of the manufacturer.

(b) Term of collection plan. A collection plan approved by the secretary under section 7156 of this title shall have a term not to exceed five years, provided that the manufacturer remains in compliance with the requirements of this chapter and the terms of the approved plan.

§ 7155. STEWARDSHIP ORGANIZATIONS

(a) Participation in a stewardship organization. A manufacturer may meet the requirements of this chapter by participating in a stewardship organization that undertakes the manufacturer's responsibilities under sections 7152, 7153, and 7154 of this title.

(b) Qualifications for a stewardship organization. To qualify as a stewardship organization under this chapter, an organization shall:

(1) Commit to assume the responsibilities, obligations, and liabilities of all manufacturers participating in the stewardship organization;

(2) Represent at least 45 percent of the market share of mercury-containing lamps sold in the state;

(3) Not create unreasonable barriers for participation in the stewardship organization; and

(4) Maintain a public website that lists all manufacturers and manufacturers' brands covered by the stewardship organization's approved collection plan.

(c) Exemption from antitrust provisions. A stewardship organization and manufacturers participating in a stewardship organization subject to the requirements of this chapter may engage in anticompetitive conduct to the extent necessary to develop and implement the collection plan required by this chapter. A stewardship organization or a manufacturer participating within a stewardship organization that is engaged in anticompetitive conduct under this subsection shall be immune from liability for conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce if the stewardship organization is exercising due diligence to comply with the requirements of this chapter.

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§ 7156. AGENCY RESPONSIBILITIES

(a) Review and approve collection plans. The secretary shall review and approve or deny collection plans submitted under section 7154 of this title. The secretary shall approve a collection plan if the secretary finds that the plan:

(1) complies with the requirements of subsection 7154(a) of this title.

(2) provides adequate notice to the public of the collection opportunities available for mercury-containing lamps.

(3) ensures that collection of mercury-containing lamps will occur in an environmentally sound fashion that is consistent with the law or with any special handling requirements adopted by the secretary.

(4) promotes the collection and disposal of mercury-containing lamps.

(b) Plan amendment. The secretary, in his or her discretion or at the request of a manufacturer or a stewardship organization, may require a manufacturer or a stewardship organization to amend an approved plan. Plan amendments shall be subject to the public input provisions of subsection (c) of this section.

(c) Public input. The agency shall establish a process under which a collection plan for a mercury-containing lamp is, prior to plan approval or amendment, available for public review and comment for 30 days. In establishing such a process, the agency shall consult with interested persons, including manufacturers, environmental groups, wholesalers, retailers, municipalities, and solid waste districts.

(d) Registrations. The secretary shall accept, review, and approve or deny registrations required by this chapter. The secretary may revoke a registration of a stewardship organization for actions that are unreasonable, unnecessary, or contrary to the requirements or the policy of this chapter.

(e) Supervisory capacity. The secretary shall act in a supervisory capacity over the actions of a stewardship organization registered under this section. In acting in this capacity, the secretary shall review the actions of the stewardship organization to ensure that they are reasonable, necessary, and limited to carrying out requirements of and policy established by this chapter.

(f) Special handling requirements. The secretary may adopt, by rule, special handling requirements for the collection, transport, and disposal of mercury-containing lamps.

(g) Approved plans; Internet posting. The secretary shall post on the agency website all manufacturers and manufacturers' brands that are covered under an approved plan. For stewardship organizations, the agency may link

to the list of manufacturers and manufacturers' brands on the stewardship organization's website.

#### § 7157. RETAILER OBLIGATIONS

(a) Sale prohibited. Except as set forth under subsection (b) of this section, beginning July 1, 2012, no retailer shall sell or offer for sale a mercury-containing lamp unless the retailer has reviewed the agency website required in subsection 7156(e) of this title to determine that the manufacturer of the mercury-containing lamp is implementing an approved collection plan or is a member of a stewardship organization.

(b) Inventory exception; expiration or revocation of manufacturer registration. A retailer shall not be responsible for an unlawful sale of a mercury-containing lamp under this subsection if:

(1) the retailer purchased the mercury-containing lamp prior to July 1, 2012; or

(2) the manufacturer's collection plan expired or was revoked, and the retailer took possession of the in-store inventory of mercury-containing lamps prior to the expiration or revocation of the manufacturer's collection plan.

#### § 7158. FEES; DISPOSITION

(a) A manufacturer or stewardship organization shall pay \$2,000.00 annually for operation under a collection plan approved by the secretary under section 7156 of this title.

(b) The fees collected under subsection (a) of this section shall be deposited in the environmental permit fund established under 3 V.S.A. § 2805. The agency shall utilize no more than \$20,000.00 annually of the fees collected under subsection (a) for the performance of its responsibilities under section 7156 of this title.

#### § 7159. MERCURY CONTENT STANDARDS

(a) Mercury content standards for lamps. Beginning January 1, 2013, a mercury-containing lamp sold in this state shall satisfy the mercury-content standard for lamps set by California.

(b) Rulemaking; implementation. The agency of natural resources may adopt rules to implement the requirements of this chapter, including exemptions from the mercury content standards established under subsection (a) of this section.

(c) Certificate of compliance.

(1) Beginning April 1, 2013, the secretary may request a manufacturer of a lamp or lamps to submit a certification, supported by technical

information, that the manufacturer's lamp or lamps that are sold or offered for sale in the state comply with the standard established under subsection (a) of this section. A manufacturer shall submit a certificate of compliance within 30 days of the secretary's request. If a manufacturer fails to provide a requested certification within 30 days of the request, the manufacturer shall be prohibited from selling lamps or offering lamps for sale in the state.

(2) Upon request of a retailer or other person selling a manufacturer's lamps, a manufacturer shall provide a certification that the manufacturer's lamp or lamps comply with the standard established under subsection (a) of this section. A manufacturer shall provide a certificate of compliance within 30 days of the retailer's request. The certification must specify that the lamp or lamps are not prohibited from sale in the state. If a manufacturer fails to provide a certification under this subdivision (c)(2), the manufacturer shall be prohibited from selling lamps or offering lamps for sale in the state.

#### § 7160. OTHER DISPOSAL PROGRAMS

A municipality or other public agency may not require covered entities to use public facilities to dispose of mercury-containing lamps to the exclusion of other lawful programs available. A municipality and other public agencies are encouraged to work with manufacturers to assist them in meeting their collection and disposal obligations under this chapter. Nothing in this chapter prohibits or restricts the operation of any program collecting and disposing of mercury-containing lamps in addition to those provided by manufacturers or prohibits or restricts any persons from receiving, collecting, transporting, or disposing of mercury-containing lamps, provided that all other applicable laws are met.

Sec. 3. 10 V.S.A. § 8003 is amended to read:

#### § 8003. APPLICABILITY

(a) The secretary may take action under this chapter to enforce the following statutes and rules, permits, assurances, or orders implementing the following statutes:

\* \* \*

(20) 10 V.S.A. chapter 50, relating to the control of aquatic species and introduction of algicides, pesticides, and herbicides; ~~and~~

(21) 10 V.S.A. chapter 166, relating to collection and recycling of electronic waste; and

(22) 10 V.S.A. chapter 164A, collection and disposal of mercury-containing lamps.

\* \* \*

Sec. 4. 10 V.S.A. § 8503 is amended to read:

§ 8503. APPLICABILITY

(a) This chapter shall govern all appeals of an act or decision of the secretary, excluding enforcement actions under chapters 201 and 211 of this title and rulemaking, under the following authorities and under the rules adopted under those authorities:

(1) The following provisions of this title:

(A) chapter 23 (air pollution control).

(B) chapter 50 (aquatic species control).

(C) chapter 41 (regulation of stream flow).

(D) chapter 43 (dams).

(E) chapter 47 (water pollution control).

(F) chapter 48 (groundwater protection).

(G) chapter 53 (beverage containers; deposit-redemption system).

(H) chapter 55 (aid to municipalities for water supply, pollution abatement, and sewer separation).

(I) chapter 56 (public water supply).

(J) chapter 59 (underground and aboveground liquid storage tanks).

(K) chapter 64 (potable water supply and wastewater system permit).

(L) section 2625 (regulation of heavy cutting).

(M) chapter 123 (protection of endangered species).

(N) chapter 159 (waste management).

(O) chapter 37 (wetlands protection and water resources management).

(P) chapter 166 (collection and recycling of electronic waste).

(Q) chapter 164 (collection and disposal of mercury-containing lamps).

(2) 29 V.S.A. chapter 11 (management of lakes and ponds).

(3) 24 V.S.A. chapter 61, subchapter 10 (relating to salvage yards).

\* \* \*

Sec. 5. 24 V.S.A. § 2248(a) is added to read:

(a) Beginning July 1, 2010, a salvage yard shall meet the following operational standards:

(1) The salvage yard shall comply with the screening and fencing requirements of section 2257 of this title.

(2) Motor vehicles shall be drained of all fluids prior to crushing and within 365 days of receipt by the salvage yard, except that a vehicle with visible signs of leaking fluids shall be drained immediately. Fluids shall be drained, collected, and stored according to standards established by the secretary in order to prevent release to the environment. The fluids that shall be drained, collected, and stored under this subdivision include antifreeze, oil, brake fluid, fuel, refrigerants, and transmission fluid.

(3) Vehicles shall be drained and crushed:

(A) on or over a surface that is designed to retain seepage or draining fluids and that is designed to prevent releases to groundwater, discharges to surface waters, or other releases to the environment; or

(B) by a crusher with an onboard fluid-recovery and storage system that prevents releases to groundwater, discharges to surface waters, or other releases to the environment.

(4) A salvage yard issued a certificate of registration under section 2242 of this title after July 1, 2010, shall not be sited or operated within 100 feet of a Class I or Class II wetland as those terms are defined in 10 V.S.A. § 902. This subdivision shall not apply to the renewal of a valid certificate of registration under this subchapter.

(5)(A) A salvage yard issued a certificate of registration under section 2242 of this title after July 1, 2010, shall not be sited or operated within 300 feet of a potable water supply, as that term is defined in 10 V.S.A. § 1972, unless:

(i) the water supply provides water to the salvage yard; or

(ii) the agency of natural resources approves management practices or remedial measures to prevent contamination of the potable water supply.

(B) This subdivision shall not apply to the renewal of a valid certificate of registration under this subchapter.

Sec. 6. REPEAL

24 V.S.A. § 2248(a) (statutory operational standards for salvage yards) is repealed on the effective date of the rules required by 24 V.S.A. § 2248(b).

## Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

**Recess**

On motion of Senator Campbell the Senate recessed until one o'clock and thirty minutes.

**Called to Order**

The Senate was called to order by the President.

**Rules Suspended; Report of Committee of Conference; Point of Order Sustained; Report of Committee of Conference Discarded**

**H. 441.**

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and Senate bill entitled:

An act relating to making appropriations for the support of government.

Was taken up for immediate consideration.

Thereupon, Senator Brock immediately raised a point of order on the ground that the Committee of Conference failed to adhere to the requirements of Sec. 771.2 of Mason's Manual of Legislative Procedure, as the Sec. E.700 was not in the Senate proposal of amendment, nor in the bill as passed by the House, and therefore the Committee of Conference did not confine itself to the differences between the two houses and thus the report in its entirety was objectionable and could not be considered by the Senate.

Thereupon, the President sustained the point of order and ruled that the report of the Committee of Conference did go beyond the area of disagreement between the two Houses and therefore was *objectionable* and could *not* be considered by the Senate.

**Recess**

On motion of Senator Campbell the Senate recessed until the fall of the gavel.

**Called to Order**

The Senate was called to order by the President.

**Bill Introduced**

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Senate bill of the following title was introduced, read the first time and referred:

**S. 111.**

By Senators Brock and Sears,

An act relating to public participation in environmental enforcement.

To the Committee on Judiciary.

**Senate Resolution Placed on Calendar**

**S.R. 9.**

Senate resolution of the following title was offered, read the first time and is as follows:

By Senator Sears, Brock and White,

**S.R. 9.** Senate resolution urging Congress to adopt comprehensive immigration reform legislation at the earliest possible date.

*Whereas*, Article 1 § 8, clause 4 of the United States Constitution provides in relevant part that “Congress shall have Power To establish an uniform Rule of Naturalization,” and

*Whereas*, America’s immigration laws are hopelessly outdated and do not address the realities of 2011, and

*Whereas*, a large number of persons annually seek to enter the United States illegally, some successfully and others are caught, often only to try again until they achieve their goal, and

*Whereas*, there are millions of illegal immigrants residing in the United States as well as children who accompanied their parents, and

*Whereas*, several states have attempted to adopt their own immigration laws because of federal inaction, notwithstanding the clear constitutional directive assigning naturalization matters to Congress, and

*Whereas*, health care for illegal immigrants is a matter of great concern, and

*Whereas*, the Vermont Senate’s proposal of amendment to H.202 “An Act related to a universal and unified health system” contained a provision barring access to the legislation’s newly established Green Mountain Care program for persons “not lawfully present in the United States,” and

*Whereas*, although the conferees on H.202 ultimately decided to substitute this statutory prohibition with a study to examine access to Green Mountain Care for persons not legally in the United States, the raising of this issue during

deliberations on H.202 is just one state's example of the need for comprehensive federal immigration reform legislation, *now therefore be it*

***Resolved by the Senate:***

That the Senate of the State of Vermont urges Congress to adopt comprehensive immigration reform legislation at the earliest possible date, *and be it further*

***Resolved:*** That the Secretary of the Senate be directed to send a copy of this resolution to the Vermont Congressional Delegation.

Thereupon, in the discretion of the President, under Rule 51, the resolution was placed on the Calendar for action the next legislative day.

**Message from the Governor  
Appointments Referred**

A message was received from the Governor, by Alexandra MacLean, Secretary of Civil and Military Affairs, submitting the following appointments, which were referred to committees as indicated:

Shems, Ron of Duxbury - Chair of the Natural Resources Board, - from April 1, 2011, to January 31, 2013.

To the Committee on Natural Resources and Energy.

**Rules Suspended; Point of Order; Consideration Interrupted by Recess**

**H. 436.**

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and Senate bill entitled:

An act relating to tax changes, including income taxes, property taxes, economic development credits, health care-related tax provisions, and miscellaneous tax provisions.

Was taken up for immediate consideration.

Thereupon, Senator Illuzzi immediately raised a point of order on the ground that the Committee of Conference failed to adhere to the requirements of Sec. 771.2 of Mason's Manual of Legislative Procedure, as the *twentieth-twenty-third* proposals were not in the Senate proposal of amendment, nor in the bill as passed by the House, and therefore the Committee of Conference did not confine itself to the differences between the two houses and thus the report in its entirety was objectionable and could not be considered by the Senate.

Thereupon, the President sustained the point of order and ruled that the report of the Committee of Conference did go beyond the area of disagreement

between the two Houses and therefore was *objectionable* and could *not* be considered by the Senate.

### **Recess**

On motion of Senator Campbell the Senate recessed until the fall of the gavel.

### **Called to Order**

The Senate was called to order by the President.

### **Rules Suspended; Consideration Resumed; Report of Committee of Conference Accepted and Adopted on the Part of the Senate**

#### **H. 436.**

Consideration was resumed on Senate bill entitled:

An act relating to tax changes, including income taxes, property taxes, economic development credits, health care-related tax provisions, and miscellaneous tax provisions.

Thereupon, pending the question, Shall the Committee of Conference be discarded?, Senator Illuzzi moved the rules be suspended to permit the Senate to consider the Report of the Committee of Conference with the provisions of the *twentieth- twenty-third* proposals retained in the report.

Which was agreed to.

Senator Cummings, for the Committee of Conference, submitted the following report:

#### To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

An act relating to tax changes, including income taxes, property taxes, economic development credits, health care-related tax provisions, and miscellaneous tax provisions.

Respectfully reports that it has met and considered the same and recommends:

That the House accede to the Senate's first, second, seventh, eighth, ninth, thirteenth, seventeenth, eighteenth, nineteenth, twenty-second, twenty-fifth, twenty-sixth and twenty-ninth proposals of amendment;

That the Senate recede from its third, fourth, fifth, sixth, tenth, eleventh, twelfth, fourteenth, fifteenth, sixteenth, twentieth, twenty-first, twenty-third, twenty-fourth, twenty-seventh, and twenty-eighth proposals of amendment.

And that the bill be further amended as follows:

First: In Sec. 8 (EVALUATION OF EDUCATION FINANCING SYSTEM), in subdivision (e)(2), by striking the word “draft” and by striking the words “March 30, 2012” and inserting in lieu thereof the words “January 18, 2012” and by striking out the words “, and a final report due one month later”

Second: By striking Sec. 12 (EXAMINATION OF RENEWABLE ENERGY PROPERTY TAX ISSUES) in its entirety, and inserting in lieu thereof a new Sec. 12 to read as follows:

Sec. 12. EXAMINATION OF RENEWABLE ENERGY PROPERTY TAX ISSUES

(a) The director of property valuation and review and the commissioner of public service shall undertake a joint examination of issues regarding the taxation of real property that includes a renewable energy plant. The examination shall consider the goals of Title 30 Chapter 89 relative to promoting in-state renewable energy resources, and in doing so shall consider whether the current method of property taxation of electric generation plants disproportionately burdens renewable energy plants.

(b) No later than January 15, 2012, the director of property valuation and review and the commissioner of public service shall report findings and analysis to the house committees on ways and means, on commerce and economic development, and on natural resources and energy, and the senate committees on finance, on economic development, housing and general affairs, and on natural resources and energy. The report shall include specific recommendations with respect to whether the current method of property taxation of renewable energy plants should be continued or whether there are other methodologies that could be more appropriate. The report should detail both the positive and negative aspects associated with each methodology and make a recommendation as to which method the director and commissioner deem to be the best option for each type of renewable energy. The types of renewable energy generation that are to be addressed in the report shall include solar (both PV and solar thermal), woody biomass (both electric generation and pure thermal) and farm methane plants (designed to supply wholesale electricity into the grid). Among the factors that should be considered in making this determination, the report should address whether renewable energy plants that are on leased land should be taxed differently from renewable energy plants that are on land owned by the plant owner as well as other factors deemed important by the director and the commissioner. As part of the examination of this issue, parties of interest from both municipal government and the field of renewable energy development shall be consulted.

(c) For the purpose of this section, the terms “plant” and “renewable energy” shall have the same meaning as under 30 V.S.A. § 8002.

Third: By adding a new Sec. 13a to read as follows:

Sec. 13a. 32 V.S.A. § 3757(a) is amended to read:

(a) Land which has been classified as agricultural land or managed forest land pursuant to this chapter shall be subject to a land use change tax ~~upon~~ on the earliest of either the development of that land, as defined in section 3752 of this chapter, or two years after the issuance of all permits legally required by a municipality for any action constituting development, or two years after the issuance of a wastewater system and potable water supply permit under 10 V.S.A. § 1973. Said tax shall be at the rate of 20 percent of the full fair market value of the changed land determined without regard to the use value appraisal; or the tax shall be at the rate of 10 percent if the owner demonstrates to the satisfaction of the director that the parcel has been enrolled continuously more than 10 years. If changed land is a portion of a parcel, the fair market value of the changed land shall be the fair market value of the changed land prorated on the basis of acreage, divided by the common level of appraisal. Such fair market value shall be determined as of the date the land is no longer eligible for use value appraisal. This tax shall be in addition to the annual property tax imposed upon such property. Nothing in this section shall be construed to require payment of an additional land use change tax upon the subsequent development of the same land, nor shall it be construed to require payment of a land use change tax merely because previously eligible land becomes ineligible, provided no development of the land has occurred.

Fourth: By adding a new Sec. 13e to read as follows:

Sec. 13e. HEALTH, RECREATION, AND FITNESS ORGANIZATION PROPERTY TAX EXEMPTION

In fiscal year 2012, the following two properties shall be exempt from 50 percent of the education property tax under chapter 135 of Title 32: Buildings and land owned and occupied by a health, recreation, and fitness organization which is exempt under Section 501(c)(3) of the Internal Revenue Code, the income of which is entirely used for its exempt purpose, one of which is designated by the Springfield Hospital and the other designated by the North Country Hospital, to promote exercise and healthy lifestyles for the community and to serve citizens of all income levels in this mission. This exemption shall apply, notwithstanding the provisions of 32 V.S.A. § 3832(7).

Fifth: By adding a new Sec. 13f to read as follows:

Sec. 13f. Sec. 40 of No. 190 of the Acts of the 2007 Adj. Sess. (2008), as amended by Sec. 22 of No. 160 of the Acts of the 2009 Adj. Sess. (2010), is further amended to read:

Sec. 40. EDUCATION PROPERTY TAX EXEMPTION FOR SKATINGRINKS USED FOR PUBLIC SCHOOLS

Real and personal property operated as a skating rink, owned and operated on a nonprofit basis but not necessarily by the same entity, and which, in the most recent calendar year, provided facilities to local public schools for a sport officially recognized by the Vermont Principals' Association shall be exempt from 50 percent of the education property taxes for fiscal ~~years 2009, 2010, and 2011~~ year 2012 only.

Sixth: By adding a new Sec. 13g to read as follows:

Sec. 13g. 32 V.S.A. § 3802(11)(A) is amended to read:

(11)(A) Real and personal property to the extent of \$10,000.00 of appraisal value, except any part used for business or rental, occupied as the established residence of and owned in fee simple by a veteran of any war or a veteran who has received an American Expeditionary Medal, his or her spouse, widow, widower or child, or jointly by any combination of them, if one or more of them are receiving disability compensation for at least 50 percent disability, death compensation, dependence and indemnity compensation, or pension for disability paid through any military department or the veterans administration if, before May 1 of each year, there is filed with the ~~listers~~ office of veterans affairs:

(i) a written application therefor; and

(ii) a written statement from the military department or the veterans administration showing that the compensation or pension is being paid. Only one exemption may be allowed on a property. Application for an exemption under this section based upon permanent disability is only required to be filed with the ~~listers~~ office of veterans affairs before May 1 of the first year for which the exemption is sought, and the exemption shall remain on the grand list until title to the property is transferred.

Seventh: By adding a new Sec. 13h to read as follows:

Sec. 13h. TRACKING WASTEWATER PERMITS

The division of property valuation and review shall establish a system for tracking the issuance of wastewater system and potable water supply permits under 10 V.S.A. § 1973 on land enrolled in the use value appraisal program.

Eighth: By striking out Sec. 15, 24 V.S.A. § 1894(a)(2), in its entirety and inserting in lieu thereof a new Sec. 15, and new Secs. 15a and 15b to read as follows:

Sec. 15. 24 V.S.A. § 1894(a)(2) is amended to read:

(2) If no indebtedness is incurred within the first five years after creation of the district, no indebtedness may be incurred unless the municipality obtains reapproval from the Vermont economic progress council under 32 V.S.A. § 5404a(h). When considering reapproval, the Vermont economic progress council shall consider only material changes in the application under 32 V.S.A. § 5404a(h). The Vermont economic progress council shall presume that an applicant qualifies for reapproval upon a showing that the inability of the district to incur indebtedness was the result of the macro-economic conditions in the first five years after the creation of the district. Upon reapproval, the Vermont economic progress council shall grant a five-year extension of the period to incur indebtedness.

Sec. 15a. 32 V.S.A. § 5404a(1) is amended to read:

(1) The state auditor of accounts shall review and conduct an audit of all active tax increment financing districts every ~~three~~ four years and bill back to the municipality the charge for the audit. The amount paid by the municipality for the audit shall be considered a “related cost” as defined in 24 V.S.A. § 1981(6). Any audit conducted by the state auditor of accounts under this subsection shall include a validation of the portion of the tax increment retained by the municipality and the portion directed to the education fund.

Sec. 15b. TREATMENT OF TIF DISTRICTS FOR ACCOUNTING PURPOSES

The town of Milton may elect to treat the Husky and Catamount tax increment financing districts as a single district for purposes of the accounting and reporting requirements established under 32 V.S.A. § 5404a, 24 V.S.A. § 1901, and any rule adopted by the Vermont economic progress council governing tax increment financing districts, and such an election shall be conclusive for purposes of any state audit pursuant to 32 V.S.A. § 5404a(1).

Ninth: By striking out Sec. 24, 33 V.S.A. § 1953(a), in its entirety and inserting in lieu thereof a new Sec. 24 to read:

Sec. 24. 33 V.S.A. § 1953(a) is amended to read:

(a) Hospitals shall be subject to an annual assessment as follows:

(1) Each hospital’s annual assessment, except for hospitals assessed under subdivision (2) of this subsection, shall be 5.5 percent of its net patient revenues (less chronic, skilled, and swing bed revenues) ~~for the hospital’s~~

~~fiscal year as determined annually by the commissioner of Vermont health access from the hospital's financial reports and other data filed with the department of banking, insurance, securities, and health care administration. The annual assessment shall be based on data from a hospital's most recent full fiscal year for which data has been reported to the department of banking, insurance, securities, and health care administration through September 30, 2011. Beginning October 1, 2011, each hospital's assessment, except for hospitals assessed under subdivision (2) of this subsection, shall be 5.9 percent of its net patient revenues (less chronic, skilled, and swing bed revenues).~~

\* \* \*

Tenth: By adding a new Sec. 24a to read as follows:

Sec. 24a. HOSPITAL ASSESSMENT BILLING

(a) For the purpose of this section, the word "assessment" means the hospital assessment under 33 V.S.A. § 1953.

(b) Each year by May 15, the department of banking, insurance, securities, and health care administration shall deliver to the department of Vermont health access the financial reports and other data required to identify the actual net patient revenue for each hospital subject to the assessment for the months of the preceding October through March.

(c) The department of Vermont health access shall use the data identified in subsection (b) of this section to prepare estimated monthly assessments for the entire year based on the estimated net patient revenues for each hospital. The department of Vermont health access shall send notice of the assessment due to each hospital for the months of July through March based on its estimates prepared under this subsection.

(d) Each year on or before March 15, when the department of banking, insurance, securities, and health care administration obtains the information necessary to determine the actual net patient revenue for each hospital for the preceding fiscal year, it shall transmit that information to the department of Vermont health access and the department of taxes.

(e) The department of Vermont health access, with the assistance of the department of taxes, shall calculate the assessments for the months of April, May, and June of each year to reflect the difference on an annual basis, if any, between the amount a hospital would have paid under the estimates prepared by the department of Vermont health access under subsection (c) of this section and the amount based on the actual net patient revenue provided by the department of banking, insurance, securities, and health care administration under subsection (d) of this section.

Eleventh: In Sec. 27, 32 V.S.A. § 7771, in subsection (d), by striking out “125.5” and inserting in lieu thereof “131”, and in Sec. 27a, 32 V.S.A. § 7814(b), in subsection (b), by striking out “\$0.25” and inserting in lieu thereof “\$0.38”

Twelfth: By adding a new Sec. 36a to read as follows:

Sec. 36a. 32 V.S.A. § 9701(9)(I) is added to read:

(I) For purposes of subdivision (C) of this subdivision (9), a person making sales that are taxable under this chapter shall be presumed to be soliciting business through an independent contractor, agent, or other representative if the person enters into an agreement with a resident of this state under which the resident, for a commission or other consideration, directly or indirectly refers potential customers, whether by a link on an Internet website or otherwise, to the person if the cumulative gross receipts from sales by the person to customers in the state who are referred to the person by all residents with this type of an agreement with the person are in excess of \$10,000.00 during the preceding tax year. For purposes of subdivision (C) of this subdivision (9), the presumption may be rebutted by proof that the resident with whom the person has an agreement did not engage in any solicitation in the state on behalf of the person that would satisfy the nexus requirements of the United States Constitution during the tax year in question.

Thirteenth: By adding a new Sec. 36b to read as follows:

Sec. 36b. 32 V.S.A. § 9783 is added to read:

§ 9783. NOTICE OF USE TAX DUE

(a) As used in this section:

(1) “De minimis online auction website” means an online auction website that facilitated total gross sales in Vermont in the prior calendar year of less than \$100,000.00 and reasonably expects to facilitate total gross sales in Vermont in the current calendar year of less than \$100,000.00.

(2) “De minimis retailer” means any noncollecting retailer that made total gross sales in Vermont in the prior calendar year of less than \$100,000.00 and reasonably expects total gross sales in Vermont in the current calendar year to be less than \$100,000.00.

(3) “Noncollecting retailer” means any retailer not currently registered to collect and remit Vermont sales and use tax who makes sales of tangible personal property, services, and products transferred electronically from a place of business outside Vermont to be shipped to Vermont for use, storage, or consumption and who is not required to collect Vermont sales or use taxes.

(4) “Online auction website” means a collection of web pages on the Internet that allows any person to display tangible personal property, services, or products transferred electronically for sale which are purchased through a competitive process in which a participant places a bid, with the highest bidder purchasing the property, service, or product when the bidding period ends.

(5) “Vermont purchaser” means any purchaser who purchases tangible personal property, services, or products transferred electronically to be shipped or transferred to Vermont.

(b) Each noncollecting retailer shall give notice that Vermont use tax is due on nonexempt purchases of tangible personal property, services, or products transferred electronically and shall be paid by the Vermont purchaser. The notice in this subsection shall be readily visible and contain the information as follows:

(1) The noncollecting retailer is not required and does not collect Vermont sales and use tax;

(2) The purchase is subject to state use tax unless it is specifically exempt from taxation;

(3) The purchase is not exempt merely because the purchase is made over the Internet, by catalogue, or by other remote means;

(4) The state requires each Vermont purchaser to report any purchase that was not taxed and to pay tax on the purchase. The tax may be reported and paid on the Vermont use tax form; and

(5) The use tax form and corresponding instructions are available on the department of taxes website.

(c) Notice requirements.

(1) The notice required by subsection (b) of this section to be displayed on a website shall occur on a page necessary to facilitate the applicable transaction. The notice shall be sufficient if the noncollecting retailer provides a prominent linking notice that reads as follows: “See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont.” The prominent linking notice shall direct the purchaser to the principal notice information required by subsection (b) of this section.

(2) The notice required in a catalogue by subsection (b) of this section shall be part of the order form. The notice shall be sufficient if the noncollecting retailer provides a prominent reference to a supplemental page that reads as follows: “See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont on page \_\_\_\_.”

The notice on the order form shall direct the purchaser to the page that includes the principal notice required by subsection (b) of this section.

(3) For any Internet purchase made pursuant to this section, the invoice notice shall occur on the electronic order confirmation. The notice shall be sufficient if the noncollecting retailer provides a prominent linking notice that reads as follows: "See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont." The invoice notice link shall direct the purchaser to the principal notice required by subsection (b) of this section. If the noncollecting retailer does not issue an electronic order confirmation, the complete notice shall be placed on the purchase order, bill, receipt, sales slip, order form, or packing statement.

(4) For any catalogue or telephone purchase made pursuant to this section, the complete notice required by subsection (b) of this section shall be placed on the purchase order, bill, receipt, sales slip, order form, or packing statement.

(5) For any Internet purchase made pursuant to this section, notice on the check-out page fulfills simultaneously both the website and invoice notice requirements of subdivisions (1) and (3) of this subsection. The notice shall be sufficient if the noncollecting retailer provides a prominent linking notice that reads as follows: "See important Vermont sales and use tax information regarding the tax you may owe directly to the state of Vermont." The check-out page notice link shall direct the purchaser to the principal notice required by subsection (b) of this section.

(d) Exemptions and limitations.

(1) If a retailer is required to provide a similar notice for another state in addition to Vermont, the retailer may provide a consolidated notice so long as the notice includes the information contained in subsection (b) of this section, specifically references Vermont, and meets the placement requirements of this section.

(2) A noncollecting retailer may not state or display or imply that no tax is due on any Vermont purchase unless the display is accompanied by the notice required by subsection (b) of this section each time the display appears. If a summary of the transaction includes a line designated "sales tax" and shows the amount of sales tax as zero, this constitutes a display implying that no tax is due on the purchase. This display shall be accompanied by the notice required by subsection (b) of this section each time it appears.

(3) Notwithstanding the limitation in this section, if a noncollecting retailer knows that a purchase is exempt from Vermont tax pursuant to Vermont law, the noncollecting retailer may display or indicate that no sales or

use tax is due even if the display is not accompanied by the notice required by subsection (b) of this section.

(4) With the exception of notification on an invoice, the provisions of this section apply to online auction websites.

(5) A de minimis retailer and a de minimis online auction website are exempt from the notice requirements provided by this section.

(6) No criminal penalty or civil liability may be applied or assessed for failure to comply with the provisions of this section.

Fourteenth: By adding a new Sec. 36d to read as follows:

Sec. 36d. 7 V.S.A. § 422 is amended to read:

§ 422. TAX ON SPIRITUOUS LIQUOR

A tax of 25 percent of the gross revenues is assessed on the gross revenue on the retail sale of spirituous liquor in the state of Vermont, including fortified wine, sold by or through the liquor control board or sold by a manufacturer or rectifier of spirituous liquor in accordance with the provisions of this title. The tax shall be at the following rates based on the gross revenue of the retail sales by the seller in the previous year:

(1) if the gross revenue of the seller is \$100,000.00 or lower a year, the rate of tax is five percent;

(2) if the gross revenue of the seller is between \$100,000.00 and \$200,000.00, the rate of tax is \$5,000.00 plus 15 percent of gross revenues over \$100,000.00;

(3) if the gross revenue of the seller is over \$200,000.00, the rate of tax is 25 percent.

Fifteenth: By adding a new Sec. 36e to read as follows:

Sec. 36e. 32 V.S.A. § 3205 is added to read:

§ 3205. TAXPAYER ADVOCATE

(a) There is established within the department of taxes an office of the taxpayer advocate.

(b) The taxpayer advocate shall have the following functions and duties:

(1) identify subject areas where taxpayers have difficulties interacting with the department of taxes;

(2) identify classes of taxpayers or specific business sectors who have common problems related to the department of taxes;

(3) propose solutions, including administrative changes to practices and procedures of the department of taxes;

(4) recommend legislative action as may be appropriate to resolve problems encountered by taxpayers;

(5) educate taxpayers concerning their rights and responsibilities under Vermont's tax laws; and

(6) educate tax professionals concerning the department of taxes regulations and interpretations by issuing bulletins and other written materials.

(c) The taxpayer advocate shall prepare an annual report detailing the actions the taxpayer's advocate has taken to improve taxpayer services and the responsiveness of the department of taxes. The report shall identify the problems encountered by taxpayers in interacting with the department of taxes and include specific recommendations for administrative and legislative actions to resolve those problems. The report shall identify any problems that span an entire class of taxpayer or specific industry, and propose class- or industry-wide solutions. The report of the taxpayer advocate shall be submitted to the senate committee on finance and the house committee on ways and means no later than January 15th of each year.

(d) By January 15, 2012, the joint fiscal office and the office of legislative council shall jointly present a proposal to the senate committee on finance and the house committee on ways and means for the creation of an independent office of the taxpayer advocate. The proposal shall consider the experiences in other states and include the specific duties and functions of the office, an independent appointment and retention process, a reporting process, and potential funding sources. The joint fiscal office and office of legislative council shall be assisted by the department of taxes, and any other executive agency, as necessary in preparing the proposal.

Sixteenth: By adding a new Sec. 36f to read as follows:

Sec. 36f. 32 V.S.A. § 5887(c) is added to read:

(c) Notwithstanding subsections (a) and (b) of this section, the commissioner may compromise a tax liability arising under this title upon the grounds of doubt as to liability or doubt as to collectibility, or both. Upon acceptance by the commissioner of an offer in compromise, the liability of the taxpayer in question is conclusively settled, and neither the taxpayer nor the commissioner may reopen the case except by reason of falsification or concealment of assets by the taxpayer or mutual mistake of a material fact or if, in the opinion of the commissioner, justice requires it. The decision of the commissioner to reject an offer in compromise is not subject to review. The

commissioner may adopt rules regarding the procedures to be followed for the submission and consideration of offers in compromise.

Seventeenth: By adding a new Sec. 36g to read as follows:

Sec. 36g. 32 V.S.A. § 9741(48) is added to read:

(48) Sales of tangible personal property sold by an auctioneer licensed under chapter 89 of Title 26, including any buyer's premium charged by the auctioneer, that are conducted on the premises of the owner of the property, provided that no other person's property is sold on the auction premises.

Eighteenth: By adding a new Sec. 36h to read as follows:

Sec. 36h. TAXPAYER OUTREACH AND INFORMATION SYSTEMS

As the department of taxes has increased its compliance efforts in recent years, it has not increased its taxpayer service and education capacity. To balance the needs of the state with the rights of taxpayers, the department of taxes should increase its taxpayer outreach and education efforts. By January 18, 2012, the department of taxes shall make recommendations to the senate committee on finance and the house committee on ways and means on:

(1) ways in which the department of taxes can improve its education outreach to taxpayers in specific industries or classes to ensure that taxpayers in those industries and classes are aware of their obligations under law and to ensure that the department of taxes is able to track and respond to industry- or class-wide concerns;

(2) how to improve its system of taxpayer administrative appeals that includes a review of the feasibility of creating an appeals officer or body independent of the department of taxes; and

(3) protocols the department of taxes can adopt for tracking taxpayer inquiries and responses by the department of taxes to ensure that taxpayers receive correct information.

Nineteenth: By adding a new Sec. 36i to read as follows:

Sec. 36i. LEGISLATIVE INTENT FOR TAX EXPENDITURES

It is the intent of the general assembly in reviewing the tax expenditure budgets recommended by the governor to ensure that any changes to Vermont's tax expenditures are done openly and equitably and are subject to public review. Vermont tax expenditures are intended to reflect and support Vermont values and policies.

Twentieth: By adding a new Sec. 36j to read as follows:

Sec. 36j. 32 V.S.A. § 306 is amended to read:

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§ 306. BUDGET REPORT

(a) The governor shall submit to the general assembly, not later than the third Tuesday of every annual session, a budget which shall embody his or her estimates, requests, and recommendations for appropriations or other authorizations for expenditures from the state treasury. In the first year of the biennium, the budget shall relate to the two succeeding fiscal years. In the second year of the biennium, it shall relate to the succeeding fiscal year.

(b) The governor shall also submit to the general assembly, not later than the third Tuesday of each session of every biennium, a tax expenditure budget which shall embody his or her estimates, requests, and recommendations. The tax expenditure budget shall be divided into three parts and made as follows:

(1) A budget covering tax expenditures related to nonprofits and charitable organizations and covering miscellaneous expenditures shall be made by the third Tuesday of the legislative session beginning in January 2012 and every three years thereafter.

(2) A budget covering tax expenditures related to economic development, including business, investment, and energy, shall be made by the third Tuesday of the legislative session beginning in January 2013 and every three years thereafter.

(3) A budget covering tax expenditures made in furtherance of Vermont's human services, including tax expenditures affecting veterans, shall be made by the third Tuesday of the legislative session beginning in January 2014 and every three years thereafter.

(c) The tax expenditure budget shall be provided to the house committee on ways and means and the senate committee on finance, which committees shall review the tax expenditure budget and shall report their recommendations in bill form.

Twenty-first: By adding a new Sec. 36k to read as follows:

Sec. 36k. 32 V.S.A. § 312 is amended to read:

§ 312. TAX EXPENDITURE REPORT

\* \* \*

~~(c) Based on the information contained in the tax expenditure report, the commissioner shall recommend to the general assembly that any expenditure that has cost less than \$50,000.00 or has been claimed by fewer than ten taxpayers in each of the three preceding years be repealed two years hence.~~

Twenty-second: By adding a new Sec. 36l to read as follows:

Sec. 36l. REPEAL

32 V.S.A. § 5823(a)(5) is repealed as of July 1, 2013.

Twenty-third: By adding a new Sec. 36m to read as follows:

Sec. 36m. LINK-BASED USE TAX RETURNS

The department of taxes shall evaluate the feasibility of providing a voluntary Internet-based use tax reporting and payment system in conjunction with the notice required under Sec. 36a of this act. The department of taxes shall communicate its findings to the senate committee on finance and the house committee on ways and means by memorandum no later than January 15, 2012.

**\*\*\* TECHNICAL CORRECTIONS \*\*\***

Twenty-fourth: In Sec. 7 (REPEAL), by striking out the words “The following are repealed.” and “(1)”, and by inserting after the words “Acts of 2011” the words “is repealed”

Twenty-fifth: In Sec. 26, 33 V.S.A. § 1955(a), by striking out “6.0” and inserting “5.9”

Twenty-sixth: In Sec. 28, 8 V.S.A. § 4089l, in subdivision (a)(1), by striking out the word “quarterly” and by striking out “June 30” and inserting in lieu thereof “June 1”

Twenty-seventh: In Sec. 29, 8 V.S.A. § 4089k(a)(1), by striking out the word “quarterly” and by striking “June 30” and inserting in lieu thereof “June 1”

Twenty-eighth: By adding a new Sec. 36n to read as follows:

Sec. 36n. 33 V.S.A. § 1986(a)(2) is amended to read:

(2) ~~45.5~~ 14.5 percent of the revenue from the cigarette tax levied pursuant to chapter 205 of Title 32;

Twenty-ninth: By adding a new Sec. 36o to read as follows:

Sec. 36o. 33 V.S.A. § 1901d(b)(1) is amended to read:

(1) all revenue from the tobacco products tax and ~~84.5~~ 85.5 percent of the revenue from the cigarette tax levied pursuant to chapter 205 of Title 32;

**\*\*\* EFFECTIVE DATES \*\*\***

Thirtieth: In Sec. 37 (EFFECTIVE DATES), in subdivision (3), after the words “(changes to homestead declaration penalty)”, by inserting the words “and Sec. 13b (veteran’s exemption adjustment)”, and in subdivision (8), after “(allocation of property transfer tax revenue)” by striking the word “and” and after the words “(exempt organizations)” by inserting the words “, 36d”

(spirituous liquors), 36g (sales tax exemption for auctioneers), 36n (Catamount fund), and 36o (state health care fund)”

Thirty-first: In Sec. 37 (EFFECTIVE DATES), by adding new subdivisions (11), (12), (13), (14), and (15) to read:

(11) Sec. 13a (use value appraisal permits) shall take effect on passage and shall apply to any land permitted at the time of passage, or to any land permitted after passage.

(12) Sec. 15a (tax increment audits) shall apply only to audits initiated by the state auditor of accounts after January 1, 2012.

(13) Sec. 36a (Internet affiliate sales tax) shall take effect on the date on which, through legislation, rule, agreement, or other binding means, 15 or more other states have adopted requirements that are the same, substantially similar, or significantly comparable to the requirements contained in Sec. 36a. The attorney general shall determine when this date has occurred.

(14) Sec. 36b (out of state sellers notice) is repealed on the date on which, through legislation, rule, agreement, or other binding means, 15 or more other states have adopted requirements that are the same, substantially similar, or significantly comparable to the requirements contained in Sec. 36a. The attorney general shall determine when this date has occurred.

(15) Sec. 15b (Milton TIF) shall apply retroactively to July 1, 2008.

And that all sections and cross references be renumbered to be numerically correct.

*ANN E. CUMMINGS  
MARK A. MACDONALD  
TIMOTHY R. ASHE*

*Committee on the part of the Senate*

*JANET ANCEL  
CAROLYN W. BRANAGAN  
DAVID D. SHARPE*

*Committee on the part of the House*

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 17, Nays 10.

Senator Brock having demanded the yeas and nays, they were taken and are as follows:

### **Roll Call**

**Those Senators who voted in the affirmative were:** Ashe, Ayer, Baruth, Campbell, Carris, Cummings, Fox, Galbraith, Hartwell, Kitchel, Lyons, MacDonald, Mazza, Miller, Nitka, Sears, White.

**Those Senators who voted in the negative were:** Benning, Brock, Doyle, Flory, Giard, Illuzzi, McCormack, Mullin, Pollina, Starr.

**Those Senators absent and not voting were:** Kittell, Snelling, Westman.

**Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate**

**H. 446.**

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to capital construction and state bonding.

Was taken up for immediate consideration.

Senator Hartwell, for the Committee of Conference, submitted the following report:

TO THE SENATE AND HOUSE OF REPRESENTATIVES:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House Bill entitled:

H. 446 An act relating to capital construction and state bonding.

Respectfully reports that it has met and 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:

\* \* \* Legislative Intent \* \* \*

Sec. 1. LEGISLATIVE INTENT

(a) Notwithstanding any other provision of law, this act, unlike previous acts relating to capital construction and state bonding, appropriates capital funds for the next two years. This temporary move to a biennial capital budgeting cycle is designed to accelerate the construction dates of larger projects and thus create jobs for Vermonters sooner than would be possible under a one-year capital budgeting cycle.

(b) It is the intent of the general assembly that:

(1) this move to a biennial capital budgeting cycle shall apply only to FY 2012 and FY 2013.

(2) any decision to move permanently to a biennial capital budgeting cycle shall receive study and consideration at a later date prior to implementation.

(3) of the \$154,739,399 million authorized by this act, no more than \$92,249,757 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

(4) in the second year of the biennium, any amendments to the appropriations or authorities granted in this act shall take the form of a capital construction and state bonding adjustment bill. It is the intent of the general assembly that unless otherwise indicated, all appropriations in this act are subject to capital budget adjustment.

(c) On or before January 15, 2012, each entity to which funds are appropriated under this act shall submit to the house committee on corrections and institutions and the senate committee on institutions a brief report on the status of each project. The report shall be no more than one page in length for each project.

\* \* \* Capital Appropriations \* \* \*

## Sec. 2. STATE BUILDINGS

(a) Of the total sums appropriated to the department of buildings and general services, the commissioner is authorized to direct funds appropriated in this section to the projects contained in this section; however, no project shall be canceled until the chairs of the senate committee on institutions and the house committee on corrections and institutions are notified before that action is taken. The individual allocations in this section are estimates only.

(b) The following sums are appropriated in FY 2012:

- |  |                |
|--|----------------|
| <u>(1) Statewide, asbestos and lead abatement:</u> | <u>100,000</u> |
| <u>(2) Statewide, building reuse and planning:</u> | <u>125,000</u> |
| <u>(3) Statewide, contingency:</u>                 | <u>300,000</u> |

(4) Statewide, major maintenance. Of this amount, up to \$360,000 may be used for window sills and frames in coordination with the ARRA-funded window replacement project in Waterbury. For the purposes of this act, major maintenance shall mean deferred maintenance, planned capital renewal, and routine maintenance as these terms are defined in the memorandum of explanation of terminology dated April 14, 2011 from BGS to the chairs of the institutions committees:

8,000,000

(5) Statewide, BGS engineering, project management, and architectural project costs. It is the intent of the general assembly to evaluate in the second

year of the biennium the appropriate amount for future funding of this project:

2,428,802

- |   |                  |
|---|------------------|
| (6) <u>Statewide, physical security enhancements:</u>   | <u>150,000</u>   |
| (7) <u>Brattleboro, state office building, HVAC replacement and renovations:</u>  | <u>3,275,000</u> |
| (8) <u>Burlington, 108 Cherry St., HVAC upgrades:</u>   | <u>1,000,000</u> |
| (9) <u>Montpelier, 116 State St., restore building envelope:</u>  | <u>1,000,000</u> |
| (10) <u>Burlington, for Burlington International Airport to continue the process of planning and designing a new aviation technical center.</u>   | <u>150,000</u>   |
| (11) <u>Montpelier, 120 State St., restroom renovations:</u>  | <u>250,000</u>   |
| (12) <u>Montpelier, 120 State St., planning and design for building renovations:</u>  | <u>250,000</u>   |
| (13) <u>Newport, Hebard state office building, state share, façade replacement and water intrusion prevention:</u>  | <u>350,000</u>   |
| (14) <u>Newport, Northern State Correctional Facility, maintenance shop:</u>  | <u>350,000</u>   |
| (15) <u>Springfield Correctional Facility, exterior mechanical building:</u>  | <u>350,000</u>   |
| (16) <u>No funds are appropriated for the exposition center building located in Springfield, MA. On or before January 15, 2012, the agency of agriculture, food and markets shall present financial information for the facility, including cost share and revenue data, to the house committee on corrections and institutions and the senate committee on institutions. The secretary of agriculture, food and markets and the commissioner of buildings and general services shall work together to create a plan for how revenues can be used to perform major maintenance on the facility.</u> |                  |
| (17) <u>St. Albans, Northwest State Correctional Facility, maintenance shop:</u>  | <u>350,000</u>   |
| (18) <u>St. Johnsbury, Caledonia Community Work Camp, wood boiler and generator upgrade:</u>  | <u>400,000</u>   |
| (19) <u>Waterbury, powerhouse fuel tank replacement:</u>  | <u>400,000</u>   |
| (20) <u>Waterbury, wood-chip-fired boiler facility planning:</u>  | <u>500,000</u>   |
| (21) <u>Montpelier, capital district heat plant, subject to the conditions in subsection (e) of this section:</u>   | <u>7,000,000</u> |

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(22) Montpelier, state house, renovate and refurnish housecommittee rooms, chosen by the speaker of the house, to continue making better use of existing space. By January 1, 2013, the Ethan Allen room shall be restored to public use: 200,000

(c) The following sums are appropriated in FY 2013:

(1) Statewide, asbestos and lead abatement: 100,000

(2) Statewide, contingency: 300,000

(3) Statewide, major maintenance, as that term is defined in subdivision (b)(4) of this section: 7,900,000

(4) Statewide, BGS engineering, project management, and architectural project costs. It is the intent of the general assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project: 2,428,802

(5) Statewide, physical security enhancements: 150,000

(6) Burlington, 108 Cherry St., HVAC upgrades: 1,000,000

(d) For the project described in subdivision (b)(12) of this section, the commissioner shall present a design plan to the committees on institutions on or before January 15, 2012.

(e) For the project described in subdivision (b)(21) of this section:

(1) The state of Vermont shall own and operate the plant and be responsible for the state distribution lines. The state shall have the sole responsibility for planning, design, and construction of the plant; however, the state may involve the city in this process to the extent desirable by the state. The state and city shall engage in discussions regarding capacity. The commissioner of buildings and general services is authorized to enter into contracts with the city regarding the sale of thermal energy.

(2) Release of funds appropriated to this project is contingent on the execution on or before June 9, 2011 of a memorandum of understanding between the department of buildings and general services and the city of Montpelier that includes the following:

(A) A statement of how federal grant funds shall be allocated between the state and the city.

(B) The mechanism for establishing the wholesale thermal energy price that the state will charge the city. This mechanism shall include the recovery of the state's costs of operation and maintenance of the heat plant, including maintenance reserves.

(C) A provision that, regardless of the outcome of the bond vote of the city of Montpelier for funding the plant or other related matters, the city shall cooperate with the state to aid the state in retaining the benefit of federal grant monies for this project.

(D) A statement that the city shall own and maintain a thermal conversion unit and the city distribution lines.

(E) An agreement between the state and the city regarding how much capacity shall be built into the plant initially for Montpelier.

(3) If no memorandum of understanding meeting the requirements of subdivision (2) of this subsection (e) is executed on or before June 9, 2011,

\$1,900,000 of the \$7,000,000 that would otherwise be appropriated for this project shall be appropriated instead to the department of buildings and general services for maintenance of the existing plant. Another \$1,000,000 shall be appropriated for major maintenance of state properties. The remainder shall be reallocated during the budget adjustment process.

<u>Appropriation – FY 2012</u>	<u>\$26,928,802</u>
<u>Appropriation – FY2013</u>	<u>\$11,878,802</u>
<u>Total Appropriation – Section 2</u>	<u>\$38,807,604</u>

### Sec. 3. ADMINISTRATION

(a) Of the funds appropriated to the department of taxes for the Vermont Center for Geographic Information for an ongoing project to update statewide quadrangle maps through digital orthophotographic quadrangle mapping:

- (1) \$100,000 is appropriated in FY 2012.
- (2) \$100,000 is appropriated in FY 2013.

(b) The sum of \$10,000,000 is appropriated to Vermont Telecommunications Authority (VTA) in FY 2012 for the project described in and subject to the requirements of Sec. 49 of this act.

<u>Appropriation – FY 2012</u>	<u>\$10,100,000</u>
<u>Appropriation – FY 2013</u>	<u>\$100,000</u>
<u>Total Appropriation – Section 3</u>	<u>\$10,200,000</u>

### Sec. 4. HUMAN SERVICES

(a) The following sums are appropriated in FY 2012 to the department of buildings and general services for the agency of human services for the projects described in this subsection:

<u>(1) Health laboratory, continuation of design, permitting, bidding, and construction phases for co-location of department of health laboratory with the UVM Colchester research facility:</u>	<u>14,000,000</u>
<u>(2) Vermont state hospital, ongoing safety renovations:</u>	<u>100,000</u>
<u>(3) Vermont state hospital, continuation of planning and design for the replacement of services:</u>	<u>700,000</u>
<u>(4) Corrections, continuation of suicide prevention project:</u>	<u>100,000</u>
<u>(5) Corrections, security upgrades:</u>	<u>100,000</u>

(6) Corrections, removal of existing dam at the Southeast State Correctional Facility in Windsor and upgrade of the facility's potable and fire suppression water supply: 1,000,000

(b) The sum of \$1,400,000 is appropriated to the department of buildings and general services in FY 2012 for the department of corrections master plan outlined in Sec. 38 of this act.

(c) The sum of \$400,000 is appropriated in FY 2012 to the agency of human services for the construction of transitional housing. On or before January 15, 2012, the secretary of human services shall present a plan for how the construction of transitional housing should be funded in the future to the house committee on appropriations, house committee on corrections and institutions, the senate committee on appropriations, and the senate committee on institutions.

(d) The following sums are appropriated in FY 2013 to the department of buildings and general services for the agency of human services for the projects described in this subsection:

(1) Corrections, rehabilitate VCI print shop: 143,920

(2) Corrections, removal of existing dam at the Southeast State Correctional Facility in Windsor and upgrade of the facility's potable and fire suppression water supply: 400,000

(3) Vermont state hospital, continuation of planning and design for the replacement of services: 1,300,000

(e) The sum of \$14,000,000 is appropriated in FY 2013 to the department of buildings and general services for the agency of human services to continue the project described in subdivision (a)(1) of this section. For the purpose of allowing the department of buildings and general services to enter into contractual agreements and complete work on the health laboratory project as soon as possible, it is the intent of the general assembly that these are committed funds not subject to budget adjustment.

Appropriation – FY 2012 \$17,800,000

Appropriation – FY 2013 \$15,843,920

Total Appropriation – Section 4 \$33,643,920

#### Sec. 5. JUDICIARY

(a) \$200,000 is appropriated in FY 2012 to the department of buildings and general services on behalf of the judiciary to perform repairs and upgrades to bring county courthouse facilities into ADA compliance. The department shall perform these repairs in accordance with the County Courts Americans with

Disabilities Act Audits Reports submitted by the department to the general assembly pursuant to Sec. 235a of No. 154 of the Acts of the 2009 Adj. Sess. (2010).

(b) \$200,000 is appropriated in FY 2013 to continue the project described in subsection (a) of this section. For the purpose of allowing the department of buildings and general services to enter into contractual agreements and complete work as soon as possible, it is the intent of the general assembly that these are committed funds not subject to capital budget adjustment.

Total Appropriation – Section 5 \$400,000

Sec. 6. COMMERCE AND COMMUNITY DEVELOPMENT

(a) The following sums are appropriated in FY 2012 to the department of buildings and general services for the agency of commerce and community development for the following projects:

(1) Major maintenance at historic sites statewide; provided such maintenance shall be under the supervision of the department of buildings and general services: 250,000

(2) Vermont archeology heritage center; rehabilitation of unused space at the Vermont history center and associated moving costs: 400,000

(3) Historic property stabilization and rehabilitation fund: 100,000

(b) \$200,000 is appropriated in FY 2013 to the department of buildings and general services for the agency of commerce and community development major maintenance at historic sites statewide; provided such maintenance shall be under the supervision of the department of buildings and general services.

(c) The following sums are appropriated in FY 2012 to the agency of commerce and community development for the following projects:

(1) Underwater preserves: 50,000

(2) Placement and replacement of roadside historic site markers: 15,000

(d) The following sums are appropriated in FY 2013 to the agency of commerce and community development for the following projects:

(1) Underwater preserves: 25,000

(2) Placement and replacement of roadside historic site markers: 15,000

Appropriation – FY 2012 \$815,000

Appropriation – FY 2013 \$240,000

<u>Total Appropriation – Section 6</u>	<u>\$1,055,000</u>
Sec. 7. BUILDING COMMUNITIES GRANTS	
<u>(a) The following sums are appropriated in FY 2012 for building communities grants established in chapter 137 of Title 24:</u>	
<u>(1) To the agency of commerce and community development, division for historic preservation, for the historic preservation grant program:</u>	<u>225,000</u>
<u>(2) To the agency of commerce and community development, division for historic preservation, for the historic barns preservation grant program. Of this sum, up to \$20,000 may be used for the Barn Census Project:</u>	<u>225,000</u>
<u>(3) To the Vermont council on the arts for the cultural facilities grant program:</u>	<u>225,000</u>
<u>(4) To the department of buildings and general services for the recreational facilities grant program:</u>	<u>225,000</u>
<u>(5) To the department of buildings and general services for the human services and educational facilities competitive grant program:</u>	<u>225,000</u>
<u>(6) For the agricultural fairs capital projects competitive grant program:</u>	<u>225,000</u>
<u>(b) The following sums are appropriated in FY 2013 for building communities grants established in chapter 137 of Title 24:</u>	
<u>(1) To the agency of commerce and community development, division for historic preservation, for the historic preservation grant program:</u>	<u>225,000</u>
<u>(2) To the agency of commerce and community development, division for historic preservation, for the historic barns preservation grant program:</u>	<u>225,000</u>
<u>(3) To the Vermont council on the arts for the cultural facilities grant program:</u>	<u>225,000</u>
<u>(4) To the department of buildings and general services for the recreational facilities grant program:</u>	<u>225,000</u>
<u>(5) To the department of buildings and general services for the human services and educational facilities competitive grant program:</u>	<u>225,000</u>
<u>(6) For the agricultural fairs capital projects competitive grant program:</u>	<u>225,000</u>
<u>Appropriation – FY 2012</u>	<u>\$1,350,000</u>

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<u>Appropriation – FY 2013</u>	<u>\$1,350,000</u>
<u>Total Appropriation – Section 7</u>	<u>\$2,700,000</u>

## Sec. 8. EDUCATION

(a) \$7,425,000 is appropriated in FY 2012 to the department of education for funding the state share of completed school construction projects pursuant to 16 V.S.A. § 3448. The appropriation shall be allocated according to the priorities established by the state board of education for fiscal year 2012, excluding emergency projects and asset renewal projects. Major addition or renovation projects shall receive 30 percent of the remaining amount owed by the state. Technical education projects shall each receive 33 percent of the remaining amount owed by the state. Of the balance remaining of the appropriation once all major addition or renovation and technical education projects are paid, renewable energy projects shall receive an equal percentage of the amount owed by the state.

(b) \$7,425,000 is appropriated in FY 2013 pursuant to 16 V.S.A. § 3448. It is the intent of the general assembly that these are committed funds not subject to capital budget adjustment.

<u>Total Appropriation – Section 8</u>	<u>\$14,850,000</u>
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## Sec. 9. AUSTINE SCHOOL

The sum of \$500,000 is appropriated in FY 2012 to the department of buildings and general services for the final phase of renovation of Holton Hall at the Austine School. This shall be the last capital funding for this project.

<u>Total Appropriation – Section 9</u>	<u>\$500,000</u>
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## Sec. 10. UNIVERSITY OF VERMONT

(a) \$1,800,000 is appropriated in FY 2012 to the University of Vermont for construction, renovation, and major maintenance.

(b) \$1,800,000 is appropriated in FY 2013 for the project described in subsection (a) of this section.

(c) It is the intent of the general assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project.

<u>Total Appropriation – Section 10</u>	<u>\$3,600,000</u>
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## Sec. 11. VERMONT STATE COLLEGES

(a) \$1,800,000 is appropriated in FY 2012 to Vermont State Colleges for construction, renovation, and major maintenance.

(b) \$1,800,000 is appropriated in FY 2013 to Vermont State Colleges for construction, renovation, and major maintenance.

(c) It is the intent of the general assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project.

Total Appropriation – Section 11 \$3,600,000

Sec. 12. NATURAL RESOURCES

(a) The following sums are appropriated to the agency of natural resources in FY 2012 for:

(1) the water pollution control fund for the following projects:

(A) Clean water state/EPA revolving loan fund (CWSRF) match: 1,000,000

(B) Combined sewer overflow project in Springfield, several areas: 210,000

(C) Principal and interest on short-term borrowing associated with delayed grant funding for the Pownal project: 500,000

(D) Springfield loan conversion: 100,000

(E) Administrative support – engineering, oversight, and program management. It is the intent of the general assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project: 275,000

(2) the drinking water state revolving fund for the following projects:

(A) Engineering oversight and project management. It is the intent of the general assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project: 275,000

(B) Balance of match to federal FY 2010 EPA grant: 2,515,253

(C) Partial match to federal FY 2011 EPA grant: 271,460

(3) the following water pollution control TMDL and wetland protection projects:

(A) Ecosystem restoration and protection: 2,500,000

(B) Waterbury waste treatment facility phosphorous removal: 2,700,000

(4) the following dam safety and hydrology projects:

(A) Wolcott Pond dam repair and maintenance: 150,000

(B) Waterbury dam maintenance: 175,000

(5) the following department of forests, parks and recreation projects for statewide small-scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, and statewide small-scale road rehabilitation. Up to \$100,000 of these funds may be used to work with the Vermont youth conservation corps on appropriate forests, parks and recreation projects: 2,500,000

(6) the following department of fish and wildlife projects:

(A) general infrastructure projects: 250,000

(B) removal of unsafe dilapidated structures. Of this amount, up to \$50,000 may be used for improvements to state-owned shooting ranges: 150,000

(C) fish culture station improvements: 550,000

(D) fishing access improvements: 100,000

(b) The following sums are appropriated to the agency of natural resources in FY 2013 for:

(1) the water pollution control fund for the following projects:

(A) Clean water state/EPA revolving loan fund (CWSRF) match: 2,000,400

(B) Combined sewer overflow projects:

(i) St. Albans, 1272 Order (Combined Sewer Overflow Abatement): 250,000

(ii) Hartford and White River Junction, Nutt Lane overflow: 125,000

(C) Principal and interest on short-term borrowing associated with delayed grant funding for the Pownal project: 500,000

(D) Springfield loan conversion: 100,000

(E) Administrative support – engineering, oversight, and program management. It is the intent of the general assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project: 300,000

(2) the following projects:

(A) the drinking water state revolving fund for balance of match to federal FY 2011 EPA grant: 2,433,140

(B) engineering oversight and program management. It is the intent of the general assembly to evaluate in the second year of the biennium the appropriate amount for future funding of this project:

300,000

(3) ecosystem restoration and protection:

2,500,000

(4) the department of forests, parks and recreation for statewide small-scale rehabilitation, wastewater repairs, preventive improvements and upgrades of restrooms and bathhouses, and statewide small-scale road rehabilitation projects. Up to \$100,000 of these funds may be used to work with the Vermont youth conservation corps on appropriate forests, parks and recreation projects:

2,500,000

(5) the following department of fish and wildlife projects:

(A) fish culture station improvements:

550,000

(B) fishing access improvements:

100,000

(C) for the Lake Champlain Walleye Association, Inc. to upgrade and repair the walleye rearing, restoration, and stocking infrastructure:

25,000

Appropriation – FY 2012

\$14,221,713

Appropriation – FY 2013

\$11,683,540

Total Appropriation – Section 12

\$25,905,253

#### Sec. 13. MILITARY

(a) \$400,000 is appropriated in FY 2012 to the department of the military for maintenance and renovation at state armories. To the extent feasible, these funds shall be used to draw down federal funds.

(b) \$350,000 is appropriated in FY 2013 for the purpose described in subsection (a) of this section.

Total Appropriation – Section 13

\$750,000

Sec. 14. PUBLIC SAFETY

(a) \$50,000 is appropriated in FY 2012 to the department of public safety for the purchase of equipment for the fire service training center of Vermont in Pittsford.

(b) \$50,000 is appropriated in FY 2013 for the project described in subsection (a) of this section.

(c) \$2,500,000 is appropriated in FY 2012 to the department of buildings and general services for the department of public safety for the design, construction, and fit-up of a new public safety field station to consolidate the Brattleboro and Rockingham barracks.

(d) \$2,500,000 is appropriated in FY 2013 for the project described in subsection (c) of this section. For the purpose of allowing the department of buildings and general services to enter into contractual agreements and complete work on this project as soon as possible, it is the intent of the general assembly that these are committed funds not subject to budget adjustment.

(e) \$10,000 is appropriated in FY 2012 for an architectural assessment of the Vermont State Police barracks in Middlesex to determine the most cost-effective way to modify the existing facilities to enhance officer and suspect safety by incorporating an existing garage to aid in criminal transport, creating an updated holding cell, and creating a contained processing and booking area that is separate from staff work space.

(f) The commissioners of the departments of public safety and of buildings and general services shall study the feasibility of consolidating the Vermont State Police facilities currently located in Bradford and St. Johnsbury into one location.

<u>Appropriation – FY 2012</u>	<u>\$2,560,000</u>
<u>Appropriation – FY 2013</u>	<u>\$2,550,000</u>
<u>Total Appropriation – Section 14</u>	<u>\$5,110,000</u>

Sec. 15. CRIMINAL JUSTICE TRAINING COUNCIL; DEPARTMENT OF PUBLIC SAFETY

No capital funds other than those to be used for major maintenance shall be appropriated for the criminal justice training council or the fire training council until the two entities enter into a memorandum of understanding regarding the use of facilities and a strategic plan to avoid duplication of facilities and services.

## Sec. 16. AGRICULTURE, FOOD AND MARKETS

(a) \$1,300,000 is appropriated in FY 2012 to the agency of agriculture, food and markets for the best management practice implementation cost share program, to continue to reduce nonpoint source pollution in Vermont. Cost share funds shall not exceed 90 percent of the total cost of a project. Whenever possible, state funds shall be combined with federal funds to complete projects.

(b) \$1,200,000 is appropriated in FY 2013 for the program described in subsection (a) of this section.

Total Appropriation – Section 16 \$2,500,000

## Sec. 17. VERMONT PUBLIC TELEVISION

(a) \$300,000 is appropriated in FY 2012 to Vermont Public Television for the continuation of digital conversion and energy conservation retrofitting.

(b) \$300,000 is appropriated in FY 2013 for the project described in subsection (a) of this section.

Total Appropriation – Section 17 \$600,000

## Sec. 18. VERMONT RURAL FIRE PROTECTION

(a) \$100,000 is appropriated in FY 2012 to the department of public safety, division of fire safety for the Vermont rural fire protection task force to continue the dry hydrant program.

(b) \$100,000 is appropriated in FY 2013 to continue the dry hydrant program.

Total Appropriation – Section 18 \$200,000

## Sec. 19. VERMONT VETERANS' HOME

(a) \$200,000 is appropriated in FY 2012 to the department of buildings and general services for the Vermont Veterans' Home to replace the nurse call system on B and C wings of the facility.

(b) \$100,000 is appropriated in FY 2012 to the department of buildings and general services for the Vermont Veterans' Home to design an upgrade of the kitchen and dietary storage areas to be code compliant and to improve the food preparation and delivery systems.

Total Appropriation – Section 19 \$300,000

## Sec. 20. VERMONT CENTER FOR CRIME VICTIM SERVICES

(a) \$50,000 is appropriated in FY 2012 to the Vermont Center for Crime Victim Services for Americans with Disabilities Act improvements at domestic

and sexual violence shelters and nonshelter programs. The Vermont Center for Crime Victim Services shall continue to file annually and in the manner prescribed by the report required by Sec. 20 of No. 161 of the Acts of the 2009 Adj. Sess. (2010).

(b) \$35,000 is appropriated in FY 2013 for the project described in subsection (a) of this section.

Total Appropriation – Section 20

\$85,000

#### Sec. 21. INFORMATION AND INNOVATION

\$5,334,139 is appropriated in FY 2013 to the department of information and innovation for the upgrade of the financial and human resources computer system. The department shall report back to the general assembly on or before January 15, 2012 regarding how the appropriations granted in Sec. C.100 of No. \_\_\_ of 2011 (H.441; the appropriations bill) have been used for this project.

Total Appropriation – Section 21

\$5,334,139

#### Sec. 22. HOUSING AND CONSERVATION BOARD

The amount of \$4,000,000 is appropriated in FY 2012 to the Vermont housing and conservation board (VHCB) for building and preservation of affordable housing and for conservation projects. The board shall:

(1) give priority consideration to affordable housing preservation and infill projects in or near downtowns or village centers as well as consider applications to build or renovate housing for elders and supportive housing for persons with disabilities, including persons with chronic mental illness and transitional and supportive housing for individuals and families who might otherwise be homeless;

(2) consider the need for creating public inebriate beds and transitional housing in unserved areas of the state;

(3) allocate up to 20 percent of this appropriation for conservation grant awards that will maximize drawdown of federal and private matching funds, particularly federal farmland protection funds allocated to Vermont by the Natural Resources Conservation Service;

(4) leverage federal and private funds to the maximum extent feasible. If less than \$3,200,000 of the state's private use bond cap is made available to VHCB for loans to eligible affordable housing projects or if federal law prevents the state from combining the nine percent housing tax credit with this capital appropriation, VHCB may increase the amount it allocates to conservation grant awards from its capital appropriation, notwithstanding the percentage provided for in this section, provided that VHCB increases its

affordable housing investments by the same amount from funds appropriated to VHCB by Sec. B.810 of No. \_\_\_\_\_ of 2011 (H.441; the appropriations bill); and

(5) on or before January 31, 2012, provide its annual report to the senate committee on institutions and the house committee on corrections and institutions on how the funds appropriated by this section and by No. \_\_\_\_\_ of 2011 (H.441; the appropriations bill) were spent or obligated.

Total Appropriation – Section 22 \$4,000,000

#### Sec. 22a. PUBLIC INEBRIATES TASK FORCE

The public inebriates task force established pursuant to Sec. 17 of No. 179 of the Acts of the 2007 Adj. Sess. (2008) shall work with the Vermont housing and conservation board to provide public inebriate beds. The task force shall develop a plan to assemble support services and related annual funding, and assemble a facility with two to four beds, in one or more of the unserved areas of the state. The task force shall report the plan and its progress to the house committee on corrections and institutions and the senate committee on institutions on or before January 15, 2012.

#### Sec. 23. VERMONT INTERACTIVE TELEVISION

(a) \$299,242 is appropriated in FY 2012 to Vermont Interactive Television for the purchase of equipment necessary for systems and unit upgrades at Vermont Interactive Television sites.

(b) \$299,241 is appropriated in FY 2013 to Vermont Interactive Television for the project described in subsection (a) of this section.

Total Appropriation – Section 23 \$598,483

\* \* \* Financing This Act \* \* \*

#### Sec. 24. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

The following sums are reallocated to the department of buildings and general services to defray expenditures authorized in Sec. 2 of this act:

(1) of the amount appropriated by Sec. 12(a) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (public safety): 6,306.13

(2) of the amount appropriated by Sec. 1 of No. 200 of the Acts of the 2007 Adj. Sess. (2008) (20 Houghton): 10,260.00

(3) of the amount appropriated by Sec. 6 of No. 200 of the Acts of the 2007 Adj. Sess. (2008) (human resources grants): 3,969.35

(4) of the amount appropriated by Sec. 15 of No. 200 of the Acts of the 2007 Adj. Sess. (2008) (Pittsford fire service training facility): 418,632.97

<u>(5) of proceeds from the sale of property authorized by Sec. 32(d) of No. 200 of the Acts of the 2007 Adj. Sess. (2008) (Thayer school):</u>	<u>100,001.00</u>
<u>(6) of the amount appropriated by Sec. 1 of No. 43 of the Acts of 2009 (engineering staff):</u>	<u>74,472.91</u>
<u>(7) of the amount appropriated by Sec. 14 of No. 61 of the Acts of 2001 (Pittsford water treatment):</u>	<u>10,000.00</u>
<u>(8) of the amount appropriated by Sec. 1 of No. 43 of the Acts of 2009 (state archives):</u>	<u>900,986.04</u>
<u>(9) of the amount appropriated by Sec. 1 of No. 200 of the Acts of the 2007 Adj. Sess. (2008) (elevators):</u>	<u>54,770.11</u>
<u>Total Reallocations and Transfers – Section 24</u>	<u>\$1,579,398.51</u>

Sec. 25. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

The state treasurer is authorized to issue general obligation bonds in the amount of \$153,160,000 for the purpose of funding the appropriations of this act. The state treasurer, with the approval of the governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded. The state treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds, pursuant to 32 V.S.A. § 954.

<u>Total Revenues – Section 25</u>	<u>\$153,160,000</u>
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\* \* \* Policy \* \* \*

\* \* \* Buildings and General Services \* \* \*

Sec. 26. PROPERTY TRANSACTIONS; MISCELLANEOUS

(a)(1) On or before October 1, 2011, the City of Rutland shall present to the commissioner of buildings and general services a plan for the Rutland Multi Modal Transit Center (parking garage) that satisfies the city’s interest in the parking garage, reduces the costs to the state of maintaining and operating the parking garage, protects the state’s assets, and is designed to result ultimately

in the sale of the parking garage and the Asa Bloomer State Office Building. Upon receiving the plan, the commissioner may accept, reject, or modify it.

(2) Upon receiving the plan referred to in subdivision (1) of this subsection or on or after October 2, 2011, the commissioner may petition the chair and vice chair of the house committee on corrections and institutions and the chair and vice chair of the senate committee on institutions for permission to sell the Asa Bloomer State Office Building and parking garage. Notwithstanding any law, the chairs and vice chairs may authorize the sale to be conducted in accordance with 29 V.S.A. § 166 as long as the general assembly is not convened.

(b) The commissioner of buildings and general services on behalf of the division for historic preservation is authorized to enter into the agreements specified for the following properties, the proceeds of which shall be dedicated to the fund created by Sec. 30 of this act:

(1) Fuller farmhouse at the Hubbardton Battlefield state historic site, authority to sell or enter into a long-term lease with covenants.

(2) Hyde log cabin in Grand Isle, authority to donate property free of covenants to Grand Isle or, in the alternative, to donate the building to Hyde Park, or in the alternative to sell the property.

(3) Bishop Cabin at Mount Independence State Historic Site in Orwell, authority to sell or enter into a long-term lease with covenants on the land.

(4) Eureka Schoolhouse in Springfield, authority to transfer with covenants to a local organization or, in the alternative, to sell the property.

(5) Bradley Law Office in Westminster, authority to transfer with covenants to a local organization.

(c) The commissioner of buildings and general services is authorized to sell the Vermont health laboratory at 195 Colchester Avenue in Burlington pursuant to 29 V.S.A. § 166. Net proceeds of the sale shall be reallocated to fund future capital projects.

(d) The commissioner of buildings and general services is authorized to use funds appropriated under this act for capital projects requiring additional support that were funded with capital or general appropriations made in prior years.

(e) The commissioners of buildings and general services and of education shall continue with efforts to collocate all department of education staff offices at one or more proximate locations.

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Sec. 27. REPEAL OF AUTHORITY TO SELL REDSTONE

Sec. 25(g)(2) of No. 43 of the Acts of 2009 (authority to sell the Redstone building) is repealed.

Sec. 27a. REDSTONE FEASIBILITY STUDY

The commissioner of buildings and general services shall provide a feasibility study to the senate committee on institutions and the house committee on corrections and institutions on or before January 15, 2012 on whether it is in the best interest of the state for the Redstone building located at 26 Terrace Street in Montpelier to remain in the state's inventory for the support of state government, public functions, state museums, or any other use consistent with functions of state government. The commissioner may propose a plan that includes partnering with nonprofit entities to restore and renovate the building to accommodate the proposal and retain the property's historic value.

Sec. 28. Sec. 26 of No. 52 of the Acts of 2007 is amended to read:

Sec. 26. PROPERTY TRANSACTIONS; MISCELLANEOUS

The commissioner of buildings and general services is authorized, with the approval of the secretary of administration, to sell the properties listed in this subsection pursuant to 29 V.S.A. § 166. ~~Of proceeds from the sales \$50,000 is appropriated to the Friends of the State House for renovations to the state house. The remainder is~~ Proceeds from the sale are appropriated to the department of buildings and general services for construction and renovation of building 617 in Essex to house the department of health and department of public safety forensics laboratories future capital projects.

\* \* \*

Sec. 28a. Sec. 25 of No. 43 of the Acts of 2009 is amended to read:

Sec. 25. PROPERTY TRANSACTIONS; MISCELLANEOUS

\* \* \*

(i) In Sec. 32(d) of No. 200 of the Acts of the 2007 Adj. Sess. (2008), the general assembly authorized the commissioner of buildings and general services to sell, lease, subdivide, convert into condominiums, or any combination thereof the Thayer school building located at 1193 North Avenue in Burlington. The commissioner is hereby further authorized to transfer title by warranty deed for sale of the building and to convey the Thayer school property by warranty deed and to renegotiate or redevelop the terms of the property development agreement, including the state's present and future ownership interest in the real property and the scope and nature of the

development agreement. If a proposal to renegotiate or redevelop the terms of the property development agreement is created when the general assembly is not convened, the proposal shall be presented to the chairs and vice chairs of the institutions committees to review and approve.

Sec. 29. Sec. 25(f) of No. 161 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

(f) Following consultation with the state advisory council on historic preservation as required by 22 V.S.A. § 742(7) and pursuant to 29 V.S.A. § 166, the commissioner of buildings and general services is authorized to subdivide and sell the house, barn, and up to 10 acres of land at 3469 Lower Newton Road in St. Albans. Net proceeds of the sale shall be deposited in the historic property stabilization and rehabilitation fund established in Sec. 30 of this act.

Sec. 30. 29 V.S.A. § 155 is added to read:

§ 155. HISTORIC PROPERTY STABILIZATION AND REHABILITATION SPECIAL FUND

(a) There is established a special fund managed by and under the authority and control of the commissioner, comprising net revenue from the sale of underutilized state-owned historic property to be used for the purposes set forth in this section. Any remaining balance at the end of the fiscal year shall be carried forward in the fund; provided, however, that if the fund balance exceeds \$250,000.00 as of November 15 in any year, then the general assembly shall reallocate the excess funds for other purposes in the next enacted capital appropriations bill.

(b) Monies in the fund shall be available to the department for the stabilization or rehabilitation of state-owned historic property pursuant to a program created jointly by the department of buildings and general services and the division for historic preservation of the agency of commerce and community development.

(c) On or before January 15 of each year, the department shall report to the house committee on corrections and institutions and the senate committee on institutions concerning deposits into and disbursements from the fund occurring in the previous calendar year, the properties sold and stabilized or rehabilitated during that period, and the department's plans for future stabilization or rehabilitation of state-owned historic properties.

(d) Annually, the list presented to the general assembly of state-owned property the commissioner seeks approval to sell pursuant to section 166 of this title shall identify those properties the commissioner has identified as

underutilized state-owned historic property pursuant to subsection (b) of this section.

(e) For purposes of this section, "historic property" has the same meaning as defined in 22 V.S.A. § 701.

#### Sec. 31. TRANSITION; FUNDING

(a) On or before July 15, 2011, the department of buildings and general services and the division for historic preservation shall develop a proposal for the program required in Sec. 30, 29 V.S.A. § 155(b), of this act and shall present the proposal to the chairs of the house committee on corrections and institutions and the senate committee on institutions. The chairs shall review the proposal and recommend to the joint fiscal committee whether or not to approve the proposal. After review of the proposal and the chairs' recommendations, the joint fiscal committee shall approve the proposal, disapprove the proposal, or direct the departments to amend and resubmit the proposal to the chairs by a date certain.

(b) Of the funds appropriated in Sec. 6(a)(3) of this act, the sum of \$100,000 is allocated in fiscal year 2012 to the historic property stabilization and rehabilitation special fund created in Sec. 30 of this act.

#### Sec. 32. INFORMATION CENTERS

The secretaries of transportation and of commerce and community development and the commissioner of buildings and general services shall study and recommend on or before January 15, 2012 a future program for delivery of travel information services to motorists and the promotion of Vermont businesses and products to the motoring public. To the extent possible, the secretaries and the commissioner shall explore means that do not utilize new structures.

#### Sec. 33. BICYCLE RACKS AT STATE BUILDINGS

(a) It is the intent of the general assembly that the department of buildings and general services consider installation of bicycle parking during the design phase of any state-owned buildings for projects under the jurisdiction of the department of buildings and general services.

(b) By September 30, 2011, the commissioner of buildings and general services, in consultation with statewide or regional bicycle organizations, shall:

(1) assess state-owned buildings under the jurisdiction and control of the department to determine the possibility of utilizing existing space for bicycle parking, as well as determining the location, type, and existence of current

bicycle parking options. To the extent feasible, the commissioner shall identify areas at the capital complex in Montpelier and the state office complex in Waterbury where bicycle parking could be added. The commissioner shall consider the costs and savings associated with converting existing indoor space for bicycle parking and the installation costs of adding various types of outdoor bicycle parking options. Based on availability of existing space, ease of conversion of that space, and the availability and costs of creating additional outdoor bicycle parking, the commissioner shall create a priority list of changes that may be implemented to increase the number of bicycle parking options at state-owned buildings.

(2) create an inventory of existing spaces for bicycle parking at state-owned buildings under the jurisdiction and control of the department and make that inventory available to the public via the department's website.

(3) report the information produced as a result of the requirements of subdivisions (1) and (2) of this subsection to the house committee on corrections and institutions and the senate committee on institutions.

#### Sec. 34. RESTROOMS IN STATE BUILDINGS

By September 30, 2011, the commissioner of buildings and general services shall ensure that any single-occupancy restroom with an outer door that can be locked by the occupant in a building owned by the state which is under the commissioner's jurisdiction shall be available for use regardless of the gender of the user.

Sec. 34a. 29 V.S.A. § 152 is amended to read:

#### § 152. DUTIES OF COMMISSIONER

(a) The commissioner of buildings and general services, in addition to the duties expressly set forth elsewhere by law, shall have the authority to:

\* \* \*

(34) Sell thermal energy to the city of Montpelier at a price set by the commissioner.

(35) Accept from the department of public service, the city of Montpelier, or other entity grant funds for renovations to the Capital District heating plant.

\* \* \* Capital Budget Reporting \* \* \*

Sec. 35. 32 V.S.A. § 309 is amended to read:

§ 309. CAPITAL BUDGET REPORT

(a) Consolidated capital budget request. In addition to the general operating budget request to be submitted by the governor to the general assembly pursuant to this chapter, the governor shall submit to the general assembly, not later than the ~~second week~~ third Tuesday of every annual session, a consolidated capital budget request for the following fiscal year, which encompasses all undertakings that may require state general obligation debt financing, including transportation projects as follows:

\* \* \*

\* \* \* Tort Claims Against the State \* \* \*

Sec. 36. 12 V.S.A. § 5601(b) is amended to read:

(b) ~~Effective July 1, 1989, the maximum liability of the state under this section shall be \$250,000.00 to any one person and the maximum aggregate liability shall be \$500,000.00 to all persons arising out of each occurrence.~~ Effective July 1, ~~1990~~ 2011, the maximum liability of the state under this section shall be ~~\$250,000.00~~ \$500,000.00 to any one person and the maximum aggregate liability shall be ~~\$1,000,000.00~~ \$2,000,000.00 to all persons arising out of each occurrence.

Sec. 36a. 12 V.S.A. § 5606 is amended to read:

§ 5606. INDEMNIFICATION OF EMPLOYEES

\* \* \*

(b) The maximum liability of the state under this section shall be ~~\$250,000.00~~ \$500,000.00 to any one person and the maximum aggregate liability shall be ~~\$1,000,000.00~~ \$2,000,000.00 to all persons arising out of each occurrence.

\* \* \*

\* \* \* Human Services \* \* \*

Sec. 37. VERMONT STATE HOSPITAL

(a) Of the funds appropriated in Sec. 271(a)(3) of No. 215 of the Acts of the 2005 Adj. Sess. (2006) (appropriations), up to \$562,635.63 may be used for planning and design for the replacement of services currently being provided at Vermont State Hospital in Waterbury. In reallocating these funds, the general assembly affirms the priority need to close the existing facility.

(b) The commissioners of buildings and general services and of mental health shall report orally to the mental health oversight committee at regular intervals when the general assembly is not in session on the status of planning and design for replacement of services currently being provided at Vermont State Hospital in Waterbury.

(c) On or before January 15, 2012, the commissioners of buildings and general services and of mental health shall report to the house committees on appropriations, on corrections and institutions, and on human services and to the senate committees on appropriations, on institutions, and on health and welfare on the status of planning and design for this project, a proposal for further stages of development, and future appropriations that will be needed to continue that development. The committees shall respond with their approval or disapproval of the plan by sending a letter to the commissioners of buildings and general services and of mental health or by offering a resolution or proposed legislation on or before January 30, 2012.

Sec. 38. DEPARTMENT OF CORRECTIONS MASTER PLAN

(a) For the purpose of reducing the number of out-of-state beds at a cost savings to the state, the department of corrections shall:

(1) switch male and female populations between certain facilities by:

(A) changing the role of the Chittenden Regional Correctional Facility from housing a predominantly male to a predominantly female population. The department shall modify the facility for females.

(B) changing the role of the Northwest State Correctional Facility from housing a predominantly female population to a predominantly male population and restore the number of beds at that facility to 247.

(2) modify the Southeast State Correctional Facility into a 50-bed work camp and a 50-bed general population facility.

(b) As part of the transfer required by subdivision (a)(1) of this section, the department of corrections shall:

(1) train correctional facility staff in gender-responsive practices prior to the transfer.

(2) continue to provide prearrest lodging at the Chittenden Regional Correctional Facility for a male until his first appearance in court. If the male is remanded into custody, he shall move to another facility.

(3) ensure individuals are released in accordance with 28 V.S.A. § 808(a) for the purpose of facilitating furlough or outside programming.

(4) continue to engage with community partners to develop a continuum of services that reduces recidivism to assist in a reentry of individuals. This continuum of services shall include employment, parenting, education, and risk reduction programs.

(c) The department of corrections shall report to the corrections oversight committee no later than August 15, 2011 on the following:

(1) trends pertaining to incarcerated women in this state, including population, sentencing, and detention.

(2) the range of work opportunities available for incarcerated individuals and the number of participants.

(3) the range of program opportunities available for incarcerated individuals and the number of participants. Program opportunities shall be defined broadly to include gardening, substance abuse, parenting, education, and risk reduction programs.

(4) the feasibility of expanding house arrest measures to initially avoid incarceration for misdemeanors and nonviolent felonies.

(d) The department shall reduce the number of women incarcerated by five percent by January 15, 2012, as measured by the daily average of women incarcerated in February 2011.

(e) It is the intent of the general assembly to:

(1) ensure that the incarcerated individuals who in the interest of public safety can be supervised safely in the community are reintegrated into the community with the appropriate status.

(2) in the second year of the biennium evaluate the move required by subsection (a) of this section and consider strategies to reduce the number of women incarcerated.

\* \* \* Natural Resources \* \* \*

Sec. 39. LAKE CHAMPLAIN WALLEYE ASSOCIATION;  
REALLOCATION

Of the funds appropriated in Sec. 11(g)(1) of No. 52 of the Acts of 2007, the Lake Champlain Walleye Association, Inc. is authorized to redirect the sum of \$21,150 to purchase walleye-rearing infrastructure upgrades.

Sec. 40. NATURAL RESOURCES; CONSOLIDATION; EXCESS PROPERTY

The agency of natural resources shall conduct an inventory of unused building space within its properties, study how unused and underutilized buildings may be consolidated to provide more efficient agency operations and energy usage across the agency, and consider what buildings, if any, might be sold following consolidation. On or before January 15, 2012, the agency of natural resources shall report to the house committee on corrections and institutions and the senate committee on institutions on the matters listed in this section and any legislative changes that would need to occur to facilitate the consolidation process.

\* \* \* Military Department \* \* \*

Sec. 41. DEPARTMENT OF MILITARY; REALLOCATION

Of the funds appropriated in Sec. 13 of No. 161 of the Acts of the 2009 Adj. Sess. (2010), the department of the military is authorized to use up to \$600,000 as necessary to fund the state's share of land acquisition in Bennington for new construction and for major maintenance and renovation projects at state armories. To the extent possible, these funds shall be used to match federal funds, and the department of the military is authorized to accept federal funds.

\* \* \* Education \* \* \*

Sec. 42. 16 V.S.A. § 3448(a)(7)(C) is amended to read:

(C) The amount of an award shall be 50 percent of the approved cost of a project or applicable portion of a project which results in consolidation of two or more school buildings and which will serve the educational needs of students in a more cost-effective and educationally appropriate manner as compared to individual projects constructed separately. A decision of the commissioner as to eligibility for aid under this subdivision (C) shall be final. This subdivision (C) shall apply only to a project which has received preliminary approval by June 30, ~~2011~~ 2013.

Sec. 43. STATE AID FOR SCHOOL CONSTRUCTION

On or before January 15, 2012, the department of education shall provide a report on the costs of lifting the moratorium on state aid for school construction, required by Sec. 36 of No. 52 of the Acts of 2007, including the moratorium on biomass, to the house committee on corrections and institutions and the senate committee on institutions. In preparing its report, the department shall consider the demand for new projects, how other states fund school construction, and new funding formulas, including formulas that do not

utilize capital funding. The report shall include a recommendation about when the moratorium should be lifted.

\* \* \* Transportation \* \* \*

Sec. 44. TRANSPORTATION; CONSOLIDATION; EXCESS PROPERTY

The agency of transportation shall conduct an inventory of unused building space within its properties, study how unused and underutilized buildings may be consolidated to provide more efficient operations and energy usage across the agency, and consider what buildings, if any, might be sold following consolidation. On or before January 15, 2012, the agency of transportation shall report to the house committee on corrections and institutions and the senate committee on institutions on the matters listed in this section and any legislative changes that would need to occur to facilitate the consolidation process.

Sec. 45. FINDINGS

Two local civic leaders, John Boylan and John Worth, played instrumental roles in establishing a state airport in Island Pond (town of Brighton). However, in an effort to shorten the airport's name, John Worth was not recognized.

Sec. 45a. RENAMING OF JOHN H. BOYLAN AIRPORT

Notwithstanding any provisions of law to the contrary, the Vermont board of libraries is authorized to rename the "John H. Boylan Airport" in Island Pond (town of Brighton).

Sec. 46. TELECOMMUTING BY STATE WORKERS

On or before January 15, 2012, the agencies of transportation and of human services and the department of buildings and general services shall submit to the house committee on corrections and institutions and the senate committee on institutions a joint report addressing whether and to what extent their employees could telecommute to perform their duties and what impact, if any, an increase in telecommuting by state employees would have on the inventory of state buildings.

\* \* \* Energy Use on State Properties \* \* \*

Sec. 47. STATE ENERGY USE

(a) The general assembly recognizes and applauds the ongoing efforts of the state to pursue all practicable measures to reduce overall energy consumption.

(b) It is the intent of the general assembly that each agency, board, department, commission, committee, branch, or authority of the state:

(1) reduce its energy consumption, including the amount of fuel used by its employees to travel to and from meetings during the workday, by five percent each year; and

(2) increase its use of renewable energy.

(c) The secretary of administration is charged with coordinating this initiative. The secretary or designee shall track the state's progress in meeting these goals and, for the purpose of encouraging success, shall have the authority to implement incentive programs, to consult with public and nonpublic entities about strategies, and to require the relevant subdivisions of state government to take necessary actions. The secretary may use incentives received by the state from an electric energy efficiency entity to cover the costs associated with tracking or encouraging success in meeting these goals.

(d) On or before January 15, 2012, the secretary of administration shall recommend to the general assembly and the governor strategies for investing in energy efficiency and renewable energy.

(e) The secretary of administration shall create and maintain an energy accounting system that includes baseline and annual data on energy consumption at real properties owned or managed by the state and, with respect to transportation, fuel used by the employees of the state, on a Btu basis.

Sec. 48. 29 V.S.A. § 168 is amended to read:

§ 168. STATE RESOURCE MANAGEMENT; REVOLVING FUND

(a) Resource management. The department shall be responsible for administering the interest of the state in all resource conservation measures, including equipment replacement, studies, weatherization, and construction of improvements affecting the use of energy resources. All resource conservation measures taken for the benefit of departments or agencies to which this section applies shall, beginning on July 1, 2004, be made and executed by and in the name of the commissioner.

(b) Revolving fund.

(1) There is established a resource management revolving fund to provide revenue for implementation of resource conservation measures anticipated to generate a life cycle cost benefit to the state. All state agencies responsible for development and operations and maintenance of state infrastructure shall have access to the revolving fund on a priority basis established by the commissioner.

(2) The fund shall consist of:

---

(A) ~~Moneys~~ Monies appropriated to the fund, or which are paid to it under authorization of the emergency board.

(B) ~~Moneys~~ Monies saved by the implementation of resource management conservation measures.

(C) Fees for administrative costs paid by departments and agencies, which shall be fixed by the commissioner subject to the approval of the secretary of administration.

(D) Monies associated with all incentives received by the state of Vermont from an entity appointed under 30 V.S.A. § 209(d)(2) (electric energy efficiency entities).

(3) ~~Moneys~~ Monies from the fund shall be expended by the commissioner for resource conservation measures anticipated to generate a life cycle cost benefit to the state and all necessary costs involved with the administration of state agency energy planning as determined by the commissioner.

(4) The commissioner shall establish criteria to determine eligibility for funding of resource conservation measures.

(5) Agencies or departments receiving funding shall repay the fund through their regular operating budgets according to a schedule established by the commissioner. Repayment shall include charges of fees for administrative costs over the term of the repayment.

(6) The commissioner of finance and management may anticipate receipts to this fund and issue warrants based thereon.

(7) The commissioner of buildings and general services shall maintain accurate and complete records of all receipts by and expenditures from the fund.

(8) All balances remaining at the end of a fiscal year shall be carried over to the following year.

\* \* \* Vermont Telecommunications Authority \* \* \*

Sec. 49. ADMINISTRATION; VERMONT TELECOMMUNICATIONS AUTHORITY

(a) The sums appropriated in Sec. 3 of this act to the Vermont telecommunications authority (VTA) shall be used to develop infrastructure to meet the cellular and broadband needs of unserved and underserved Vermonters. Such infrastructure may include:

(1) Fiber optic facilities.

(2) Telecommunications towers or other support structures.

(3) Equipment needed to deliver cellular service.

(4) Equipment needed to deliver broadband Internet services having combined download and upload speeds of at least five megabits per second.

(b) Funds appropriated under this section may be used for direct investments in infrastructure, to be owned by the VTA, and for grants to retail service providers.

(c) To the extent possible, the VTA shall leverage the funds with bonding or borrowing capacity or other available sources of public or private funding.

(d) Infrastructure owned and leased by the VTA under this section, including towers and fiber optic facilities, shall be available for use by as many retail service providers as the technology will permit to prevent the state from establishing a monopoly service territory for one provider, and shall be available for use by providers on a nondiscriminatory basis and according to published terms and conditions.

(e) Prior to the construction or installation of VTA-owned fiber optic facilities under this section, the VTA shall consult with the secretary of administration or designee to identify those areas of the state having the greatest need for fiber optic facilities and to determine the extent of needed state investment in new fiber optic facilities, and shall issue a request for public comment. In making the determinations required under this subsection, the VTA and the secretary shall consider:

(1) The location and availability of existing fiber optic networks, to the extent such information is available, and the terms and conditions for the use of those networks.

(2) The availability of broadband and cellular services in various parts of the state, the likelihood of planned expansions to services known to the VTA, and the need for fiber optic facilities to support expansion of services in unserved and underserved areas.

(3) The speed of broadband services available in various parts of the state for residential, business, and institutional uses, and the increase in speed that new fiber optic facilities would support.

(4) Prior investments of public and private funds in the development of fiber optic facilities.

(5) The technical and economic feasibility of potential fiber optic routes.

(6) The objectives of the telecommunications plan adopted by the department of public service under 30 V.S.A. § 202d.

(f) Fiber optic facilities owned by the VTA pursuant to this section shall include fiber strands which may be used by a retail service provider to deliver broadband Internet access directly to homes, businesses, and institutional users (last-mile connectivity), in addition to strands which may be used to interconnect with other broadband and cellular facilities (middle mile).

(g) With respect to fiber optic facilities owned by the VTA pursuant to this section, the VTA may contract with an entity to provide transport services, provided that:

(1) The entity is not owned or controlled by a single broadband provider and is otherwise carrier neutral.

(2) The transport services are offered to any provider of broadband Internet access on a nondiscriminatory basis and according to published terms and conditions.

(3) Dark fiber leases and infeasible rights of use are made available to providers on a nondiscriminatory basis and according to published terms and conditions. For purposes of this subdivision, “dark fiber” means fiber that is not in use; and “infeasible right of use” means an exclusive, long-term use of fiber optic capacity.

(h) Grants awarded to retail service providers under this section shall be to support the capital cost of equipment and facilities used to provide broadband Internet access or cellular service in unserved areas of the state. Prior to awarding a grant, the VTA shall find that the grant is economically necessary to provide service in an unserved area and is likely to result in a lower long-term cost to the state than would direct investment in VTA-owned infrastructure. In addition, in awarding grants, the VTA shall adhere to the competitive bidding process established under 30 V.S.A. § 8078, except where inconsistent with the provisions of this section, and shall solicit public comment prior to issuing a request for proposals.

(i) The VTA shall ensure that any investments made or grants awarded under this section are in furtherance of the goals stated in 30 V.S.A. § 8060(b)

and shall use the telecommunications measures established pursuant to No. 146 of the Acts of the 2009 Adj. Sess. (2010) (an act relating to implementation of challenges for change) to track the progress made in attaining those goals through such investments and grants. Beginning October 1, 2011, and for the next succeeding two years, on a quarterly basis, the VTA shall submit to the house committees on commerce and economic development and on corrections and institutions, the senate committees on economic development, housing and general affairs and on finance, and the joint fiscal committee a progress report reflecting the outcomes and measures as applied to the projects funded under this section. This report shall include location-specific information on the progress of deployment of telecommunications technology that does not require the utilization of towers.

\* \* \* Authorization of Borrowing by Assistant Judges of Orleans County \* \* \*

Sec. 50. ORLEANS COUNTY; BORROWING AUTHORIZED;  
ASSISTANT JUDGES

Notwithstanding 24 V.S.A. § 82, the assistant judges of Orleans County may borrow a sum not to exceed \$325,000 to pay for a sheriff's department facility in Derby, as authorized by 24 V.S.A. § 77(a). Notes or other evidence of indebtedness not exceeding that amount, payable in not more than ten years from the date of execution, may be issued by the county treasurer on behalf of the County of Orleans. All such notes or evidence of indebtedness shall contain on their face a statement of the purpose for which they are issued and of the authority conferred by this section and shall be evidence of the county's liability to the bona fide holder of the instrument. The form, denominations, maturities, interest rates, and other terms, conditions, and details of the note or other evidence of indebtedness shall be determined by resolution of the assistant judges of Orleans County. Notes or other evidence of indebtedness issued under the provisions of this section shall be paid from county funds raised by taxation pursuant to 24 V.S.A. § 133.

Sec. 51. DURATION OF AUTHORITY; ORLEANS COUNTY  
BORROWING

The authority to borrow conferred by Sec. 50 of this act shall terminate on January 1, 2012. Any funds borrowed and notes or other forms of indebtedness issued prior to that date shall be subject to the terms of this act until repaid.

\* \* \* Treasurer \* \* \*

Sec. 52. 24 V.S.A. § 4572 is amended to read:

§ 4572. MEMBERSHIP; VACANCIES

The bank established by section 4571 of this title shall consist of the following five directors: the state treasurer, or his or her designee, who shall be a director ex officio, and four directors appointed by the governor with the advice and consent of the senate for terms of two years. The four directors appointed by the governor must be residents of the state and must be qualified voters therein for at least one year next preceding the time of appointment. The governor shall first appoint two directors to serve until February 1, 1971 and two directors to serve until February 1, 1972. Each director shall hold office for the term of his or her appointment and until his or her successor shall have been appointed and qualified. A director shall be eligible for reappointment. Any vacancy in a directorship occurring other than by expiration of term shall be filled in the same manner as the original appointment, except that the advice and consent of the senate shall not be required if it is not in session, but for the unexpired term only.

Sec. 53. 16 V.S.A. § 3852 is amended to read:

§ 3852. VERMONT EDUCATIONAL AND HEALTH BUILDINGS FINANCING AGENCY; CREATION; MEMBERS

(a) A board of ~~thirteen~~ 13 members known as the Vermont educational and health buildings financing agency is created. It is a body corporate and politic constituting a public instrumentality of the state. The commissioner of education, the secretary of human services, the state treasurer, or his or her designee, and the secretary of administration shall be members ex officio. The governor, with the advice and consent of the senate, shall appoint seven members for six-year terms. The members appointed by the governor shall appoint two additional members whose term of office shall be two years.

\* \* \*

Sec. 54. 16 V.S.A. § 2831 is amended to read:

§ 2831. MEMBERSHIP; VACANCIES

The corporation shall be governed and all of its powers exercised by a board of directors consisting of 11 members. The governor shall appoint five members as follows: one person to be the financial aid officer of an institution of postsecondary education in the state of Vermont; one person to be a guidance counselor from a Vermont secondary school, and three members representing the general public. In making the appointments of the members representing the general public, the governor shall give due consideration to

the board's needs for expertise and experience in the management of a financial institution. The state treasurer or his or her designee shall be a member. The speaker of the Vermont house of representatives and the committee on committees of the Vermont senate shall each appoint one member from their respective legislative bodies to serve on the board. The board shall elect three additional members. All members shall be of full age, citizens of the United States and residents of Vermont. All appointments shall be for terms of six years with the exception of legislative members whose terms shall expire at the end of six years or when their service in the Vermont legislature is completed, whichever shall first occur. The date of the expiration of the term of appointment in each case shall be June 30. Vacancies which may occur by reason of death or resignation shall be filled in the same manner as original appointments.

Sec. 55. 10 V.S.A. § 632a(f) is amended to read:

(f) In order to assure the maintenance of the debt service reserve fund requirement in each debt service reserve fund established by the agency under this section, there may be appropriated annually and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish or restore each such debt service reserve fund to an amount equal to the requirement for each such fund. The chair shall annually, on or about February 1, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to restore each such fund to the amount required by this section, ~~and the sum, and the governor shall, on or before March 1, submit a request for appropriations in the amount~~ so certified, ~~and such amount~~ may be appropriated and, if appropriated, shall be paid to the agency during the then-current state fiscal year. In order to assure the funding of the pledged equity fund requirement in each pledged equity fund established by the agency under this section at the time and in the amount determined at the time of entering into any credit enhancement agreement related to a pledged equity fund, there may be appropriated and paid to the agency for deposit in each fund a sum as shall be certified by the chair of the agency to the governor, the president of the senate, and the speaker of the house as is necessary to establish each pledged equity fund to an amount equal to the amount determined by the agency at the time of entering into any credit enhancement agreement related to a pledged equity fund; provided that the amount requested, together with any amounts previously appropriated pursuant to this subsection for a particular pledged equity fund, shall not exceed the maximum amount of the state's commitment as determined by the agency pursuant to subsection (d) of this section. The chair shall, on or about the February 1 next following the

designated date for fully funding a pledged equity fund, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house a certificate stating the sum required to bring each fund to the amount required by this section or to otherwise satisfy the state's commitment with respect to each fund, and the ~~sum~~ the governor shall, on or before March 1, submit a request for appropriations in the amount so certified, and such amount may be appropriated and, such amount, if appropriated, shall be paid to the agency during the then-current state fiscal year. The combined principal amount of bonds, notes, and other debt instruments outstanding at any time and secured in whole or in part by a debt service reserve fund established under this section and the aggregate commitment of the state to fund pledged equity funds pursuant to this subsection shall not exceed \$155,000,000.00 at any time, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the agency in contravention of the Constitution of the United States. Notwithstanding anything in this section to the contrary, the state's obligation with respect to funding any pledged equity fund shall be limited to its maximum commitment, as determined by the agency pursuant to subsection (d) of this section, and the state shall have no other obligation to replenish or maintain any pledged equity fund.

Sec. 55a. 16 V.S.A. § 2867 is amended to read:

§ 2867. RESERVE AND PLEDGED EQUITY FUNDS

\* \* \*

(f) In order to assure the maintenance of the debt service reserve fund requirement in each debt service reserve fund established by the corporation under this section, there may be appropriated annually and paid to the corporation for deposit in each such fund such sum as shall be certified by the chair of the corporation to the governor, the president of the senate, and the speaker of the house as is necessary to establish or restore each such debt service reserve fund to an amount equal to the requirement for each such fund. The chair shall annually, on or about February 1, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house, a certificate stating the sum required to restore each such fund to the amount aforesaid, and the ~~sum~~ governor shall, on or before March 1, submit a request for appropriations in the amount so certified, and such amount may be appropriated, and if appropriated, shall be paid to the corporation during the then current state fiscal year. In order to assure the funding of the pledged equity fund requirement in each pledged equity fund established by the corporation under this section at the time and in the amount determined at the time of entering into any credit enhancement agreement related to a pledged equity fund, there may be appropriated and paid to the corporation for deposit

in each such fund, such sum as shall be certified by the chair of the corporation, to the governor, the president of the senate, and the speaker of the house, as is necessary to establish each such pledged equity fund to an amount equal to the amount determined by the corporation at the time of entering into any credit enhancement agreement related to a pledged equity fund; provided that the amount requested, together with any amounts previously appropriated pursuant to this subsection for a particular pledged equity fund, shall not exceed the maximum amount of the state's commitment, as determined by the corporation pursuant to subsection (d) of this section. The chair shall, on or about the February 1 next following the designated date for fully funding a pledged equity fund, make, execute, and deliver to the governor, the president of the senate, and the speaker of the house, a certificate stating the sum required to bring each such fund to the amount aforesaid or to otherwise satisfy the state's commitment with respect to each such fund, and the ~~sum~~ governor shall, on or before March 1, submit a request for appropriations in the amount so certified, and such amount may be appropriated, and if appropriated, shall be paid to the corporation during the then-current state fiscal year. The combined principal amount of bonds, notes, and other debt instruments outstanding at any time and secured in whole or in part by a debt service reserve fund established under this section and the aggregate commitment of the state to fund pledged equity funds pursuant to this subsection shall not exceed \$50,000,000.00, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the corporation in contravention of the Constitution of the United States. Notwithstanding anything in this section to the contrary, the state's obligation with respect to funding any pledged equity fund shall be limited to its maximum commitment, as determined by the corporation pursuant to subsection (d) of this section and the state shall have no other obligation to replenish or maintain any pledged equity fund.

Sec. 55b. 24 V.S.A. § 4675 is amended to read:

§ 4675. ANNUAL APPROPRIATION

In order to assure the maintenance of the required debt service reserve in each reserve fund established pursuant to this chapter, there shall be appropriated annually and paid to the bank for deposit in each reserve fund, such sum as shall be certified by the chair of the bank to the governor or to the governor-elect, as is necessary to restore such fund to an amount equal to the required debt service reserve. The ~~chairman~~ chair shall annually, on or before February 1, make and deliver to the governor or to the governor-elect, his or her certificate stating the sum required to restore the fund to the amount aforesaid, and the governor or governor-elect shall, on or before March 1, submit a request for appropriations for the sum so certified, and the sum so

certified shall be appropriated and paid to the bank during the then current state fiscal year.

\* \* \* Agriculture \* \* \*

Sec. 56. AGRICULTURE; REALLOCATION

Of the funds appropriated for in Sec. 16 of No. 161 of the Acts of the 2009 Adj. Sess. (2010) for the best management practice implementation cost share program, the agency of agriculture, food and markets is authorized to:

(1) Redirect the sum of \$200,000 in FY 2012 to the Conservation Reserve Enhancement Program for the purpose of installing water quality conservation buffers.

(2) Redirect the sum of \$50,000 in FY 2012 to the Farmers Watershed Alliance for the purpose of conducting water quality improvement programs and practices in the northern watershed of Lake Champlain.

\* \* \* Effective Dates; Statutory Revision \* \* \*

Sec. 57. EFFECTIVE DATES; STATUTORY REVISION

(a) This act shall take effect on passage, except:

(1) Sec. 36 (liability of the state) shall take effect July 1, 2011;

(2) Secs. 2(c) (BGS, FY 2013), 3(a)(2) (maps, FY 2013), 4(c) and (d) (human services, FY 2013), 5(b) (judiciary, FY 2013), 6(b) (BGS for commerce and community development, FY 2013), 6(d) (commerce and community development, FY 2013), 7(b) (building communities grants, FY 2013), 8(b) (education, FY 2013), 10(b) (University of Vermont, FY 2013), 11(b) (Vermont State Colleges, FY 2013), 12(b) (natural resources, FY 2013), 13(b) (military, FY 2013), 14(b) and (d) (public safety, FY 2013), 16(b) (agriculture, FY 2013), 17(b) (Vermont Public Television, FY 2013), 18(b) (rural fire protection, FY 2013), 20(b) (Vermont Center for Crime Victim Services, FY 2013), 21 (department of information and innovation), and 23(b) (Vermont Interactive Television, FY 2013) shall take effect on June 1, 2012.

(b) Pursuant to the statutory revision authority provided in 16 V.S.A. chapter 13, after passage of this act and H.441 of this session (appropriations bill), the office of legislative council shall revise Secs. 21 and 22 of this act to refer to the appropriate section and act numbers of H.441 as enacted.

*ROBERT M. HARTWELL*

*JOSEPH C. BENNING*

*RICHARD T. MAZZA*

*Committee on the part of the Senate*

*ALICE M. EMMONS*

*MARY S. HOOPER*

*LINDA K. MYERS*

*Committee on the part of the House*

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 28, Nays 0.

Senator Hartwell having demanded the yeas and nays, they were taken and are as follows:

#### **Roll Call**

**Those Senators who voted in the affirmative were:** Ashe, Ayer, Baruth, Benning, Brock, Campbell, Carris, Cummings, Doyle, Flory, Fox, Galbraith, Giard, Hartwell, Illuzzi, Kitchel, Lyons, MacDonald, Mazza, McCormack, Miller, Mullin, Nitka, Pollina, Sears, Snelling, Starr, White.

**Those Senators who voted in the negative were:** None.

**Those Senators absent and not voting were:** Kittell, Westman.

#### **Rules Suspended; Bills Messaged**

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

**H. 73, H. 436, H. 446, H. 455.**

#### **Rules Suspended; Bill Delivered**

On motion of Senator Campbell, the rules were suspended, and the following bill was ordered delivered to the Governor forthwith:

**S. 34.**

#### **Message from the House No. 69**

A message was received from the House of Representatives by Ms. H. Gwynn Zakov, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered Senate proposal of amendment to House bill of the following title:

**H. 201.** An act relating to hospice and palliative care.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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**Rules Suspended; Report of Committee of Conference Accepted and  
Adopted on the Part of the Senate; Bill Messaged**

**H. 441.**

Pending entry on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to making appropriations for the support of government.

Was taken up for immediate consideration.

Senator Kitchel, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 441. An act relating to making appropriations for the support of government.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposals of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL - Fiscal Year 2012 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of state government during fiscal year 2012. It is the express intent of the general assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2011. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2012 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the general assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the general assembly that this act serve as the primary source and reference for appropriations for fiscal year 2012.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the commissioner of finance and management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending June 30, 2012.

#### Sec. A.103 DEFINITIONS

(a) For the purposes of this act:

(1) "Encumbrances" means a portion of an appropriation reserved for the subsequent payment of existing purchase orders or contracts. The commissioner of finance and management shall make final decisions on the appropriateness of encumbrances.

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the state for services or supplies and means cash or other direct assistance, including pension contributions.

(3) "Operating expenses" means property management, repair and maintenance, rental expenses, insurance, postage, travel, energy and utilities, office and other supplies, equipment including motor vehicles, highway materials, and construction, expenditures for the purchase of land, and construction of new buildings and permanent improvements, and similar items.

(4) "Personal services" means wages and salaries, fringe benefits, per diems, and contracted third party services, and similar items.

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Sec. A.104 RELATIONSHIP TO EXISTING LAWS

(a) Except as specifically provided, this act shall not be construed in any way to negate or impair the full force and effect of existing laws.

Sec. A.105 OFFSETTING APPROPRIATIONS

(a) In the absence of specific provisions to the contrary in this act, when total appropriations are offset by estimated receipts, the state appropriations shall control, notwithstanding receipts being greater or less than anticipated.

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2012, the governor, with the approval of the legislature or the joint fiscal committee if the legislature is not in session, may accept federal funds available to the state of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The governor, with the approval of the legislature or the joint fiscal committee if the legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2012, federal funds available to the state of Vermont and designated as federal in this and other acts of the 2011 session of the Vermont general assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The governor may spend such funds for such purposes for no more than 45 days prior to legislative or joint fiscal committee approval. Notice shall be given to the joint fiscal committee without delay if the governor intends to use the authority granted by this section, and the joint fiscal committee shall meet in an expedited manner to review the governor's request for approval.

Sec. A.107 DEPARTMENTAL RECEIPTS

(a) All receipts shall be credited to the general fund except as otherwise provided and except the following receipts, for which this subsection shall constitute authority to credit to special funds:

Connecticut river flood control

Public service department - sale of power

Tax department - unorganized towns and gores

(b) Notwithstanding any other provision of law, departmental indirect cost recoveries (32 V.S.A. § 6) receipts are authorized, subject to the approval of

the secretary of administration, to be retained by the department. All recoveries not so authorized shall be credited to the general fund or, for agency of transportation recoveries, the transportation fund.

Sec. A.108 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized state positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2012 except for new positions authorized by the 2011 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

Sec. A.109 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriation of funds. The sections between E.100 and E.9999 contain language that relates to specific appropriations and/or government functions. The function areas by section numbers are as follows:

<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>

B.1100–B.1199 and E.1100–E.1199 One-time and other appropriation actions

Sec. B.100 Secretary of administration - secretary's office

Personal services	640,938
Operating expenses	<u>74,914</u>
Total	715,852
Source of funds	
General fund	<u>715,852</u>
Total	715,852

Sec. B.101 Information and innovation - communications and information technology

Personal services	7,111,349
Operating expenses	5,466,512
Grants	<u>900,000</u>
Total	13,477,861
Source of funds	
General fund	20,911
Internal service funds	<u>13,456,950</u>
Total	13,477,861

Sec. B.102 Finance and management - budget and management

Personal services	1,080,093
Operating expenses	<u>216,873</u>
Total	1,296,966
Source of funds	
General fund	1,053,132
Interdepartmental transfers	<u>243,834</u>
Total	1,296,966

Sec. B.103 Finance and management - financial operations

Personal services	2,645,289
Operating expenses	<u>279,851</u>
Total	2,925,140
Source of funds	
Internal service funds	<u>2,925,140</u>
Total	2,925,140

Sec. B.104 Human resources - operations

Personal services	5,454,543
Operating expenses	<u>720,455</u>
Total	6,174,998

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Source of funds	
General fund	1,819,211
Special funds	280,835
Internal service funds	3,361,536
Interdepartmental transfers	<u>713,416</u>
Total	6,174,998
Sec. B.105 Human resources - employee benefits & wellness	
Personal services	1,086,751
Operating expenses	<u>697,287</u>
Total	1,784,038
Source of funds	
Internal service funds	1,734,044
Interdepartmental transfers	<u>49,994</u>
Total	1,784,038
Sec. B.106 Libraries	
Personal services	1,850,467
Operating expenses	1,471,123
Grants	<u>55,080</u>
Total	3,376,670
Source of funds	
General fund	2,297,383
Special funds	99,156
Federal funds	878,355
Interdepartmental transfers	<u>101,776</u>
Total	3,376,670
Sec. B.107 Tax - administration/collection	
Personal services	12,618,208
Operating expenses	<u>2,883,734</u>
Total	15,501,942
Source of funds	
General fund	13,922,041
Special funds	1,463,901
Tobacco fund	58,000
Interdepartmental transfers	<u>58,000</u>
Total	15,501,942

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Sec. B.108 Buildings and general services - administration	
Personal services	1,635,705
Operating expenses	<u>182,552</u>
Total	1,818,257
Source of funds	
Interdepartmental transfers	<u>1,818,257</u>
Total	1,818,257
Sec. B.109 Buildings and general services - engineering	
Personal services	2,095,457
Operating expenses	<u>333,346</u>
Total	2,428,803
Source of funds	
Interdepartmental transfers	<u>2,428,803</u>
Total	2,428,803
Sec. B.110 Buildings and general services - information centers	
Personal services	2,930,114
Operating expenses	1,064,165
Grants	<u>45,000</u>
Total	4,039,279
Source of funds	
General fund	3,989,279
Special funds	<u>50,000</u>
Total	4,039,279
Sec. B.111 Buildings and general services - purchasing	
Personal services	737,204
Operating expenses	<u>152,999</u>
Total	890,203
Source of funds	
General fund	<u>890,203</u>
Total	890,203
Sec. B.112 Buildings and general services - postal services	
Personal services	619,966
Operating expenses	<u>115,831</u>
Total	735,797
Source of funds	
General fund	35,716

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Internal service funds	<u>700,081</u>
Total	735,797
Sec. B.113 Buildings and general services - copy center	
Personal services	636,262
Operating expenses	<u>115,240</u>
Total	751,502
Source of funds	
Internal service funds	<u>751,502</u>
Total	751,502
Sec. B.114 Buildings and general services - fleet management services	
Personal services	549,846
Operating expenses	<u>131,690</u>
Total	681,536
Source of funds	
Internal service funds	<u>681,536</u>
Total	681,536
Sec. B.115 Buildings and general services - federal surplus property	
Personal services	71,447
Operating expenses	<u>36,555</u>
Total	108,002
Source of funds	
Enterprise funds	<u>108,002</u>
Total	108,002
Sec. B.116 Buildings and general services - state surplus property	
Personal services	87,630
Operating expenses	<u>86,143</u>
Total	173,773
Source of funds	
Internal service funds	<u>173,773</u>
Total	173,773
Sec. B.117 Buildings and general services - property management	
Personal services	1,047,876
Operating expenses	<u>1,080,972</u>
Total	2,128,848
Source of funds	
Internal service funds	<u>2,128,848</u>
Total	2,128,848

Sec. B.118 Buildings and general services - workers' compensation insurance	
Personal services	1,158,422
Operating expenses	<u>277,763</u>
Total	1,436,185
Source of funds	
Internal service funds	<u>1,436,185</u>
Total	1,436,185
Sec. B.119 Buildings and general services - general liability insurance	
Personal services	268,325
Operating expenses	<u>63,700</u>
Total	332,025
Source of funds	
Internal service funds	<u>332,025</u>
Total	332,025
Sec. B.120 Buildings and general services - all other insurance	
Personal services	29,129
Operating expenses	<u>23,389</u>
Total	52,518
Source of funds	
Internal service funds	<u>52,518</u>
Total	52,518
Sec. B.121 Buildings and general services - fee for space	
Personal services	13,773,992
Operating expenses	<u>14,126,008</u>
Total	27,900,000
Source of funds	
Internal service funds	<u>27,900,000</u>
Total	27,900,000
Sec. B.122 Geographic information system	
Grants	<u>378,700</u>
Total	378,700
Source of funds	
Special funds	<u>378,700</u>
Total	378,700

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Sec. B.123 Executive office - governor's office	
Personal services	1,193,165
Operating expenses	<u>423,879</u>
Total	1,617,044
Source of funds	
General fund	1,423,544
Interdepartmental transfers	<u>193,500</u>
Total	1,617,044
Sec. B.124 Legislative council	
Personal services	2,078,823
Operating expenses	<u>198,606</u>
Total	2,277,429
Source of funds	
General fund	<u>2,277,429</u>
Total	2,277,429
Sec. B.125 Legislature	
Personal services	3,633,861
Operating expenses	<u>3,336,583</u>
Total	6,970,444
Source of funds	
General fund	<u>6,970,444</u>
Total	6,970,444
Sec. B.126 Legislative information technology	
Personal services	364,696
Operating expenses	<u>577,057</u>
Total	941,753
Source of funds	
General fund	<u>941,753</u>
Total	941,753
Sec. B.127 Joint fiscal committee	
Personal services	1,359,656
Operating expenses	<u>105,773</u>
Total	1,465,429
Source of funds	
General fund	<u>1,465,429</u>
Total	1,465,429

Sec. B.128 Sergeant at arms	
Personal services	443,809
Operating expenses	<u>67,855</u>
Total	511,664
Source of funds	
General fund	<u>511,664</u>
Total	511,664
Sec. B.129 Lieutenant governor	
Personal services	143,631
Operating expenses	<u>26,771</u>
Total	170,402
Source of funds	
General fund	<u>170,402</u>
Total	170,402
Sec. B.130 Auditor of accounts	
Personal services	3,758,362
Operating expenses	<u>150,345</u>
Total	3,908,707
Source of funds	
General fund	396,853
Special funds	53,099
Internal service funds	<u>3,458,755</u>
Total	3,908,707
Sec. B.131 State treasurer	
Personal services	2,561,936
Operating expenses	348,248
Grants	<u>16,484</u>
Total	2,926,668
Source of funds	
General fund	1,065,828
Special funds	1,744,843
Interdepartmental transfers	<u>115,997</u>
Total	2,926,668
Sec. B.132 State treasurer - unclaimed property	
Personal services	660,757
Operating expenses	<u>253,238</u>
Total	913,995
Source of funds	

Private purpose trust funds	<u>913,995</u>
Total	913,995
Sec. B.133 Vermont state retirement system	
Personal services	6,065,656
Operating expenses	<u>29,015,880</u>
Total	35,081,536
Source of funds	
Pension trust funds	<u>35,081,536</u>
Total	35,081,536
Sec. B.134 Municipal employees' retirement system	
Personal services	1,992,423
Operating expenses	<u>486,556</u>
Total	2,478,979
Source of funds	
Pension trust funds	<u>2,478,979</u>
Total	2,478,979
Sec. B.135 State labor relations board	
Personal services	169,121
Operating expenses	<u>40,334</u>
Total	209,455
Source of funds	
General fund	203,879
Special funds	2,788
Interdepartmental transfers	<u>2,788</u>
Total	209,455
Sec. B.136 VOSHA review board	
Personal services	7,038
Operating expenses	<u>44,190</u>
Total	51,228
Source of funds	
General fund	25,614
Interdepartmental transfers	<u>25,614</u>
Total	51,228
Sec. B.137 Homeowner rebate	
Grants	<u>15,190,000</u>
Total	15,190,000
Source of funds	
General fund	<u>15,190,000</u>

Total	15,190,000
Sec. B.138 Renter rebate	
Grants	<u>8,300,000</u>
Total	8,300,000
Source of funds	
General fund	2,500,000
Education fund	<u>5,800,000</u>
Total	8,300,000
Sec. B.139 Tax department - reappraisal and listing payments	
Grants	<u>3,240,000</u>
Total	3,240,000
Source of funds	
Education fund	<u>3,240,000</u>
Total	3,240,000
Sec. B.140 Municipal current use	
Grants	<u>12,400,000</u>
Total	12,400,000
Source of funds	
General fund	<u>12,400,000</u>
Total	12,400,000
Sec. B.141 Lottery commission	
Personal services	1,629,989
Operating expenses	<u>1,262,972</u>
Total	2,892,961
Source of funds	
Enterprise funds	<u>2,892,961</u>
Total	2,892,961
Sec. B.142 Payments in lieu of taxes	
Grants	<u>5,800,000</u>
Total	5,800,000
Source of funds	
Special funds	<u>5,800,000</u>
Total	5,800,000

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Sec. B.143	Payments in lieu of taxes - Montpelier	
	Grants	<u>184,000</u>
	Total	184,000
	Source of funds	
	Special funds	<u>184,000</u>
	Total	184,000
Sec. B.144	Payments in lieu of taxes - correctional facilities	
	Grants	<u>40,000</u>
	Total	40,000
	Source of funds	
	Special funds	<u>40,000</u>
	Total	40,000
Sec. B.145	Total General government	196,680,589
	Source of funds	
	General fund	70,286,567
	Special funds	10,097,322
	Tobacco fund	58,000
	Education fund	9,040,000
	Federal funds	878,355
	Internal service funds	59,092,893
	Interdepartmental transfers	5,751,979
	Enterprise funds	3,000,963
	Pension trust funds	37,560,515
	Private purpose trust funds	<u>913,995</u>
	Total	196,680,589
Sec. B.200	Attorney general	
	Personal services	7,147,070
	Operating expenses	<u>1,097,153</u>
	Total	8,244,223
	Source of funds	
	General fund	3,835,621
	Special funds	968,000
	Tobacco fund	625,000
	Federal funds	685,000
	Interdepartmental transfers	<u>2,130,602</u>
	Total	8,244,223

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Sec. B.201 Vermont court diversion	
Grants	<u>1,831,011</u>
Total	1,831,011
Source of funds	
General fund	1,311,014
Special funds	<u>519,997</u>
Total	1,831,011
Sec. B.202 Defender general - public defense	
Personal services	7,931,011
Operating expenses	<u>941,292</u>
Total	8,872,303
Source of funds	
General fund	8,359,015
Special funds	<u>513,288</u>
Total	8,872,303
Sec. B.203 Defender general - assigned counsel	
Personal services	3,443,180
Operating expenses	<u>48,909</u>
Total	3,492,089
Source of funds	
General fund	3,366,825
Special funds	<u>125,264</u>
Total	3,492,089
Sec. B.204 Judiciary	
Personal services	29,103,880
Operating expenses	10,175,038
Grants	<u>70,000</u>
Total	39,348,918
Source of funds	
General fund	31,331,211
Special funds	4,175,542
Tobacco fund	39,871
Federal funds	1,129,259
Interdepartmental transfers	<u>2,673,035</u>
Total	39,348,918

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Sec. B.205 State's attorneys	
Personal services	9,433,100
Operating expenses	<u>1,141,004</u>
Total	10,574,104
Source of funds	
General fund	8,297,085
Special funds	60,699
Federal funds	31,000
Interdepartmental transfers	<u>2,185,320</u>
Total	10,574,104
Sec. B.206 Special investigative unit	
Grants	<u>1,253,719</u>
Total	1,253,719
Source of funds	
General fund	1,153,719
Federal funds	<u>100,000</u>
Total	1,253,719
Sec. B.207 Sheriffs	
Personal services	3,361,419
Operating expenses	<u>276,917</u>
Total	3,638,336
Source of funds	
General fund	<u>3,638,336</u>
Total	3,638,336
Sec. B.208 Public safety - administration	
Personal services	1,434,666
Operating expenses	<u>407,048</u>
Total	1,841,714
Source of funds	
General fund	1,658,186
Federal funds	<u>183,528</u>
Total	1,841,714
Sec. B.209 Public safety - state police	
Personal services	44,208,236
Operating expenses	7,046,296
Grants	<u>971,590</u>
Total	52,226,122
Source of funds	

General fund	21,233,922
Transportation fund	25,238,498
Special funds	1,003,612
Federal funds	3,401,866
ARRA funds	296,107
Interdepartmental transfers	<u>1,052,117</u>
Total	52,226,122
Sec. B.210 Public safety - criminal justice services	
Personal services	7,267,663
Operating expenses	2,565,979
Grants	<u>5,989,000</u>
Total	15,822,642
Source of funds	
General fund	6,124,932
Special funds	1,468,701
Federal funds	7,890,543
ARRA funds	<u>338,466</u>
Total	15,822,642
Sec. B.211 Public safety - emergency management	
Personal services	1,826,537
Operating expenses	970,828
Grants	<u>1,379,913</u>
Total	4,177,278
Source of funds	
General fund	10,000
Federal funds	<u>4,167,278</u>
Total	4,177,278
Sec. B.212 Public safety - fire safety	
Personal services	5,027,821
Operating expenses	1,441,685
Grants	<u>157,000</u>
Total	6,626,506
Source of funds	
General fund	718,790
Special funds	5,623,744
Federal funds	238,972
Interdepartmental transfers	<u>45,000</u>
Total	6,626,506
Sec. B.213 Public safety - homeland security	

Personal services	9,501,852
Operating expenses	220,709
Grants	<u>3,000,000</u>
Total	12,722,561
Source of funds	
General fund	427,007
Federal funds	12,227,400
ARRA funds	<u>68,154</u>
Total	12,722,561
Sec. B.214 Radiological emergency response plan	
Personal services	729,645
Operating expenses	184,314
Grants	<u>1,220,350</u>
Total	2,134,309
Source of funds	
Special funds	<u>2,134,309</u>
Total	2,134,309
Sec. B.215 Military - administration	
Personal services	468,699
Operating expenses	376,507
Grants	<u>100,000</u>
Total	945,206
Source of funds	
General fund	<u>945,206</u>
Total	945,206
Sec. B.216 Military - air service contract	
Personal services	5,148,174
Operating expenses	<u>1,214,629</u>
Total	6,362,803
Source of funds	
General fund	467,309
Federal funds	<u>5,895,494</u>
Total	6,362,803
Sec. B.217 Military - army service contract	
Personal services	3,718,269
Operating expenses	<u>9,185,720</u>
Total	12,903,989
Source of funds	
General fund	112,435

Federal funds	<u>12,791,554</u>
Total	12,903,989
Sec. B.218 Military - building maintenance	
Personal services	979,453
Operating expenses	<u>386,580</u>
Total	1,366,033
Source of funds	
General fund	<u>1,366,033</u>
Total	1,366,033
Sec. B.219 Military - veterans' affairs	
Personal services	478,017
Operating expenses	146,431
Grants	<u>173,815</u>
Total	798,263
Source of funds	
General fund	631,808
Special funds	84,049
Federal funds	<u>82,406</u>
Total	798,263
Sec. B.220 Center for crime victims' services	
Personal services	1,271,163
Operating expenses	284,975
Grants	<u>9,499,251</u>
Total	11,055,389
Source of funds	
General fund	1,154,480
Special funds	5,931,945
Federal funds	<u>3,968,964</u>
Total	11,055,389
Sec. B.221 Criminal justice training council	
Personal services	1,291,238
Operating expenses	<u>1,286,070</u>
Total	2,577,308
Source of funds	
General fund	2,324,636
Interdepartmental transfers	<u>252,672</u>
Total	2,577,308
Sec. B.222 Agriculture, food and markets - administration	

Personal services	774,589
Operating expenses	367,534
Grants	<u>448,910</u>
Total	1,591,033
Source of funds	
General fund	1,091,802
Special funds	250,031
Federal funds	150,928
Global Commitment fund	56,272
Interdepartmental transfers	<u>42,000</u>
Total	1,591,033
Sec. B.223 Agriculture, food and markets - food safety and consumer protection	
Personal services	2,786,723
Operating expenses	759,173
Grants	<u>2,443,235</u>
Total	5,989,131
Source of funds	
General fund	2,212,524
Special funds	3,139,114
Federal funds	596,487
Global Commitment fund	34,006
Interdepartmental transfers	<u>7,000</u>
Total	5,989,131
Sec. B.224 Agriculture, food and markets - agricultural development	
Personal services	943,019
Operating expenses	305,995
Grants	<u>1,626,000</u>
Total	2,875,014
Source of funds	
General fund	446,897
Special funds	1,438,588
Federal funds	689,529
Interdepartmental transfers	<u>300,000</u>
Total	2,875,014
Sec. B.225 Agriculture, food and markets - laboratories, agricultural resource management and environmental stewardship	
Personal services	2,912,179
Operating expenses	761,268

Grants	<u>751,674</u>
Total	4,425,121
Source of funds	
General fund	1,655,565
Special funds	1,998,115
Federal funds	569,113
Interdepartmental transfers	<u>202,328</u>
Total	4,425,121
Sec. B.226 Banking, insurance, securities, and health care administration - administration	
Personal services	1,808,446
Operating expenses	<u>181,201</u>
Total	1,989,647
Source of funds	
Special funds	<u>1,989,647</u>
Total	1,989,647
Sec. B.227 Banking, insurance, securities, and health care administration - banking	
Personal services	1,343,681
Operating expenses	<u>240,853</u>
Total	1,584,534
Source of funds	
Special funds	<u>1,584,534</u>
Total	1,584,534
Sec. B.228 Banking, insurance, securities, and health care administration - insurance	
Personal services	3,027,935
Operating expenses	<u>437,345</u>
Total	3,465,280
Source of funds	
Special funds	<u>3,465,280</u>
Total	3,465,280

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 Sec. B.229 Banking, insurance, securities, and health care administration - captive

Personal services	3,262,719
Operating expenses	<u>428,723</u>
Total	3,691,442
Source of funds	
Special funds	<u>3,691,442</u>
Total	3,691,442

## Sec. B.230 Banking, insurance, securities, and health care administration - securities

Personal services	442,445
Operating expenses	<u>149,514</u>
Total	591,959
Source of funds	
Special funds	<u>591,959</u>
Total	591,959

## Sec. B.231 Banking, insurance, securities, and health care administration - health care administration

Personal services	5,581,274
Operating expenses	<u>343,127</u>
Total	5,924,401
Source of funds	
Special funds	3,497,875
Federal funds	527,702
Global Commitment fund	<u>1,898,824</u>
Total	5,924,401

## Sec. B.232 Secretary of state

Personal services	5,698,916
Operating expenses	2,038,667
Grants	<u>1,000,000</u>
Total	8,737,583
Source of funds	
General fund	1,529,127
Special funds	5,133,456
Federal funds	2,000,000
Interdepartmental transfers	<u>75,000</u>
Total	8,737,583

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Sec. B.233 Public service - regulation and energy	
Personal services	7,428,529
Operating expenses	847,636
Grants	<u>21,096,788</u>
Total	29,372,953
Source of funds	
Special funds	12,341,218
Federal funds	1,157,800
ARRA funds	<u>15,873,935</u>
Total	29,372,953
Sec. B.234 Public service board	
Personal services	2,860,205
Operating expenses	<u>387,160</u>
Total	3,247,365
Source of funds	
Special funds	3,001,980
ARRA funds	<u>245,385</u>
Total	3,247,365
Sec. B.235 Enhanced 9-1-1 Board	
Personal services	4,181,478
Operating expenses	853,778
Grants	<u>810,000</u>
Total	5,845,256
Source of funds	
Special funds	<u>5,845,256</u>
Total	5,845,256
Sec. B.236 Human rights commission	
Personal services	412,199
Operating expenses	<u>65,683</u>
Total	477,882
Source of funds	
General fund	332,882
Federal funds	<u>145,000</u>
Total	477,882
Sec. B.237 Liquor control - administration	
Personal services	1,619,092
Operating expenses	<u>595,953</u>
Total	2,215,045

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Source of funds	
Tobacco fund	6,661
Interdepartmental transfers	250,000
Enterprise funds	<u>1,958,384</u>
Total	2,215,045
Sec. B.238 Liquor control - enforcement and licensing	
Personal services	1,875,103
Operating expenses	<u>387,833</u>
Total	2,262,936
Source of funds	
Tobacco fund	285,284
Enterprise funds	<u>1,977,652</u>
Total	2,262,936
Sec. B.239 Liquor control - warehousing and distribution	
Personal services	766,123
Operating expenses	<u>344,985</u>
Total	1,111,108
Source of funds	
Enterprise funds	<u>1,111,108</u>
Total	1,111,108
Sec. B.240 Total Protection to persons and property	294,212,516
Source of funds	
General fund	105,736,367
Transportation fund	25,238,498
Special funds	70,577,645
Tobacco fund	956,816
Federal funds	58,629,823
ARRA funds	16,822,047
Global Commitment fund	1,989,102
Interdepartmental transfers	9,215,074
Enterprise funds	<u>5,047,144</u>
Total	294,212,516
Sec. B.300 Human services - agency of human services - secretary's office	
Personal services	8,161,616
Operating expenses	3,097,481
Grants	<u>5,235,805</u>
Total	16,494,902
Source of funds	
General fund	4,913,133

Special funds	7,517
Tobacco fund	290,330
Federal funds	7,752,402
Global Commitment fund	415,000
Interdepartmental transfers	<u>3,116,520</u>
Total	16,494,902
Sec. B.301 Secretary's office - global commitment	
Grants	<u>1,080,785,264</u>
Total	1,080,785,264
Source of funds	
General fund	139,267,121
Special funds	18,630,961
Tobacco fund	36,978,473
State health care resources fund	221,579,040
Catamount fund	23,948,700
Federal funds	639,692,834
Interdepartmental transfers	<u>688,135</u>
Total	1,080,785,264
Sec. B.302 Rate setting	
Personal services	852,330
Operating expenses	<u>80,608</u>
Total	932,938
Source of funds	
Global Commitment fund	<u>932,938</u>
Total	932,938
Sec. B.303 Developmental disabilities council	
Personal services	236,037
Operating expenses	58,218
Grants	<u>248,388</u>
Total	542,643
Source of funds	
Federal funds	<u>542,643</u>
Total	542,643
Sec. B.304 Human services board	
Personal services	301,586
Operating expenses	<u>49,606</u>
Total	351,192
Source of funds	
General fund	114,505

Federal funds	150,844
Interdepartmental transfers	<u>85,843</u>
Total	351,192
Sec. B.305 AHS - administrative fund	
Personal services	350,000
Operating expenses	<u>4,650,000</u>
Total	5,000,000
Source of funds	
Interdepartmental transfers	<u>5,000,000</u>
Total	5,000,000
Sec. B.306 Department of Vermont health access - administration	
Personal services	85,804,852
Operating expenses	2,761,571
Grants	<u>7,625,573</u>
Total	96,191,996
Source of funds	
General fund	945,014
Special funds	1,579,123
Federal funds	43,169,600
ARRA funds	2,505,044
Global Commitment fund	43,916,098
Interdepartmental transfers	<u>4,077,117</u>
Total	96,191,996
Sec. B.307 Department of Vermont health access - Medicaid program - global commitment	
Grants	<u>640,777,596</u>
Total	640,777,596
Source of funds	
Global Commitment fund	<u>640,777,596</u>
Total	640,777,596
Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver	
Grants	<u>205,491,171</u>
Total	205,491,171
Source of funds	
General fund	86,593,979
Federal funds	<u>118,897,192</u>
Total	205,491,171

Sec. B.309 Department of Vermont health access - Medicaid program - state only

Grants	<u>26,979,994</u>
Total	26,979,994
Source of funds	
General fund	25,896,529
Global Commitment fund	<u>1,083,465</u>
Total	26,979,994

Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched

Grants	<u>42,553,092</u>
Total	42,553,092
Source of funds	
General fund	17,931,272
Federal funds	<u>24,621,820</u>
Total	42,553,092

Sec. B.311 Health - administration and support

Personal services	5,485,409
Operating expenses	1,932,004
Grants	<u>2,781,190</u>
Total	10,198,603
Source of funds	
General fund	1,059,487
Special funds	324,063
Federal funds	5,152,054
ARRA funds	81,815
Global Commitment fund	<u>3,581,184</u>
Total	10,198,603

Sec. B.312 Health - public health

Personal services	33,496,002
Operating expenses	7,145,652
Grants	<u>33,438,566</u>
Total	74,080,220
Source of funds	
General fund	7,262,449
Special funds	11,012,411
Tobacco fund	1,594,000
Federal funds	32,903,499
ARRA funds	460,165

Global Commitment fund	19,862,288
Interdepartmental transfers	975,408
Permanent trust funds	<u>10,000</u>
Total	74,080,220
Sec. B.313 Health - alcohol and drug abuse programs	
Personal services	2,650,944
Operating expenses	371,158
Grants	<u>25,881,381</u>
Total	28,903,483
Source of funds	
General fund	3,211,543
Special funds	233,884
Tobacco fund	1,386,234
Federal funds	5,955,677
Global Commitment fund	17,766,145
Interdepartmental transfers	<u>350,000</u>
Total	28,903,483
Sec. B.314 Mental health - mental health	
Personal services	5,486,339
Operating expenses	1,117,984
Grants	<u>124,369,250</u>
Total	130,973,573
Source of funds	
General fund	811,295
Special funds	6,836
Federal funds	6,555,971
Global Commitment fund	123,579,471
Interdepartmental transfers	<u>20,000</u>
Total	130,973,573
Sec. B.315 Mental health - Vermont state hospital	
Personal services	20,479,188
Operating expenses	2,056,312
Grants	<u>82,335</u>
Total	22,617,835
Source of funds	
General fund	17,016,067
Special funds	835,486
Federal funds	213,564
Global Commitment fund	4,252,718
Interdepartmental transfers	<u>300,000</u>

Total	22,617,835
Sec. B.316 Department for children and families - administration & support services	
Personal services	38,009,556
Operating expenses	7,835,052
Grants	<u>1,206,996</u>
Total	47,051,604
Source of funds	
General fund	16,383,046
Federal funds	14,330,642
Global Commitment fund	16,125,416
Interdepartmental transfers	<u>212,500</u>
Total	47,051,604
Sec. B.317 Department for children and families - family services	
Personal services	23,318,476
Operating expenses	3,408,618
Grants	<u>60,116,513</u>
Total	86,843,607
Source of funds	
General fund	20,908,063
Special funds	1,691,637
Tobacco fund	275,000
Federal funds	27,652,387
Global Commitment fund	36,216,520
Interdepartmental transfers	<u>100,000</u>
Total	86,843,607
Sec. B.318 Department for children and families - child development	
Personal services	3,165,567
Operating expenses	520,809
Grants	<u>58,804,943</u>
Total	62,491,319
Source of funds	
General fund	23,492,835
Special funds	1,820,000
Federal funds	29,131,536
Global Commitment fund	7,907,441
Interdepartmental transfers	<u>139,507</u>
Total	62,491,319
Sec. B.319 Department for children and families - office of child support	

Personal services	8,739,557
Operating expenses	<u>4,162,561</u>
Total	12,902,118
Source of funds	
General fund	2,638,576
Special funds	455,718
Federal funds	9,420,224
Interdepartmental transfers	<u>387,600</u>
Total	12,902,118
Sec. B.320 Department for children and families - aid to aged, blind and disabled	
Personal services	1,827,113
Grants	<u>11,044,541</u>
Total	12,871,654
Source of funds	
General fund	9,121,654
Global Commitment fund	<u>3,750,000</u>
Total	12,871,654
Sec. B.321 Department for children and families - general assistance	
Grants	<u>6,500,000</u>
Total	6,500,000
Source of funds	
General fund	5,048,680
Federal funds	1,111,320
Global Commitment fund	<u>340,000</u>
Total	6,500,000
Sec. B.322 Department for children and families - 3SquaresVT	
Grants	<u>23,756,778</u>
Total	23,756,778
Source of funds	
Federal funds	<u>23,756,778</u>
Total	23,756,778
Sec. B.323 Department for children and families - reach up	
Grants	<u>49,155,572</u>
Total	49,155,572
Source of funds	
General fund	19,481,509
Special funds	19,916,856
Federal funds	7,882,807

Global Commitment fund	<u>1,874,400</u>
Total	49,155,572
Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP	
Personal services	20,000
Operating expenses	90,000
Grants	<u>11,502,664</u>
Total	11,612,664
Source of funds	
Federal funds	<u>11,612,664</u>
Total	11,612,664
Sec. B.325 Department for children and families - office of economic opportunity	
Personal services	262,256
Operating expenses	80,518
Grants	<u>4,759,371</u>
Total	5,102,145
Source of funds	
General fund	1,251,040
Special funds	57,990
Federal funds	<u>3,793,115</u>
Total	5,102,145
Sec. B.326 Department for children and families - OEO - weatherization assistance	
Personal services	167,676
Operating expenses	131,124
Grants	<u>11,646,491</u>
Total	11,945,291
Source of funds	
Special funds	7,000,000
Federal funds	1,399,666
ARRA funds	<u>3,545,625</u>
Total	11,945,291
Sec. B.327 Department for children and families - Woodside rehabilitation center	
Personal services	3,691,894
Operating expenses	<u>590,115</u>
Total	4,282,009
Source of funds	

General fund	964,774
Global Commitment fund	3,262,343
Interdepartmental transfers	<u>54,892</u>
Total	4,282,009
Sec. B.328 Department for children and families - disability determination services	
Personal services	4,513,664
Operating expenses	<u>1,142,442</u>
Total	5,656,106
Source of funds	
Federal funds	5,409,589
Global Commitment fund	<u>246,517</u>
Total	5,656,106
Sec. B.329 Disabilities, aging, and independent living - administration & support	
Personal services	24,093,021
Operating expenses	<u>3,838,249</u>
Total	27,931,270
Source of funds	
General fund	7,126,532
Special funds	889,246
Federal funds	11,194,950
Global Commitment fund	6,230,760
Interdepartmental transfers	<u>2,489,782</u>
Total	27,931,270
Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants	
Grants	<u>20,538,891</u>
Total	20,538,891
Source of funds	
General fund	8,782,473
Federal funds	7,645,317
Global Commitment fund	3,473,601
Interdepartmental transfers	<u>637,500</u>
Total	20,538,891
Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired	
Grants	<u>1,481,457</u>
Total	1,481,457

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Source of funds	
General fund	364,064
Special funds	223,450
Federal funds	648,943
Global Commitment fund	<u>245,000</u>
Total	1,481,457
Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation	
Grants	<u>5,968,971</u>
Total	5,968,971
Source of funds	
General fund	1,535,695
Federal funds	4,132,389
Global Commitment fund	7,500
Interdepartmental transfers	<u>293,387</u>
Total	5,968,971
Sec. B.333 Disabilities, aging, and independent living - developmental services	
Grants	<u>152,288,227</u>
Total	152,288,227
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857
Global Commitment fund	<u>151,757,782</u>
Total	152,288,227

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Sec. B.334 Disabilities, aging, and independent living - TBI home and community based waiver	
Grants	<u>4,744,899</u>
Total	4,744,899
Source of funds	
Global Commitment fund	<u>4,744,899</u>
Total	4,744,899
Sec. B.335 Corrections - administration	
Personal services	1,959,290
Operating expenses	<u>194,525</u>
Total	2,153,815
Source of funds	
General fund	<u>2,153,815</u>
Total	2,153,815
Sec. B.336 Corrections - parole board	
Personal services	262,434
Operating expenses	<u>60,198</u>
Total	322,632
Source of funds	
General fund	<u>322,632</u>
Total	322,632
Sec. B.337 Corrections - correctional education	
Personal services	4,391,210
Operating expenses	<u>306,274</u>
Total	4,697,484
Source of funds	
Education fund	4,321,425
Interdepartmental transfers	<u>376,059</u>
Total	4,697,484
Sec. B.338 Corrections - correctional services	
Personal services	81,867,751
Operating expenses	34,909,316
Grants	<u>6,076,953</u>
Total	122,854,020
Source of funds	
General fund	118,621,136
Special funds	483,963
Tobacco fund	87,500

Federal funds	170,962
Global Commitment fund	3,094,144
Interdepartmental transfers	<u>396,315</u>
Total	122,854,020
Sec. B.339 Correctional services-out of state beds	
Personal services	<u>8,249,395</u>
Total	8,249,395
Source of funds	
General fund	<u>8,249,395</u>
Total	8,249,395
Sec. B.340 Corrections - correctional facilities - recreation	
Personal services	475,408
Operating expenses	<u>342,362</u>
Total	817,770
Source of funds	
Special funds	<u>817,770</u>
Total	817,770
Sec. B.341 Corrections - Vermont offender work program	
Personal services	910,776
Operating expenses	<u>553,114</u>
Total	1,463,890
Source of funds	
Internal service funds	<u>1,463,890</u>
Total	1,463,890
Sec. B.342 Vermont veterans' home - care and support services	
Personal services	14,924,037
Operating expenses	<u>4,004,439</u>
Total	18,928,476
Source of funds	
Special funds	10,635,885
Federal funds	6,881,635
Global Commitment fund	<u>1,410,956</u>
Total	18,928,476
Sec. B.343 Commission on women	
Personal services	235,779
Operating expenses	<u>68,279</u>
Total	304,058
Source of funds	

General fund	299,058
Special funds	<u>5,000</u>
Total	304,058
Sec. B.344 Retired senior volunteer program	
Grants	<u>131,096</u>
Total	131,096
Source of funds	
General fund	<u>131,096</u>
Total	131,096
Sec. B.345 Total Human services	3,095,921,720
Source of funds	
General fund	552,053,592
Special funds	76,643,259
Tobacco fund	40,611,537
State health care resources fund	221,579,040
Catamount fund	23,948,700
Education fund	4,321,425
Federal funds	1,052,142,881
ARRA funds	6,592,649
Global Commitment fund	1,096,854,182
Internal service funds	1,463,890
Interdepartmental transfers	19,700,565
Permanent trust funds	<u>10,000</u>
Total	3,095,921,720
Sec. B.400 Labor	
Personal services	24,811,666
Operating expenses	5,662,677
Grants	<u>975,000</u>
Total	31,449,343
Source of funds	
General fund	2,400,316
Special funds	3,765,862
Federal funds	23,888,739
Interdepartmental transfers	<u>1,394,426</u>
Total	31,449,343

Sec. B.402 Total Labor	31,449,343
Source of funds	
General fund	2,400,316
Special funds	3,765,862
Federal funds	23,888,739
Interdepartmental transfers	<u>1,394,426</u>
Total	31,449,343
Sec. B.500 Education - finance and administration	
Personal services	5,373,825
Operating expenses	2,336,262
Grants	<u>12,383,500</u>
Total	20,093,587
Source of funds	
General fund	3,011,957
Special funds	13,300,096
Education fund	1,020,090
Federal funds	2,041,473
Global Commitment fund	711,971
Interdepartmental transfers	<u>8,000</u>
Total	20,093,587
Sec. B.501 Education - education services	
Personal services	11,948,471
Operating expenses	1,562,985
Grants	<u>136,688,970</u>
Total	150,200,426
Source of funds	
General fund	5,839,205
Special funds	2,191,249
Federal funds	131,532,300
ARRA funds	10,613,000
Interdepartmental transfers	<u>24,672</u>
Total	150,200,426
Sec. B.502 Education - special education: formula grants	
Grants	<u>148,817,440</u>
Total	148,817,440
Source of funds	
Education fund	148,587,440

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Global Commitment fund	<u>230,000</u>
Total	148,817,440
Sec. B.503 Education - state-placed students	
Grants	<u>15,000,000</u>
Total	15,000,000
Source of funds	
Education fund	<u>15,000,000</u>
Total	15,000,000
Sec. B.504 Education - adult education and literacy	
Grants	<u>7,463,656</u>
Total	7,463,656
Source of funds	
General fund	787,995
Education fund	5,800,000
Federal funds	<u>875,661</u>
Total	7,463,656
Sec. B.505 Education - adjusted education payment	
Grants	<u>1,126,630,000</u>
Total	1,126,630,000
Source of funds	
Education fund	1,126,130,000
ARRA interdepartmental transfer	<u>500,000</u>
Total	1,126,630,000
Sec. B.506 Education - transportation	
Grants	<u>16,313,885</u>
Total	16,313,885
Source of funds	
Education fund	<u>16,313,885</u>
Total	16,313,885
Sec. B.507 Education - small school grants	
Grants	<u>7,100,000</u>
Total	7,100,000
Source of funds	
Education fund	<u>7,100,000</u>
Total	7,100,000

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Sec. B.508 Education - capital debt service aid	
Grants	<u>160,000</u>
Total	160,000
Source of funds	
Education fund	<u>160,000</u>
Total	160,000
Sec. B.509 Education - tobacco litigation	
Personal services	130,418
Operating expenses	47,015
Grants	<u>804,511</u>
Total	981,944
Source of funds	
Tobacco fund	<u>981,944</u>
Total	981,944
Sec. B.510 Education - essential early education grant	
Grants	<u>5,782,900</u>
Total	5,782,900
Source of funds	
Education fund	<u>5,782,900</u>
Total	5,782,900
Sec. B.511 Education - technical education	
Grants	<u>12,872,274</u>
Total	12,872,274
Source of funds	
Education fund	<u>12,872,274</u>
Total	12,872,274
Sec. B.512 Education - Act 117 cost containment	
Personal services	1,043,831
Operating expenses	130,269
Grants	<u>91,000</u>
Total	1,265,100
Source of funds	
Special funds	<u>1,265,100</u>
Total	1,265,100

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Sec. B.513	Appropriation and transfer to education fund	
	Grants	<u>276,240,000</u>
	Total	276,240,000
	Source of funds	
	General fund	<u>276,240,000</u>
	Total	276,240,000
Sec. B.514	State teachers' retirement system	
	Personal services	6,830,976
	Operating expenses	22,053,541
	Grants	<u>51,672,307</u>
	Total	80,556,824
	Source of funds	
	General fund	51,672,307
	Pension trust funds	<u>28,884,517</u>
	Total	80,556,824
Sec. B.515	Total General education	1,869,478,036
	Source of funds	
	General fund	337,551,464
	Special funds	16,756,445
	Tobacco fund	981,944
	Education fund	1,338,766,589
	Federal funds	134,449,434
	ARRA funds	10,613,000
	Global Commitment fund	941,971
	ARRA interdepartmental transfer	500,000
	Interdepartmental transfers	32,672
	Pension trust funds	<u>28,884,517</u>
	Total	1,869,478,036
Sec. B.600	University of Vermont	
	Grants	<u>40,746,633</u>
	Total	40,746,633
	Source of funds	
	General fund	36,740,477
	Global Commitment fund	<u>4,006,156</u>
	Total	40,746,633

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Sec. B.601 Vermont Public Television	
Grants	<u>547,683</u>
Total	547,683
Source of funds	
General fund	<u>547,683</u>
Total	547,683
Sec. B.602 Vermont state colleges	
Grants	<u>23,107,247</u>
Total	23,107,247
Source of funds	
General fund	<u>23,107,247</u>
Total	23,107,247
Sec. B.603 Vermont state colleges - allied health	
Grants	<u>1,116,503</u>
Total	1,116,503
Source of funds	
General fund	711,096
Global Commitment fund	<u>405,407</u>
Total	1,116,503
Sec. B.604 Vermont interactive television	
Grants	<u>785,679</u>
Total	785,679
Source of funds	
General fund	<u>785,679</u>
Total	785,679
Sec. B.605 Vermont student assistance corporation	
Grants	<u>18,363,607</u>
Total	18,363,607
Source of funds	
General fund	<u>18,363,607</u>
Total	18,363,607
Sec. B.606 New England higher education compact	
Grants	<u>84,000</u>
Total	84,000
Source of funds	

General fund	<u>84,000</u>
Total	84,000
Sec. B.607 University of Vermont - Morgan Horse Farm	
Grants	<u>1</u>
Total	1
Source of funds	
General fund	<u>1</u>
Total	1
Sec. B.608 Total Higher education	84,751,353
Source of funds	
General fund	80,339,790
Global Commitment fund	<u>4,411,563</u>
Total	84,751,353
Sec. B.700 Natural resources - agency of natural resources - administration	
Personal services	2,739,259
Operating expenses	1,141,374
Grants	<u>45,510</u>
Total	3,926,143
Source of funds	
General fund	3,720,213
Special funds	54,484
Federal funds	25,000
Interdepartmental transfers	<u>126,446</u>
Total	3,926,143
Sec. B.701 Natural resources - state land local property tax assessment	
Operating expenses	<u>2,128,733</u>
Total	2,128,733
Source of funds	
General fund	1,707,233
Interdepartmental transfers	<u>421,500</u>
Total	2,128,733
Sec. B.702 Fish and wildlife - support and field services	
Personal services	12,718,176
Operating expenses	5,253,194
Grants	<u>904,333</u>
Total	18,875,703
Source of funds	
General fund	983,713

Special funds	20,000
Fish and wildlife fund	17,531,844
Interdepartmental transfers	<u>340,146</u>
Total	18,875,703
Sec. B.703 Forests, parks and recreation - administration	
Personal services	980,517
Operating expenses	649,734
Grants	<u>1,815,492</u>
Total	3,445,743
Source of funds	
General fund	1,174,865
Special funds	1,307,878
Federal funds	<u>963,000</u>
Total	3,445,743
Sec. B.704 Forests, parks and recreation - forestry	
Personal services	4,377,380
Operating expenses	495,362
Grants	<u>501,000</u>
Total	5,373,742
Source of funds	
General fund	3,008,767
Special funds	975,069
Federal funds	1,259,906
Interdepartmental transfers	<u>130,000</u>
Total	5,373,742
Sec. B.705 Forests, parks and recreation - state parks	
Personal services	5,710,180
Operating expenses	<u>2,091,207</u>
Total	7,801,387
Source of funds	
General fund	265,454
Special funds	<u>7,535,933</u>
Total	7,801,387
Sec. B.706 Forests, parks and recreation - lands administration	
Personal services	447,753
Operating expenses	<u>1,209,470</u>
Total	1,657,223
Source of funds	
General fund	383,018

Special funds	179,205
Federal funds	1,050,000
Interdepartmental transfers	<u>45,000</u>
Total	1,657,223
Sec. B.707 Forests, parks and recreation - youth conservation corps	
Grants	<u>574,702</u>
Total	574,702
Source of funds	
General fund	42,320
Special funds	188,382
Federal funds	94,000
Interdepartmental transfers	<u>250,000</u>
Total	574,702
Sec. B.708 Forests, parks and recreation - forest highway maintenance	
Personal services	20,000
Operating expenses	<u>134,925</u>
Total	154,925
Source of funds	
General fund	<u>154,925</u>
Total	154,925
Sec. B.709 Environmental conservation - management and support services	
Personal services	3,958,930
Operating expenses	994,994
Grants	<u>109,800</u>
Total	5,063,724
Source of funds	
General fund	1,217,592
Special funds	1,695,813
Federal funds	1,400,917
ARRA funds	230,000
Interdepartmental transfers	<u>519,402</u>
Total	5,063,724
Sec. B.710 Environmental conservation - air and waste management	
Personal services	9,579,425
Operating expenses	6,851,818
Grants	<u>2,184,487</u>
Total	18,615,730
Source of funds	
General fund	413,960

Special funds	13,739,808
Federal funds	3,778,578
ARRA funds	378,384
Interdepartmental transfers	<u>305,000</u>
Total	18,615,730
Sec. B.711 Environmental conservation - office of water programs	
Personal services	13,597,174
Operating expenses	2,208,956
Grants	<u>2,672,351</u>
Total	18,478,481
Source of funds	
General fund	5,620,885
Special funds	4,915,687
Federal funds	7,224,982
ARRA funds	90,302
Interdepartmental transfers	<u>626,625</u>
Total	18,478,481
Sec. B.712 Environmental conservation - tax-loss-Connecticut river flood control	
Operating expenses	<u>34,700</u>
Total	34,700
Source of funds	
General fund	3,470
Special funds	<u>31,230</u>
Total	34,700
Sec. B.713 Natural resources board	
Personal services	2,349,214
Operating expenses	<u>374,166</u>
Total	2,723,380
Source of funds	
General fund	757,494
Special funds	<u>1,965,886</u>
Total	2,723,380

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Sec. B.714 Total Natural resources	88,854,316
Source of funds	
General fund	19,453,909
Special funds	32,609,375
Fish and wildlife fund	17,531,844
Federal funds	15,796,383
ARRA funds	698,686
Interdepartmental transfers	<u>2,764,119</u>
Total	88,854,316
Sec. B.800 Commerce and community development - agency of commerce and community development - administration	
Personal services	1,855,620
Operating expenses	601,085
Grants	<u>1,439,570</u>
Total	3,896,275
Source of funds	
General fund	2,690,275
Federal funds	800,000
ARRA funds	350,000
Interdepartmental transfers	<u>56,000</u>
Total	3,896,275
Sec. B.801 Economic, housing, and community development	
Personal services	7,892,289
Operating expenses	1,294,316
Grants	<u>12,127,703</u>
Total	21,314,308
Source of funds	
General fund	5,875,933
Special funds	3,948,699
Federal funds	11,337,260
ARRA funds	52,416
Interdepartmental transfers	<u>100,000</u>
Total	21,314,308
Sec. B.802 Historic sites - special improvements	
Operating expenses	<u>13,000</u>
Total	13,000
Source of funds	

Special funds	<u>13,000</u>
Total	13,000
Sec. B.803 Community development block grants	
Grants	<u>8,046,530</u>
Total	8,046,530
Source of funds	
Federal funds	7,446,530
ARRA funds	<u>600,000</u>
Total	8,046,530
Sec. B.804 Downtown transportation and capital improvement fund	
Personal services	78,828
Grants	<u>305,138</u>
Total	383,966
Source of funds	
Special funds	<u>383,966</u>
Total	383,966
Sec. B.805 Tourism and marketing	
Personal services	1,313,796
Operating expenses	1,613,714
Grants	<u>143,500</u>
Total	3,071,010
Source of funds	
General fund	3,021,010
Interdepartmental transfers	<u>50,000</u>
Total	3,071,010
Sec. B.806 Vermont life	
Personal services	663,467
Operating expenses	<u>49,222</u>
Total	712,689
Source of funds	
Enterprise funds	<u>712,689</u>
Total	712,689
Sec. B.807 Vermont council on the arts	
Grants	<u>507,607</u>
Total	507,607
Source of funds	

General fund	<u>507,607</u>
Total	507,607
Sec. B.808 Vermont symphony orchestra	
Grants	<u>113,821</u>
Total	113,821
Source of funds	
General fund	<u>113,821</u>
Total	113,821
Sec. B.809 Vermont historical society	
Grants	<u>807,694</u>
Total	807,694
Source of funds	
General fund	<u>807,694</u>
Total	807,694
Sec. B.810 Vermont housing and conservation board	
Grants	<u>21,612,916</u>
Total	21,612,916
Source of funds	
Special funds	8,772,500
Federal funds	<u>12,840,416</u>
Total	21,612,916
Sec. B.811 Vermont humanities council	
Grants	<u>172,670</u>
Total	172,670
Source of funds	
General fund	<u>172,670</u>
Total	172,670
Sec. B.812 Total Commerce and community development	60,652,486
Source of funds	
General fund	13,189,010
Special funds	13,118,165
Federal funds	32,424,206
ARRA funds	1,002,416
Interdepartmental transfers	206,000
Enterprise funds	<u>712,689</u>
Total	60,652,486
Sec. B.900 Transportation - finance and administration	

Personal services	9,454,757
Operating expenses	2,197,029
Grants	<u>355,000</u>
Total	12,006,786
Source of funds	
Transportation fund	11,028,070
Federal funds	<u>978,716</u>
Total	12,006,786
Sec. B.901 Transportation - aviation	
Personal services	2,578,742
Operating expenses	5,005,242
Grants	<u>160,000</u>
Total	7,743,984
Source of funds	
Transportation fund	3,396,984
Federal funds	<u>4,347,000</u>
Total	7,743,984
Sec. B.902 Transportation - buildings	
Operating expenses	<u>2,111,000</u>
Total	2,111,000
Source of funds	
Transportation fund	1,001,000
TIB fund	<u>1,110,000</u>
Total	2,111,000
Sec. B.903 Transportation - program development	
Personal services	36,255,937
Operating expenses	199,450,849
Grants	<u>30,093,679</u>
Total	265,800,465
Source of funds	
Transportation fund	29,381,520
TIB fund	13,516,260
Federal funds	210,051,644
ARRA funds	5,328,993
Interdepartmental transfers	4,993,195
Local match	<u>2,528,853</u>
Total	265,800,465
Sec. B.904 Transportation - rest areas	
Personal services	270,000

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Operating expenses	<u>7,175,000</u>
Total	7,445,000
Source of funds	
Transportation fund	259,460
TIB fund	926,134
Federal funds	<u>6,259,406</u>
Total	7,445,000
Sec. B.905 Transportation - maintenance state system	
Personal services	35,559,722
Operating expenses	31,657,070
Grants	<u>50,000</u>
Total	67,266,792
Source of funds	
Transportation fund	65,611,298
Federal funds	1,555,494
Interdepartmental transfers	<u>100,000</u>
Total	67,266,792
Sec. B.906 Transportation - planning, outreach and community affairs	
Personal services	3,181,304
Operating expenses	1,197,710
Grants	<u>5,660,280</u>
Total	10,039,294
Source of funds	
Transportation fund	1,958,857
Federal funds	7,739,556
Interdepartmental transfers	<u>340,881</u>
Total	10,039,294
Sec. B.907 Transportation - rail	
Personal services	4,271,926
Operating expenses	<u>50,367,435</u>
Total	54,639,361
Source of funds	
Transportation fund	9,354,381
TIB fund	1,431,668
Federal funds	10,079,589

ARRA funds	<u>33,773,723</u>
Total	54,639,361
Sec. B.908 Transportation - public transit	
Personal services	511,561
Operating expenses	182,347
Grants	<u>24,713,344</u>
Total	25,407,252
Source of funds	
Transportation fund	6,842,111
Federal funds	17,085,141
ARRA funds	<u>1,480,000</u>
Total	25,407,252
Sec. B.909 Transportation - central garage	
Personal services	3,464,636
Operating expenses	<u>13,822,279</u>
Total	17,286,915
Source of funds	
Internal service funds	<u>17,286,915</u>
Total	17,286,915
Sec. B.910 Department of motor vehicles	
Personal services	16,488,866
Operating expenses	8,873,827
Grants	<u>50,000</u>
Total	25,412,693
Source of funds	
Transportation fund	22,643,786
Federal funds	<u>2,768,907</u>
Total	25,412,693
Sec. B.911 Transportation - town highway structures	
Grants	<u>5,833,500</u>
Total	5,833,500
Source of funds	
Transportation fund	<u>5,833,500</u>
Total	5,833,500
Sec. B.912 Transportation - town highway Vermont local roads	
Grants	<u>390,000</u>
Total	390,000
Source of funds	

Transportation fund	235,000
Federal funds	<u>155,000</u>
Total	390,000
Sec. B.913 Transportation - town highway class 2 roadway	
Grants	<u>7,248,750</u>
Total	7,248,750
Source of funds	
Transportation fund	<u>7,248,750</u>
Total	7,248,750
Sec. B.914 Transportation - town highway bridges	
Personal services	3,600,000
Operating expenses	<u>14,111,776</u>
Total	17,711,776
Source of funds	
Transportation fund	673,867
TIB fund	2,025,875
Federal funds	14,075,835
Local match	<u>936,199</u>
Total	17,711,776
Sec. B.915 Transportation - town highway aid program	
Grants	<u>24,982,744</u>
Total	24,982,744
Source of funds	
Transportation fund	<u>24,982,744</u>
Total	24,982,744
Sec. B.916 Transportation - town highway class 1 supplemental grants	
Grants	<u>128,750</u>
Total	128,750
Source of funds	
Transportation fund	<u>128,750</u>
Total	128,750
Sec. B.917 Transportation - town highway emergency fund	
Grants	<u>750,000</u>
Total	750,000
Source of funds	

Transportation fund	<u>750,000</u>
Total	750,000
Sec. B.918 Transportation - municipal mitigation grant program	
Grants	<u>1,143,228</u>
Total	1,143,228
Source of funds	
Transportation fund	247,998
Federal funds	<u>895,230</u>
Total	1,143,228
Sec. B.919 Transportation - public assistance grant program	
Grants	<u>200,000</u>
Total	200,000
Source of funds	
Federal funds	<u>200,000</u>
Total	200,000
Sec. B.920 Transportation board	
Personal services	75,977
Operating expenses	<u>11,023</u>
Total	87,000
Source of funds	
Transportation fund	<u>87,000</u>
Total	87,000
Sec. B.921 Total Transportation	553,635,290
Source of funds	
Transportation fund	191,665,076
TIB fund	19,009,937
Federal funds	276,191,518
ARRA funds	40,582,716
Internal service funds	17,286,915
Interdepartmental transfers	5,434,076
Local match	<u>3,465,052</u>
Total	553,635,290
Sec. B.1000 Debt service	
Debt service	<u>72,390,394</u>
Total	72,390,394
Source of funds	
TIB debt service fund	991,563
General obligation bonds debt service fund	1,388,121

General fund	64,575,793
Transportation fund	3,371,825
Special funds	625,950
ARRA funds	<u>1,437,142</u>
Total	72,390,394
Sec. B.1001 Total Debt service	72,390,394
Source of funds	
General fund	64,575,793
General obligation bonds debt service fund	1,388,121
Transportation fund	3,371,825
TIB debt service fund	991,563
Special funds	625,950
ARRA funds	<u>1,437,142</u>
Total	72,390,394

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2012, \$4,793,000 is appropriated or transferred from the next generation initiative fund created in 16 V.S.A. § 2887 as prescribed below:

(1) Workforce development. \$1,861,000 as follows:

(A) Workforce Education and Training Fund (WETF). The sum of \$1,301,000 is transferred to the Vermont workforce education and training fund created in 10 V.S.A. § 543 and subsequently appropriated to the department of labor for workforce development. Up to seven percent of the funds may be used for administration of the program. Of this amount:

(i) \$350,000 shall be allocated for the Vermont career internship program pursuant to Secs. 11-13 of H.287 of 2011; and

(ii) Up to \$15,000 of these funds are allocated for transfer to the secretary of administration for the work of the executive economist, and to reimburse the joint fiscal office for the work of the legislative economist, to conduct a study on government contracting, and to develop an econometric model for the evaluation of net costs of government contracts pursuant to Sec. 71 of H.287 of 2011.

(B) Adult Technical Education Programs. The amount of \$360,000 is appropriated to the department of labor working with the workforce development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) UVM Technology Transfer Program. The amount of \$100,000 is appropriated to the University of Vermont. This appropriation is for patent development and commercialization of technology created at the university for the purpose of creating employment opportunities for Vermont residents.

(D) Vermont center for emerging technologies. The amount of \$100,000 is appropriated to the agency of commerce and community development for a grant to the Vermont center for emerging technologies to enhance development of high technology businesses and next generation employment opportunities throughout Vermont.

(2) Loan repayment. \$330,000 as follows:

(A) Health care loan repayment. The sum of \$300,000 is appropriated to the agency of human services Global Commitment for the department of health to use for health care loan repayment. The department shall use these funds for a grant to the area health education centers (AHEC) for repayment of commercial or governmental loans for postsecondary health-care-related education or training owed by persons living and working in Vermont in the health care field.

(B) Large animal veterinarians' loan forgiveness. \$30,000 is appropriated to the agency of agriculture, food and markets for a loan forgiveness program for large animal veterinarians pursuant to Sec. 39 of H.287 of 2011.

(3) Scholarships and grants. \$2,544,500 as follows:

(A) Nondegree VSAC grants. The amount of \$494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The sum of \$150,000 is appropriated to the Vermont Student Assistance Corporation to fund the national guard educational assistance program established in 16 V.S.A. § 2856.

(C) Scholarships. The sum of \$1,500,000 is appropriated to the University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation for need-based scholarships to Vermont residents. These funds shall be divided equally among the University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation.

The Vermont Student Assistance Corporation shall reserve these funds for students attending institutions other than the University of Vermont or the Vermont State Colleges. None of these funds shall be used for administrative overhead. Each entity will target these funds in a manner that brings to bear the maximum benefits of its unique missions and constituencies to further the workforce and economic development objectives of the state, participation in postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. By July 1, 2011, each entity will present a plan to the workforce development council (WDC) for deploying the scholarships along with proposed measurable short- and long-term outcomes. This will form the basis for a WDC recommendation for funding in fiscal year 2013.

(D) Dual enrollment programs. The sum of \$400,000 is appropriated to the Vermont State Colleges for dual enrollment programs. The state colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the state college system when programs at the other institutions are better academically or geographically suited to student need.

(4) Southeast Vermont Economic Development Strategy. The sum of \$25,000 is appropriated to the agency of commerce and community development for workforce development and other activities of Sec. 65 of H.287 of 2011.

(5) Science Technology Engineering and Math (STEM) Incentive. The sum of \$32,500 is appropriated to the agency of commerce and community development for an incentive payment pursuant to Sec. 6 of H.287 of 2011.

Sec. B.1100.1 WORKFORCE DEVELOPMENT COUNCIL  
RECOMMENDATION FOR FISCAL YEAR 2013 NEXT GENERATION  
FUND DISTRIBUTION

(a) The department of labor, in coordination with the agency of commerce and community development, the agency of human services, and the department of education, and in consultation with the workforce development council, shall recommend to the governor no later than November 1, 2011, on how \$4,793,000 from the next generation fund should be allocated or appropriated in fiscal year 2013 to provide maximum benefit to workforce development, participation in postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont

Sec. B.1101 FISCAL YEAR 2012 BASE REDUCTIONS

(a) In fiscal year 2012, the secretary of administration is authorized to reduce appropriations for labor savings due to unfilled vacant positions,

voluntary reduced workweeks, modified health insurance plans for active and retired state employees, reduced state costs in supporting retirement plans, close management of personal services contracts, reduced overtime costs, and for any other management initiatives within the executive branch, excluding reductions to grants, that are necessary to realize the base reductions. The executive branch shall provide status reports to the joint fiscal committee on achievement of this base reduction at meetings in July, September and November of 2011. The commissioner of finance and management is authorized to transfer other funds saved as a result of these initiatives to the general fund in fiscal year 2012:

General fund \$12,000,000

Sec. B.1102 FISCAL YEAR 2012 CONTRACT IMPLEMENTATION AND HEALTH INSURANCE CLAIMS ASSESSMENT

(a) There is appropriated to the secretary of administration for contract nonsalary items and costs from health insurance claims assessments, to be transferred to departments as the secretary may determine to be necessary:

General fund \$906,500

Sec. B.1103 FISCAL YEAR 2012 ONE-TIME APPROPRIATION

(a) In fiscal year 2012, there is appropriated to the department of tourism and marketing for the Vermont civil war sesquicentennial commission:

General fund \$50,000

Sec. B.1104 [DELETED]

Sec. B.1105 FISCAL YEAR 2012 CONTINGENT APPROPRIATIONS.

(a) In the event that the appropriation in Sec. 50(b) of No. 3 of the Acts of 2011 as amended by Sec. C.110 of this act is not made due to unavailable funds and the commissioner of finance determines that a payment to the federal government for unemployment insurance interest is required by September 20, 2011, to the extent necessary to fund the payment the amount of such payment is appropriated from the general fund to the department of labor. The commissioner of finance may unreserve funds as necessary up to the payment amount from the human services caseload reserve created 32 V.S.A. § 308b.

(b) In the event that any portion of the appropriation in Sec. 50(c) of No. 3 of the Acts of 2011 as amended by Sec. C.110 of this act is not made due to unavailable funds, then to the extent necessary to reach the appropriation level in that section, up to the first \$7,000,000 of any upgrade in the official revenue forecast for the general fund made in July 2011 for fiscal year 2012 is appropriated for the same purpose.

Sec. C.100 Sec. D.106(c)(1) of No. 156 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

(1) ~~\$10,000,000~~ \$9,397,500 is appropriated to the ~~department of buildings and general services for planning and construction of replacement for Vermont State Hospital beds.~~ following agencies and departments for information technology projects:

(A) to the agency of human services to replace legacy technologies to determine eligibility, enroll beneficiaries, and provide benefits in a faster and more efficient, secure, and accessible way: \$3,600,000

(B) to the department of corrections to replace outdated components of the offender case management system: \$2,000,000

(C) to the department of public service for a case management system for electronic tracking, organizing, and utilization of docket files:  
\$250,000

(D) to the agency of commerce and community development for an internet-based historic resources digital database: \$150,000

(E) to the department of finance and management to upgrade the Human Capital Management (HCM) system to process payroll and manage associated employee and financial data and retire the legacy Paradox application; and to upgrade the VISION financial management system to better integrate with HCM and the budget and planning application: \$3,397,500

Sec. C.101 Sec. 44(a)(4) of No. 3 of the Acts of 2011 is amended to read:

(4) The following amounts shall be transferred between special funds as indicated:

~~From the Transportation Infrastructure Bond Fund #20191 to the Transportation Revenue Bond Debt Service Fund #35200~~ 991,563.00

From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund for the purpose of funding fiscal year 2012 transportation infrastructure bond debt service: 991,562.50

\* \* \*

Sec. C.102 Sec. 45(a)(1) of No. 3 of the Acts of 2011 is amended to read:

(1) The following amounts shall revert to the general fund from the accounts indicated:

1100020000	Secretary of Administration	16,662.51
1100030000	Pay Plan Adjustment	184,031.00

1120020000	Tuition Assistance Program	27,819.97
<del>1140040000</del>	<del>Homeowner Rebates</del>	<del>262,550.17</del>
1140070000	Use Tax Reimbursement Program	288,508.57
1140330000	Renter Rebates	2,069.27
1140891001	IT Reprogram-Sales Tax Holiday	10,000.00
1260080000	Interest-Temp Borrowing	550,000.00
1260890901	FY 2009 Short Term Borrowing	100,000.00
1260891001	Retirement Plan Study	19,838.49
2130100000	State's Attorneys	1,226.68
2130200000	Sheriffs	194,641.82
1260891003	Benefits Survivors Emergency Personnel	70,000.00

Sec. C.103 Sec. 282 of No. 65 of the Acts of 2007 is amended to read:

Sec. 282. TAX COMPUTER SYSTEM MODERNIZATION FUND

(a) Creation of fund.

(1) There is established the tax computer system modernization special fund to consist of:

(A) ~~Eighty percent of~~ The tax receipts received as a direct result of the Massachusetts-sponsored data sharing warehouse project relative to non-state resident filers initiated by the department of taxes beginning in calendar year 2011; and

(B) Eighty percent of tax receipts received as a direct result of the data sharing and comparison project between the Vermont department of labor and the department of taxes relative to entity and employee filings at both departments and/or lack thereof.

(2) Balances in the fund shall be administered by the department of taxes and used for the exclusive purposes of funding ~~phase 3 of the tax department's computer system modernization project supporting: A) corporate tax; B) business income tax; C) property transfer tax; D) fuel gross receipts tax; and E) individual use tax; A) ancillary development of the ETM system necessary for implementation of the data warehouse project and in preparation of the transfer of tax types from the current VIRCS system to the VIRCS/ETM system, including modernization of billing capability; B) payments due to the vendor under the data warehouse project contract; C) enhanced compliance costs related to the data warehouse project; and D) phase 1 of the transfer of five tax types, specifically income taxation of individuals, trusts and estates, withholding tax, sales and use tax, meals and rooms tax, and property tax adjustments, from the current VIRCS system to the VIRCS/ETM system.~~ All balances in the fund at the end of any fiscal year shall be carried forward and remain part of the fund. Interest earned by the fund shall be deposited into the

fund. This fund is established in the state treasury pursuant to subchapter 5 of chapter 7 of Title 32.

(b) Appropriation.

(1) There is appropriated in fiscal year 2008 from the special fund the sum of up to \$7,800,000 to the department of taxes for the purposes described in subdivision (a)(2) of this section. The commissioner shall anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

(c) Transfer.

(1) Twenty percent of the tax receipts received pursuant to subdivision (a)(1)(A) of this section after payment to the vendor under the data warehouse contract shall be transferred to the general fund annually for the duration of that contract. Thereafter, 20 percent of the tax receipts received pursuant to subdivision (a)(1)(A) shall be transferred to the general fund annually until the expiration of the tax computer system modernization fund.

(d) Fund to terminate.

(1) This fund shall terminate on July 1, ~~2011~~ 2018 and any unexpended unencumbered balance in the fund shall be transferred to the general fund.

~~(d)~~(e) The tax commissioner shall report to the joint fiscal committee on fund receipts ~~through the first four months of fiscal year 2008~~ at or prior to the November joint fiscal committee meeting each year until the fund is terminated.

Sec. C.103.1 SPECIAL FUND APPROPRIATION FOR TAX COMPUTER SYSTEMS

(a) \$7,500,000 is appropriated from the tax computer system modernization special fund established pursuant to Sec. 282 of No. 65 of the Acts of 2007, as amended in Sec. C.103 of this act. This appropriation shall carry forward through fiscal year 2013. The commissioner shall anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

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Sec. C.104 FISCAL YEAR 2011 MEDICAID STATE FUNDS - RESERVE

(a) To the extent that state funds in the state Medicaid programs are unexpended in fiscal year 2011, as a result of federal matching for the final quarter of fiscal year 2011, up to \$3,600,000 shall be reserved in the human services caseload reserve created by 32 V.S.A. § 308b to be used for potential state budget needs in human services as a result of reduced federal funds availability.

Sec. C.105 33 V.S.A. § 1116(c)(1) is amended to read:

(c)(1)(A) For a first, second, and third month in which a participating adult is not in compliance with a family development plan or work requirement and has not demonstrated good cause for such noncompliance, the family's financial assistance grant shall be reduced by the amount of \$75.00 for each adult sanctioned.

~~(B) For a second month in which a participating adult is not in compliance with a family development plan or work requirement and has not demonstrated good cause for such noncompliance, the family's financial assistance grant shall be reduced by the amount of \$100.00 for each adult sanctioned.~~

~~(C) For a third month in which a participating adult is not in compliance with a family development plan or work requirement and has not demonstrated good cause for such noncompliance, the family's financial assistance grant shall be reduced by the amount of \$125.00 for each adult sanctioned.~~

Sec. C.105.1 33 V.S.A. § 1116(h) is amended to read:

(h)(1) To receive payments during the fiscal sanction period, an adult who is the subject of the sanction shall meet no less than once each month to report his or her circumstances to the case manager or to participate in assessments as directed by the case manager. In addition, this meeting shall be for initial assessment and development of the family development plan when such tasks have not been completed; reassessment or review and revision of the family development plan, if appropriate; and to encourage the participant to fulfill the work requirement. Meetings required under this section may take place in the district office, a community location, or in the participant's home. Facilitation of meeting the participant's family development plan goals shall be a primary consideration in determining the location of the meeting. The commissioner may waive any meeting when extraordinary circumstances prevent a participant from attending. The commissioner shall adopt rules to implement this subsection.

~~(2) To receive payments during the fourth month of fiscal sanction in a 12-month period, the participating adults shall engage in an assessment that includes the employability and life skills capabilities of the adult participants. If the evaluation reveals that a sanctioned adult should have had a modified or deferred work requirement during the current month of sanction or earlier months of sanction, the department shall strike the sanction, reinstate the full grant amount to which the family is entitled, and modify the participant's family development plan. The months of sanction incorrectly assessed shall be treated as if the months were forgiven as provided for under subsection (d) of this section. The assessment may be conducted by a team consisting of service providers familiar with the family and with an individual family member's needs.~~

Sec. C.106 Sec. B.903 of No. 156 of the Acts of the 2009 Adj. Sess. (2010), as amended by Sec. 42 of No. 3 of the Acts of 2011, is further amended to read:

Sec. B.903 Transportation - program development

Personal services	36,339,478	36,339,478
Operating expenses	220,162,203	220,162,203
Grants	<u>26,819,421</u>	<u>26,819,421</u>
Total	283,321,102	283,321,102
Source of funds		
ARRA funds	45,034,600	45,034,600
TIB fund	<del>15,256,273</del>	15,851,273
Transportation fund	<del>18,246,575</del>	17,651,575
Local match	1,434,254	1,434,254
Federal funds	199,707,420	199,707,420
Interdepartmental transfers	<u>3,641,980</u>	<u>3,641,980</u>
Total	283,321,102	283,321,102

Sec. C.107 Sec. B.905 of No. 156 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

Sec. B.905 Transportation – maintenance state system

Personal services	34,530,658	34,530,658
Operating expenses	34,821,229	35,416,229
Grants	<u>30,000</u>	<u>30,000</u>
Total	67,381,887	67,976,887
Source of funds		
Transportation fund	<del>65,552,943</del>	66,147,943
Federal funds	1,728,944	1,728,944
Interdepartmental transfers	<u>100,000</u>	<u>100,000</u>
Total	67,381,887	67,976,887

Sec. C.108 Sec. B.914 of No. 156 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

Sec. B.914 Transportation – town highway bridges

Personal services	3,600,000	3,600,000
Operating expenses	<del>15,489,340</del>	12,514,340
Total	<del>19,089,340</del>	16,114,340
Source of funds		
ARRA funds	3,990,070	3,990,070
TIB fund	<del>1,616,014</del>	1,021,014
Transportation fund	658,224	658,244
Local match	766,631	766,631
Federal funds	<del>12,058,401</del>	9,678,401
Total	<del>19,089,340</del>	16,114,340

Sec. C.109 Sec. B.921 of No. 156 of the Acts of the 2009 Adj. Sess. (2010), as amended by Sec. 43 of No. 3 of the Acts of 2011, is further amended to read:

Sec. B.921 Total transportation ~~582,705,976~~ 580,325,976

Source of funds		
Transportation fund	182,691,502	182,691,502
TIB fund	19,454,143	19,454,143
Local match	2,450,885	2,450,885
Federal funds	<del>275,885,087</del>	273,505,087
ARRA funds	80,756,516	80,756,516
Internal service funds	17,477,863	17,477,863
Interdepartmental transfers	<del>3,989,980</del>	3,989,980
Total	<del>582,705,976</del>	580,325,976

Sec. C.110 Sec. 50 of No. 3 of 2011 is amended to read:

Sec. 50. FISCAL YEAR 2011 GENERAL FUND BALANCE

(a) Notwithstanding 32 V.S.A. §§ 308c and 308d, after the general fund budget stabilization reserve attains its statutory maximum, the first \$29,540,000 of any additional unreserved and undesignated general fund balance shall be deposited into the human services caseload reserve established in 32 V.S.A. § 308b in fiscal year 2011 to be used for caseload costs, offsets to federal funding changes, or related human service expenditures in fiscal year 2012.

(b) The next \$3,600,000 of any unreserved and undesignated general fund balance is appropriated to the department of labor for unemployment insurance interest. In the event that federal action is taken that results in a payment of unemployment insurance interest not being required, this appropriation shall

not be made. Any payment returned to the state due to it not being required shall be deposited into the general fund.

(c) The next \$7,000,000 of any unreserved and undesignated general fund balance is appropriated to the secretary of administration to be reserved pending emergency board action to allocate these funds to offset reduced federal funding. Pursuant to 32 V.S.A. § 706 the emergency board is authorized to allocate and transfer, to the extent necessary, this appropriation to offset the loss of existing appropriations of federal funds in this act.

(d) Any remaining unreserved and undesignated general fund balance shall be deposited into the human service caseload reserve fund until unreserved and appropriated by act of the general assembly.

#### Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of \$488,000 is appropriated from the property valuation and review administration special fund to the department of taxes for administration of the use tax reimbursement program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$488,000 from the property transfer tax that are deposited into the property valuation and review administration special fund shall be transferred into the general fund.

(2) The sum of \$8,047,500 is appropriated from the Vermont housing and conservation trust fund to the Vermont housing and conservation trust board. Notwithstanding 10 V.S.A. § 312, amounts above \$8,047,500 from the property transfer tax that are deposited into the Vermont housing and conservation trust fund shall be transferred into the general fund.

(3) The sum of \$3,295,476 is appropriated from the municipal and regional planning fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,295,476 from the property transfer tax that are deposited into the municipal and regional planning fund shall be transferred into the general fund. The \$3,295,476 shall be allocated as follows:

(A) \$2,508,076 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$408,700 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$378,700 to the Vermont center for geographic information.

#### Sec. D.101 FUND TRANSFERS AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) from the general fund to the:

(A) communications and information technology internal service fund established by 22 V.S.A. § 902a: \$900,000.

(B) next generation initiative fund established by 16 V.S.A. § 2887: \$4,793,000.

(2) from the transportation fund to the downtown transportation and related capital improvement fund established by 24 V.S.A. § 2796 to be used by the Vermont downtown development board for the purposes of the fund: \$400,000.

(3) from the transportation fund to the general fund: \$3,989,279.

(4) from the transportation infrastructure bond fund established by 19 V.S.A. § 11f to the transportation infrastructure bonds debt service fund for the purpose of funding fiscal year 2013 transportation infrastructure bond debt service: \$990,063.

(5) from the DUI Enforcement Special Fund (#21140) established in 23 V.S.A. § 1220a to the general fund: \$1,500,343.

(b) The amount of \$29,500,000 is unreserved and made available for expenditure in fiscal year 2012 from the human services caseload reserve created by 32 V.S.A. § 308b.

#### Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2011 in the tobacco litigation settlement fund shall remain for appropriation in fiscal year 2012.

#### Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the tobacco trust fund at the end of fiscal year 2012 and any additional amount necessary to ensure the balance in the tobacco litigation settlement fund at the close of fiscal year 2012 is not negative, shall be transferred from the tobacco trust fund to the tobacco litigation settlement fund in fiscal year 2012.

\* \* \* GENERAL GOVERNMENT \* \* \*

#### Sec. E.100 Secretary of administration – secretary's office

(a) It is the intent of the general assembly that in the budget process the administration, the legislature, funding recipients, and the public be able to evaluate state funding in terms of program outcomes. The budget process should support and align with this goal by including the established outcomes for each funded program as well as the existing performance measures by which the success of the program can be determined. For any program requesting funding that has outdated or does not currently have defined outcomes and related performance evaluation measures, the administration should include recommendations of such in the budget process.

(b) Of the funds appropriated to the secretary of administration in Sec. B.1103(a)(1)(A) of No. 156 of the Acts of the 2009 Adj. Sess. (2010) as amended by Sec. 56 of No. 3 of the Acts of 2011, up to \$1,000,000 may be carried forward and redirected to state costs that are the result of concluded or ongoing legal expenses.

Sec. E.101 Information and innovation - communications and information technology

(a) Of this appropriation, \$700,000 is for a grant to the Vermont telecommunications authority established in 30 V.S.A. § 8061. The secretary of administration is authorized to use \$200,000 of the appropriation for expenditures related to expanding and improving statewide telecommunications and internet accessibility.

Sec. E.103 32 V.S.A. § 183 is amended to read:

§ 183. FINANCIAL AND HUMAN RESOURCE INFORMATION  
INTERNAL SERVICE FUND

(a) There is established in the department of finance and management a financial and human resource information internal service fund, to consist of revenues from charges to agencies, departments, and similar units of Vermont state government, and to be available to fund the costs of the division of financial operations in the department of finance and management, and the technical support and services provided by the department of information and innovation for the statewide central accounting and encumbrance, budget development, and human resource management systems. ~~Expenditures shall be managed in accordance with subsection 462(b) of this title.~~

(b) The rate of the charges shall be proposed by the commissioner of finance and management, subject to the approval of the secretary of administration. Proposed rates of charges shall be based upon the cost of operations. ~~The proposed rates to be paid by departments and agencies shall be included in the administration budget recommendations each fiscal year for~~

~~legislative authorization as part of the budget process. Any changes in rates shall be approved by subsequent legislative action.~~

Sec. E.103.1 32 V.S.A. § 307(e) is amended to read:

(e) ~~The budget shall also include any proposed expenditures and charges for enterprise and internal service funds to be billed to departmental budgets for payment to the financial management, workers' compensation, and facilities operations internal service funds. Such charges shall be subject to legislative approval. The departments of finance and management and buildings and general services shall include with their annual budget submissions details of any such charges to be made projected by department and the financial case for the proposed changes in charges for the three internal services funds. Expenditures from enterprise and internal service funds shall be managed in accordance with subsection 462(b) of this title.~~

Sec. E.104 3 V.S.A. § 2283 is amended to read:

§ 2283. DEPARTMENT OF HUMAN RESOURCES

(a) ~~The department of human resources is created in the agency of administration. In addition to other responsibilities assigned to it by law, the department is responsible for the provision of centralized human resources management services for state government, including the administration of a classification and compensation system for state employees under chapter 13 of this title and the performance of duties assigned to the commissioner of human resources under chapter 27 of this title. The department shall administer the human resources functions of the agency of administration in consultation with the agency of administration commissioners and the state librarian. A department~~ All agencies and departments of the agency of administration state which receives receive services of from the consolidated agency human resources unit department shall be charged for those services through an interdepartmental transfer assessment payable to the human resource services internal service fund on a basis established by the commissioner of finance and management in consultation with the commissioner of human resources and with the approval of the secretary of administration.

(b)(1) There is established in the department of human resources a human resource services internal service fund to consist of revenues from charges to agencies, departments, and similar units of Vermont state government and to be available to fund the costs of the consolidated human resource services in the department of human resources.

(2) The rate of the charges shall be proposed by the commissioner of human resources, subject to the approval of the secretary of administration.

Proposed rates of charges shall be based upon the cost of operations associated with human resource services provided to agencies, departments, and similar units of Vermont state government.

Sec. E.107 Tax – administration/collection

(a) Of this appropriation, \$20,000 is from the current use special fund and shall be appropriated for programming changes to the CAPTAP software used for the valuation of property tax.

Sec. E.109 Buildings and general services - engineering

(a) The \$2,428,802 interdepartmental transfer in this appropriation shall be from the general bond fund appropriation in the Capital Appropriations Act of the 2011 session.

Sec. E.110 Buildings and general services - information centers

(a) In fiscal year 2012, \$40,000 of general funds shall revert to the general fund.

Sec. E.121 29 V.S.A. § 160a is amended to read:

§ 160a FACILITIES OPERATIONS ~~REVOLVING~~ INTERNAL SERVICE  
FUND

(a) There is created a facilities operations ~~revolving~~ internal service fund in the department of buildings and general services. The purpose of this fund is to provide for:

\* \* \*

(b) The fund shall consist of:

\* \* \*

(3) Fees paid by departments and agencies including the legislative and judicial branches. The rate of said fees shall be proposed ~~to the legislature~~ by the commissioner of buildings and general services subject to the approval of the secretary of administration. Proposed rates shall be based upon the cost of operations, debt service and depreciation. ~~The fees to be paid by departments and agencies shall be included in the administration budget recommendations each fiscal year for legislative approval as part of the budget process. Any changes in rates shall be approved by subsequent legislative action.~~

\* \* \*

Sec. E.122 Geographic information system

(a) The Vermont Center for Geographic Information Inc. in consultation with the department of taxes, the agency of natural resources, and the agency

of transportation shall report to the house and senate committees on government operations and on appropriations on or before January 15, 2012 on methods to reduce and prevent duplication of services and activities across state government with regard to mapping services and other geographic data resources.

Sec. E.125 Sec. 95 of No. 67 of the Acts of 2010 is amended to read:

Sec. 95. FIVE-PERCENT PAY CUT FOR MEMBERS OF THE GENERAL ASSEMBLY

(a) For the remainder of fiscal year 2010 and for fiscal year 2011 and fiscal year 2012, the annual, weekly, and daily compensation of all members of the general assembly shall be reduced by five percent from the rate of compensation which would otherwise be paid as of January 5, 2010, under the provisions of 32 V.S.A. §§ 1051(a) and 1052(a).

Sec. E.126 [DELETED]

Sec. E.127 Joint fiscal committee

(a) The joint fiscal office is authorized to make a transfer of up to \$65,000 to the office of the secretary of administration provided that the Capitol Health Associates contract and its related work are moved to the secretary's office.

(b) The joint fiscal office is further authorized to make a transfer of up to \$12,500 in fiscal year 2011 in the event that the contract can be moved at an earlier date.

Sec. E.128 Sergeant at arms

(a) Notwithstanding any other provision of law, in fiscal year 2012, the amount of \$20,000 from account #1230001000 shall revert to the general fund.

Sec. E.130 Auditor of accounts

(a) The office of the state auditor shall not increase the number of filled positions assigned to the state auditor's office, including both exempt and classified, above 14 during fiscal year 2011 and fiscal year 2012, and position number 090031 – senior auditor – shall be transferred to the statewide position pool as of July 1, 2011.

(b) The state auditor shall review the legislative changes made during the 2011 session and submit a revised work plan for the office of the state auditor, including an adjusted budget and preliminary audit schedule for fiscal year 2012, to the department of finance and management and the legislative joint fiscal committee on or before July 5, 2011. The work plan shall include all required audits and any plans for discretionary performance audits in place at

that time. In addition the plan shall include a discussion of advance notification protocol options for single audit fund agency billings.

Sec. E.130.1 EVALUATION RECOMMENDATIONS ON THE STATE'S LONG TERM CARE SYSTEM UNDER THE CHOICES FOR CARE WAIVER

(a) The state auditor shall report to the house and senate committees on appropriations, the senate committee on health and welfare, and the house committee on human services by January 15, 2012 with recommendations on how to evaluate the success of the Choices for Care waiver.

(b) The state auditor shall work with the department of disabilities, aging, and independent living to develop a series of outcome measures, including the relevant outcome measures delineated in No. 146 of the Acts of the 2009 Adj. Sess. (2010), to evaluate the Choices for Care waiver. These outcome measures shall be included in the recommendations on how to evaluate the success of the Choices for Care waiver. A copy of the auditor's report shall be sent to the government accountability committee.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2012, investment fees shall be paid from the corpus of the fund.

Sec. E.141 Lottery commission

(a) Of this appropriation, the lottery commission shall transfer \$150,000 to the department of health, office of alcohol and drug abuse programs, to support the gambling addiction program.

(b) The Vermont state lottery shall provide assistance and work with the Vermont council on problem gambling on systems and program development.

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for state payments in lieu of property taxes under subchapter 4 of chapter 123 of Title 32, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act.

Sec. E.143 Payments in lieu of taxes - Montpelier

(a) Payments in lieu of taxes under this section shall be paid from the PILOT special fund under 32 V.S.A. § 3709.

Sec. E.144 Payments in lieu of taxes – correctional facilities

(a) Payments in lieu of taxes under this section shall be paid from the PILOT special fund under 32 V.S.A. § 3709.

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\* \* \* PROTECTION TO PERSONS AND PROPERTY \* \* \*

Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the office of the attorney general, Medicaid fraud and residential abuse unit, is authorized to retain, subject to appropriation, one-half of the state share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the state share of restitution to the Medicaid program. All such designated additional recoveries retained shall be used to finance Medicaid fraud and residential abuse unit activities.

(b) Of the revenue available to the attorney general under 9 V.S.A. § 2458(b)(4), \$610,000 is appropriated in Sec. B.200 of this act.

Sec. E.204 Judiciary

(a) For compensation paid from July 1, 2011 to June 30, 2012, the supreme court is authorized to reduce by up to five percent salaries established by statute that are paid by the judicial department appropriation and to reduce by up to five percent the hourly rates of nonbargaining unit employees.

(b) The chief justice is authorized to apply provisions of the judiciary collective bargaining unit to exempt permanent state employees of the judicial branch who are not judicial officers.

Sec. E.205 State's attorneys

(a) In fiscal year 2012, the annual salaries of all state's attorneys shall be reduced by five percent from the salaries which would otherwise be paid under the provisions of 32 V.S.A. § 1183.

Sec. E.206 Special investigative unit

(a) The director of the state's attorneys shall report to the joint fiscal committee and the house and senate committees on judiciary and appropriations by November 15, 2011 on issues related to the effectiveness of the special investigation units (SIU). The report shall be made in consultation with the state and local law enforcement agencies, the department for children and families, and victims' organizations. The report shall include information by SIU about the number of investigations and referrals; the number of reported claims of abuse, entity who first responded to the claim, response time, percentage of those cases that were referred to SIU; and total funding including state, county, and local direct and indirect support. The report shall also specifically report by SIU the region covered by each SIU and the support each county and community contribute to the SIU. The report shall make recommendations for changes in structure and practice that would increase SIU effectiveness.

## Sec. E.207 Sheriffs

(a) In fiscal year 2012, the annual salaries of sheriffs earning \$60,000 or more shall be reduced by five percent from the salaries which would otherwise be paid under the provisions of 32 V.S.A. § 1182, and the annual salaries of sheriffs earning less than \$60,000 shall be reduced by three percent from the salaries which would otherwise be paid under the provision of 32 V.S.A. § 1182.

## Sec. E.208 Public safety–administration

(a) Of the funds appropriated to the department of public safety, \$25,000 shall be used to make a grant to the Essex County sheriff's department for a performance-based contract to provide law enforcement service activities agreed upon by both the commissioner of public safety and the sheriff.

## Sec. E.209 Public safety - state police

(a) Of this appropriation, \$35,000 in special funds shall be available for snowmobile law enforcement activities and \$35,000 in general funds shall be available to the southern Vermont wilderness search and rescue team, which comprises state police, the department of fish and wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of the \$255,000 allocated for grants funded in this section, \$190,000 shall be used by the Vermont drug task force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in subdivision 4201(29) of Title 18 and the diversion of legal prescription drugs. Any additional available funds shall remain as a "pool" available to local and county law enforcement to fund overtime costs associated with drug investigations. Any unexpended funds from prior fiscal years' allocations under this section shall be carried forward.

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Sec. E.209.1 STATE POLICE – RECRUITMENT AND RETENTION

(a) The commissioner of public safety and the commissioner of human resources shall provide to the joint fiscal committee in November 2011 a five-year projection of the state trooper staffing needs that shows year by year the potential retirement vacancies based on age and years of service of current troopers and an update on actions planned or already under way that will address these staffing needs through improved recruitment and retention of state troopers.

Sec. E.212 Public safety - fire safety

(a) Of this general fund appropriation, \$55,000 shall be granted to the Vermont rural fire protection task force for the purpose of designing dry hydrants.

Sec. E.214 Public safety - emergency management - radiological emergency response plan

(a) Of this special fund appropriation, up to \$30,000 shall be available to contract with any radio station serving the emergency planning zone for the emergency alert system.

Sec. E.215 Military – administration

(a) Of this appropriation, \$100,000 shall be disbursed to the Vermont student assistance corporation for the national guard educational assistance program established in 16 V.S.A. § 2856.

(b) In the event federal funding is not available subsequent to September 20, 2011 to the military department to provide outreach and hotline services for Vermont veterans recently separated from military service, the emergency board pursuant to 32 V.S.A. § 706 is authorized to transfer up to \$560,000 of general or special funds from existing appropriations to the military.

Sec. E.219 Military - veterans' affairs

(a) Of this appropriation, \$5,000 shall be used for continuation of the Vermont medal program, \$4,800 shall be used for the expenses of the governor's veterans' advisory council, \$7,500 shall be used for the Veterans' Day parade, \$5,000 shall be granted to the Vermont state council of the Vietnam Veterans of America to fund the service officer program, and \$5,000 shall be used for the military, family, and community network.

Sec. E.220 Center for crime victim services

(a) Of this appropriation, the amount of \$806,195 from the victims' compensation fund created by 13 V.S.A. § 5359 is appropriated for the Vermont network against domestic and sexual violence initiative.

Expenditures for this initiative shall not exceed the revenues raised in fiscal year 2012 from the \$10.00 increase authorized by Sec. 20 of No. 174 of the Acts of the 2007 Adj. Sess. (2008) applied to the assessment in 13 V.S.A. § 7282(a)(8)(B) and from the \$20.00 authorized by Sec. 21 of No. 174 of the Acts of the 2007 Adj. Sess. (2008) applied to the fee in 32 V.S.A. § 1712(1).

Sec. E.221 REPEAL

(a) 20 V.S.A. § 2363 (criminal justice training council special fund) is repealed. Upon repeal, balances in the fund shall be transferred to the general fund.

Sec. E.221.1 13 V.S.A. chapter 223, subchapter 4 is amended to read:

Subchapter 4. Assessment and Collection of Additional  
Fees Surcharges

\* \* \*

Sec. E.221.2 REPEAL

(a) 13 V.S.A. § 7281 (statement of legislative intent) is repealed.

Sec. E.221.3 13 V.S.A. § 7282 is amended to read:

§ 7282. ~~ASSESSMENT~~ ASSESSMENT SURCHARGE

(a) In addition to any penalty or fine imposed by the court or judicial bureau for a criminal offense or any civil penalty imposed for a traffic violation, including any violation of a fish and wildlife statute or regulation, violation of a motor vehicle statute, or violation of any local ordinance relating to the operation of a motor vehicle, except violations relating to seat belts and child restraints and ordinances relating to parking violations, the clerk of the court or judicial bureau shall levy an additional ~~fee~~ surcharges of:

\* \* \*

(5) \$20.50 for any offense or violation committed after June 30, 2001, but before July 1, 2003, of which \$13.50 shall be deposited into a special fund account to be known as the victims' compensation fund, ~~and \$2.00 shall be deposited into the criminal justice training council special fund established in section 2363 of Title 20.~~

(6) For any offense or violation committed after June 30, 2003, but before July 1, 2005, \$21.00, of which \$13.75 shall be deposited into the victims' compensation special fund, ~~and \$2.25 shall be deposited into the criminal justice training council special fund established in section 2363 of Title 20.~~

(7) For any offense or violation committed after June 30, 2005, but before July 1, 2006, \$22.00, of which \$14.75 shall be deposited into the victims' compensation special fund and ~~\$2.25 shall be deposited into the criminal justice training council special fund established in section 2363 of Title 20.~~

(8)(A) For any offense or violation committed after June 30, 2006, but before July 1, 2008, \$26.00, of which \$18.75 shall be deposited in the victims' compensation special fund and ~~\$2.25 shall be deposited into the criminal justice training council special fund established in section 2363 of Title 20.~~

(B) For any offense or violation committed after June 30, 2008, \$36.00, of which \$28.75 shall be deposited in the victims' compensation special fund and ~~\$2.25 shall be deposited into the criminal justice training council special fund established in section 2363 of Title 20.~~

(C) For any offense or violation committed after June 30, 2009, \$41.00, of which \$33.75 shall be deposited in the victims' compensation special fund, and ~~\$2.25 shall be deposited into the criminal justice training council special fund established in section 2363 of Title 20.~~

\* \* \*

(b) ~~The fees surcharges imposed by this section shall be used for the purposes set out in section 7281 of this title and shall not be waived by the court.~~

(c) ~~SIU Assessment surcharge. Notwithstanding section 7281 of this title and subsection (b) of this section, in~~ In addition to any penalty or fine imposed by the court or judicial bureau for a criminal offense committed after July 1, 2009, the clerk of the court or judicial bureau shall levy an additional fee surcharge of \$100.00 to be deposited with in the general fund, in support of the specialized investigative unit grants board created in 24 V.S.A. § 1940(c) to be, and used to pay for staffing for the costs of specialized investigative units.

#### Sec. E.221.4 REPEAL

(a) 13 V.S.A. § 7283 (collection and transmittal) is repealed.

#### Sec. E.221.5 Criminal justice training council

(a) It is the intent of the general assembly that there be accurate accounting and timely collection of council costs that are billed to third parties. As part of testimony on the fiscal year 2013 budget, the executive director of the criminal justice training council shall report the total fiscal year 2011 expenditures of the council and the amount billed for training and related room and board. In addition, the director shall report any remaining accounts receivable for fiscal

year 2011. This report shall also include the same information for the first six months of fiscal year 2012.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) The \$75,000 appropriated in H.287 of 2011, an act relating to job creation and economic development, for the farm-to-school investment program shall be considered base funding.

Sec. E.225 [DELETED]

Sec. E.231 Banking, insurance, securities, and health care administration – health care administration

(a) The department of banking, insurance, securities, and health care administration (BISHCA) shall use the Global Commitment funds appropriated in this section for health care administration for the purpose of funding certain health-care-related BISHCA programs, projects, and activities to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.232 Secretary of state

(a) Of this special fund appropriation, \$492,991 represents the corporation division of the secretary of state's office, and these funds shall be from the securities regulation and supervision fund in accordance with 9 V.S.A. § 5613(b).

\* \* \* HUMAN SERVICES \* \* \*

Sec. E.300 Agency of human services – secretary's office

(a) The secretary of human services and the commissioner of disabilities, aging, and independent living are authorized to set the level for IADLs and respite/companion services within the Choices for Care program that is consistent both with the funding provided in this act and with what the commissioner determines will to the greatest extent possible minimize individuals from moving from his or her home to a nursing home, including the utilization of variances where the commissioner determines appropriate. Prior to reducing the level for these services from the current baseline, the secretary and the commissioner shall review actual fiscal year 2011 Choices for Care expenditures to determine if fiscal year 2012 funding in context with actual expenditure experience of fiscal year 2011 would require a reduction in the baseline. The secretary and the commissioner shall provide a report to the joint fiscal committee in July 2011 on the fiscal year 2012 levels for IADLs and respite/companion services as well as total actual expenditures of the Choices for Care waiver for fiscal year 2011. To the extent that fiscal year 2011 carryforward resources in the Choices for Care waiver are available to

meet the determined IADL and respite needs in fiscal year 2012, the commissioner of finance and management after consultation with the secretary and commissioner of disabilities, aging, and independent living is authorized to transfer up to \$1,340,000 of fiscal year 2012 state funds appropriated for the waiver to the human services caseload reserve. The secretary and the commissioner of disabilities, aging, and independent living shall provide a report to the joint fiscal committee in November 2011 on the status of the federal Money Follows the Person grant and how any state savings resulting from the grant will be used to strengthen the home and community-based services that allow eligible Vermonters to remain in their homes as well as the financial impact the grant may have on Vermont nursing homes.

(b) The secretary of human services, the commissioner of disabilities, aging, and independent living, the commissioner of mental health, and the designated providers of mental health and developmental disability services shall continue to work in partnership to ensure that to the greatest extent possible any negative impact to consumers of these services as a result of the funding levels provided for in this act is minimized. The secretary is encouraged to seek changes to the current regulatory or statutory provisions regarding these services if such changes result in a more cost-effective provision of high-quality services for Vermonters.

(c) The commissioner of disabilities, aging, and independent living shall report to the house and senate committees on appropriations, the house committee on human services, and the senate committee on health and welfare by January 15, 2012 with recommendations regarding the scope of providers that the department may contract with to provide services under the Choices for Care program. The recommendations shall be made in consultation with home health agencies and other partner organizations and shall consider, among other things: the relative impacts on provider cost structure of state assessments and requirements; whether a lack of access by patients to the services justifies expanding the scope of providers; whether contracting with additional providers will affect the ability of patients to access Choices for Care services; and whether Choices for Care services should be removed from being considered "designated" services.

(d) The secretary in consultation with the department of health access and the department of health shall report to the joint fiscal committee in September 2011 on the existing programs and scope of services including case management services available to pregnant women identified as high-risk. This shall include the resources available within state funded programs as well as other programs serving this population. The secretary shall include recommendations in the report for steps that may be taken to better coordinate services and reduce the potential for negative outcomes and higher costs

related to these cases. The secretary is authorized to implement these recommendations provided they will result in more cost-effective service and are net budget neutral.

Sec. E 300.1 Sec. 3 of No. 127 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

Sec. 3. APPLICABILITY AND EFFECTIVE DATE

(a) Sec. 2 of this act shall take effect on ~~July 1, 2011~~ October 1, 2011, and shall apply to all health insurance plans on and after ~~July 1, 2011~~ October 1, 2011, on such date as a health insurer offers, issues, or renews the health insurance plan, but in no event later than July 1, 2012. Coverage by the state Medicaid program shall take effect July 1, 2012.

\* \* \*

Sec. E.300.2. TASK FORCE - LONG-TERM CARE SERVICE NEEDS OF VERMONT VETERANS

(a) There is created a task force to study long-term care service needs of Vermont veterans.

(b)(1) The task force on long-term care service needs for Vermont veterans shall consist of 13 members. The task force shall consist of the following members or their designees:

(A) the deputy secretary of the agency of human services;

(B) the commissioner of disabilities, aging, and independent living;

(C) the veterans service director of the Vermont office of veterans' affairs;

(D) the state long-term care ombudsman;

(E) one representative each from the Vermont Council of Developmental and Mental Health Services; the Vermont Health Care Association; the Vermont Assembly of Home Health and Hospice Agencies; the Community of Vermont Elders; and the Vermont Center for Independent Living;

(F) the administrator of the Vermont Veterans' Home or his or her designee;

(G) the directors of the White River Junction VA Medical Center and the White River Junction VA Benefits Office; and

(H) one representative from the Military Health Project of the agency of human services appointed by the secretary.

(2) The deputy secretary of the agency of human services shall convene and chair the task force. The deputy secretary of the agency of human services shall call the first meeting no later than July 31, 2011.

(c)(1) Duties. The task force shall:

(A) identify the long-term care services available to Vermont veterans;

(B) identify existing or anticipated gaps in service or barriers to access;

(C) identify opportunities that exist to improve the care, coordination, and financing of long-term care for Vermont veterans; and

(D) make recommendations about how to improve the care, coordination, and financing of long-term care for Vermont veterans.

(2) For purposes of its study on these issues, the task force shall receive the assistance and staff services of the agency of human services.

(3) The task force, in performing its duties, shall seek the participation of veterans, families of veterans, organizations serving veterans, and Vermont's congressional delegation.

(d)(1) By November 15, 2011, the task force shall provide an interim report to the chairs and vice chairs of the house committee on human services, the house committee on general, housing, and military affairs, the senate committee on health and welfare, the senate committee on economic development, housing, and general affairs, and the house and senate committees on appropriations.

(2) By January 15, 2012, the task force shall provide a final report to the house committee on human services, the house committee on general, housing, and military affairs, the senate committee on health and welfare, the senate committee on economic development, housing, and general affairs, and the house and senate committees on appropriations.

(e) The task force shall meet no more than eight times and shall cease to exist on January 31, 2012.

Sec. E.301 Secretary's office – Global Commitment

(a) The agency of human services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the agency of human services and the managed care organization in the department of Vermont health access as provided for in the Global Commitment for Health Waiver ("Global

Commitment") approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the state funds appropriated in this section, a total estimated sum of \$27,726,781 is anticipated to be certified as state matching funds under the Global Commitment as follows:

(1) \$17,066,700 certified state match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$23,433,300 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment fund to the Medicaid reimbursement special fund created in 16 V.S.A. § 2959a.

(2) \$3,774,162 certified state match available from local education agencies for direct school-based health services, including school nurse services, that increases the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$2,290,874 certified state match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-aged children.

(4) \$2,479,534 certified state match available via the University of Vermont's child health improvement program for quality improvement initiatives for the Medicaid program.

(5) \$2,115,511 certified state match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.301.1 MEDICAID PHARMACY; RADIOLOGY TIER AUTHORIZATION

(a) The department of Vermont health access shall reduce spending on prescription drugs by managing over-the-counter drugs with the preferred drug list, establishing lower reimbursements for specialty drugs, and requiring justification for prescribing multi-source brand-name drugs.

(b) The department of Vermont health access shall reduce spending on radiology services by implementing a multiple procedure payment reduction to cases with multiple outpatient radiology imaging services.

Sec. E.301.2 CATAMOUNT HEALTH; STATE SAVINGS DIFFERENTIAL ADJUSTMENT

(a) Notwithstanding the provisions of 8 V.S.A. § 4080f, effective July 1, 2011 and thereafter, the carriers offering Catamount Health shall in subscriber billing include in addition to the premium rates established pursuant to 8 V.S.A. § 4080f(g) a state savings differential adjustment of 11 percent based on the lowest premium established by the carriers of the plan. This adjustment shall be remitted by the carriers on a monthly or quarterly basis to the state and deposited into the catamount fund. This adjustment shall be waived or netted from the payments the state remits to the carriers for Catamount Health subscribers who are eligible for premium assistance pursuant to 33 V.S.A. chapter 19, subchapter 3A.

Sec. E.301.3 CATAMOUNT HEALTH; PROVIDER REIMBURSEMENTS

(a) Notwithstanding the reimbursement indexing provided in 8 V.S.A. § 4080f(f)(1), a carrier who sells, offers, or renews Catamount Health shall recalculate the reimbursements paid to health care professionals under Catamount Health to pay the lowest of the health care professional's contracted rate, the health care professional's billed charges, or the rate derived from the Medicare fee schedule at an amount 10 percent greater than fee schedule amounts paid under the Medicare program in 2006.

Sec. E.301.4 8 V.S.A. § 4080f(f)(2) is amended to read:

(2) Payments for hospital services shall be calculated using a hospital-specific cost-to-charge ratio approved by the commissioner, adjusted for each hospital to ensure payments at ~~110~~ 100 percent of the hospital's actual cost for services. The commissioner may use individual hospital budgets established under 18 V.S.A. § 9456 to determine approved ratios under this subdivision. Payments under this subdivision shall be indexed to changes in the Medicare payment rules, but shall not be lower than ~~102~~ 100 percent of the hospital's actual cost for services. The commissioner may approve adjustments to the amounts paid under this section in accordance with a

carrier's pay for performance, quality improvement program, or other payment methodologies in accordance with the Blueprint for Health established under chapter 13 of Title 18.

Sec. E.301.5 [DELETED]

Sec. E.301.6 CATAMOUNT HEALTH; ADMINISTRATION

(a) For fiscal year 2012, a carrier who sells, offers, or renews Catamount Health shall not charge more than six percent of the overall premium for amounts attributable to administrative costs excluding contributions to surplus, as defined by the commissioner of banking, insurance, securities, and health care administration.

(b) Beginning July 1, 2012, a carrier who sells, offers, or renews Catamount Health shall file for rates which shall be for a 12-month period with the commissioner of banking, insurance, securities, and health care administration.

(c) Notwithstanding any conflicting provision in 8 V.S.A. chapter 107, the commissioner of banking, insurance, securities, and health care administration shall include the provisions of Secs. E.301.1 through E.301.4 of this act in the rate review and approval process.

Sec. E.301.7 CATAMOUNT TRANSITION PROVISIONS

(a) It is the intent of the general assembly that amendments to Catamount Health result in a full year of budgetary savings and the changes are implemented beginning July 1, 2011. To achieve this goal, notwithstanding any provision of law to the contrary, all subscribers' anniversary dates will be reset effective July 1, 2011. Rate filings to reflect these changes shall be submitted from the carriers, and the rate review processes by the department of banking, insurance, securities, and health care administration shall be made notwithstanding any provision of law to the contrary to be effective July 1, 2011. Notwithstanding any other provision as to the timing of rate filings, effective dates of rates, and dates of policy renewals for Catamount plans in statute or regulation, including Regulation H-2006-01 of the department of banking, insurance, securities, and health care administration, Catamount rates may change for all enrollees as of July 1, 2011 subject only to the filings being made in sufficient time for rate review and approval or disapproval by the department of banking, insurance, securities, and health care administration. Notwithstanding 8 V.S.A. § 4080f(i), all persons enrolled in Catamount shall have a July 1 anniversary date.

(b) For fiscal year 2012, a carrier who sells, offers, or renews Catamount Health, other than those that accumulate cost sharing on a calendar-year basis and provide a calendar-year fourth quarter deductible carryover, shall offer

participants in the program as of June 30, 2011 a one-time option to apply their expenditures made from April 1, 2011 to June 30, 2011 in excess of any prior deductible toward the deductible requirements incurred for fiscal year 2012. The participants shall be informed of this opportunity and provided with an application process to access this option.

Sec. E.301.8 [DELETED]

Sec. E.302 PAYMENT RATES FOR PRIVATE NONMEDICAL INSTITUTIONS PROVIDING RESIDENTIAL CHILD CARE SERVICES

(a) Notwithstanding any other provision of law, for state fiscal year 2012, the division of rate setting shall calculate payment rates for private nonmedical institutions (PNMI) providing residential child care services as follows.

(1) General rule. The division of rate setting shall calculate PNMI per diem rates for state fiscal year 2012 as 100 percent of each program's final per diem rate in effect on June 30, 2011. These rates shall be issued as final.

(2) Reporting requirements.

(A) Providers are required to submit annual audited financial statements to the division within 30 days of receipt from their certified public accountant, but no later than four months following the end of each provider's fiscal year.

(B) Providers are not required to submit funding applications pursuant to section 3 of the PNMI rate setting rules for state fiscal year 2012.

(3) Exception to the general rule. For programs categorized by the placement authorizing departments (PADs) as crisis/stabilization programs with typical lengths of stay from 0-10 days, final rates for state fiscal year 2012 are set retroactively as follows:

(A) The allowable budget is 100 percent of the final approved budget for the rate year which includes June 30, 2011. The monthly allowable budget is the allowable budget divided by 12.

(B) Within five days of the end of each month in state fiscal year 2012, the program shall submit the prior month's census to the division of rate setting. The per diem rate shall be set for the prior month by dividing the monthly allowable budget amount by the total number of resident days for the month just ended.

(4) Adjustments to rates. Rate adjustment applications may not be used as a tool to circumvent the rate setting process for state fiscal year 2012 in order to submit a new budget for the entire program or for the sole reason that actual costs incurred by the facility exceed the rate of payment.

(A) The following provisions amend section 8 of the PNMI rules regarding adjustments to rates for state fiscal year 2012.

(i) The three-month waiting period of section 8.1(b) for the submission of a rate adjustment application is waived.

(ii) In rate adjustment applications, the division shall only consider budget information specific to the program change and limited to direct program costs. Providers may not apply for increases to costs that are part of the current program and rate structure before the program change.

(iii) In its findings and order, the division may elect to use financial information from prior approved budget submissions to determine allowable costs related to the program change.

(iv) The materiality test in section 8.1(c) is waived.

(B) Adjustments to rates based on changes in licensed capacity. Programs that increase or decrease licensed capacity in state fiscal year 2012 shall provide prior written notification to the division of the change in licensed capacity.

(i) Decreased licensed capacity. In the case of programs that decrease licensed capacity in state fiscal year 2012, programs must have prior written approval from the PADs before applying to the division for an adjustment to the state fiscal year 2012 per diem rate.

(I) The allowable budget amount for state fiscal year 2012 may be no more than the final approved budget for the rate year which includes June 30, 2011.

(II) In its application for a rate adjustment, a program shall provide to the division financial and staffing information directly related to the decrease in licensed capacity.

(III) In its findings and order, the division shall reduce the allowable budget amount by any decreased costs directly related to the change in licensed capacity.

(IV) The division shall divide the final allowable budget amount by the estimated occupancy level at the new licensed capacity to calculate the per diem rate.

(ii) Increased licensed capacity. In the case of programs that increase licensed capacity in state fiscal year 2012, the division shall automatically adjust the program's rate as follows.

(I) The initial allowable budget is 100 percent of the final approved budget amount for the rate year that includes June 30, 2011.

(II) With prior written approval from the PADs, programs may apply to the division for an adjustment to the allowable budget for costs directly related to the program change.

(III) The division shall divide the final allowable budget amount by the estimated occupancy level at the new licensed capacity to calculate the per diem rate.

Sec. E.306 Department of Vermont health access – administration

(a) The establishment of one (1) new classified position - Palliative Care Nurse Manager - is authorized in fiscal year 2012.

Sec. E.306.1 3 V.S.A. § 3051 is amended to read:

§ 3051. COMMISSIONERS; DEPUTY COMMISSIONERS;  
APPOINTMENT; TERM

(a) The secretary, with the approval of the governor, shall appoint a commissioner of each department, who shall be the chief executive and administrative officer and shall serve at the pleasure of the secretary.

(b) For the department of health, the secretary, with the approval of the governor, shall appoint deputy commissioners for the following divisions of the department:

- (1) public health;
- (2) substance abuse.

(c) For the department for children and families, the secretary, with the approval of the governor, shall appoint deputy commissioners for the following divisions of the department:

- (1) economic services;
- (2) child development;
- (3) family services.

(d) For the department of Vermont health access, the secretary, with the approval of the governor, shall appoint deputy commissioners for the following divisions of the department:

- (1) Medicaid health services and managed care;
- (2) Medicaid policy, fiscal, and support services;
- (3) health care reform;
- (4) Vermont health benefit exchange.

(e) Deputy commissioners shall be exempt from the classified service. Their appointments shall be in writing and shall be filed in the office of the secretary of state.

Sec. E.306.2 [DELETED]

Sec. E.307 CATAMOUNT HEALTH ASSISTANCE; WAIVER AMENDMENT

(a) If necessary, the commissioner of Vermont health access shall seek an amendment to Global Commitment to include the provisions in Secs. E.301.1 through E.301.7 of this act.

Sec. E.307.1 33 V.S.A. § 1984(b) is amended to read:

(b) The agency of administration or designee shall establish individual and family contribution amounts for Catamount Health under this subchapter based on the individual contributions established in subsection (c) of this section and shall index the contributions annually to the overall growth in spending per enrollee in Catamount Health as established in 8 V.S.A. § 4080f; provided, however, that ~~to the extent that spending per Catamount Health enrollee decreases as a result of changes in benefit design or deductible amounts, contributions shall not be decreased by the percentage change attributable to such benefit design or deductible changes~~ the contribution amount shall not be less than the contribution amount for the previous year. The agency shall establish family contributions by income bracket based on the individual contribution amounts and the average family size.

Sec. E.307.2 REPEAL

(a) Subsections (a), (b), and (c) of Sec. E.309.3 of No. 156 of the Acts of the 2009 Adj. Sess. (2010) as further amended by Sec. 64 of No. 3 of the Acts of 2011 (suspension of automatic premium increases) are repealed.

Sec. E.307.3 EMERGENCY RULES

(a) In order to implement the amendments to the Catamount Health and Catamount Health Assistance program provided in Secs. E.301.2 through E.301.7 of this act no later than July 1, 2011, the agency of human services shall be deemed to have met the standard for the adoption of emergency rules as required in 3 V.S.A. § 844(a).

(b) In order to implement Sec. E.309.1 (health care coverage; legal immigrant children and pregnant women), Sec. E.309 (State Children's Health Insurance Program (SCHIP) and Medicaid programs covering children premium grace period), and Sec. E.301.1 (Medicaid pharmacy; radiology tier authorization) of this act no later than July 1, 2011, the agency of human services shall be deemed to have met the standard for adoption of emergency

rules as required by 3 V.S.A. § 844(a). Notwithstanding 3 V.S.A. § 844, the agency shall provide a minimum of five business days for public comment in advance of filing the emergency rules as provided for in 3 V.S.A. § 844(c).

Sec. E.307.4 [DELETED]

Sec. E.307.5 [DELETED]

Sec. E.307.6 [DELETED]

Sec. E.307.7 [DELETED]

Sec. E.307.8 [DELETED]

Sec. E.307.9 [DELETED]

Sec. E.307.10 [DELETED]

Sec. E.307.11 REPEAL

(a) Sec. 22 of No. 61 of the Acts of 2009 (Global Commitment waiver amendments; rulemaking) is repealed.

Sec. E.307.12 REPEAL

(a) Sec 2(c) of No. 71 of the Acts of 2007, as amended by Sec. 5.903 of No. 192 of the Acts of the 2007 Adj. Sess. (2008) and Sec. 103 of No. 4 of the Acts of 2009 (VHAP payment beginning with date of application) is repealed.

Sec. E.308 FISCAL YEAR 2012 NURSING HOME RATE SETTING

(a) Notwithstanding any other provision of law, the division of rate setting shall maintain the decrease by one-half in the case-mix weights for the following resource utilization groups: Impaired Cognition A (IA1), Challenging Behavior A (BA1), Reduced Physical Functioning A 2 (PA2), and Reduced Physical Functioning A 1 (PA1). The decrease by one-half in these case-mix weights shall be maintained in each facility's average case-mix score for Medicaid residents from picture dates in the January 2010, April 2010, and July 2010 quarters, which were used to set the July 2010, October 2010, and January 2011 rates.

Sec. E.309 STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP) AND MEDICAID PROGRAMS COVERING CHILDREN PREMIUM GRACE PERIOD

(a) Notwithstanding any other provisions of law, effective beginning fiscal year 2012 and continuing thereafter, the commissioner shall make such changes in the billing and collection process as are necessary to achieve state compliance with the premium grace period and notice requirements of section 504 of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (42 U.S.C. § 1397cc(e)(3)(C)). These changes shall:

(1) Afford children enrolled in state health programs a grace period of at least 30 days from the beginning of a new coverage period to make premium payments before coverage may be terminated. The new coverage period will begin the month immediately following the last month for which a premium was paid.

(2) Inform children in state health care programs not later than seven days after the first day of such grace period provided under subdivision (1) of this subsection:

(A) that failure to make a required premium payment within the grace period will result in termination of coverage; and

(B) of the individual's right to challenge the proposed termination pursuant to applicable rules.

(3) Provide this same grace period and notice as provided under this subsection for each coverage period for which a premium has not been received.

Sec. E.309.1 HEALTH CARE COVERAGE; LEGAL IMMIGRANT CHILDREN AND PREGNANT WOMEN

(a) In accordance with the provisions of the federal Children's Health Insurance Program Reauthorization Act of 2009, Public Law 111-3, section 214, the agency of human services shall provide coverage under Medicaid and CHIP to legal immigrant children and pregnant women who are residing lawfully in Vermont and who have not met the five-year waiting period required under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Sec. E.309.2 FAMILY PLANNING OPTION

(a) Beginning April 1, 2012, the commissioner of Vermont health access shall modify necessary rules and procedures related to eligibility and services to implement the family planning option of section 2303 of the Affordable Care Act of 2010, Public Law 111-148.

Sec. E.311 18 V.S.A. § 4622(a)(3) is amended to read:

(3) To the extent permitted by funding, the program may include ~~the distribution to prescribers of vouchers for samples of generic medicines used for health conditions common in Vermont~~ population-based medication management.

Sec. E.311.1 Secs. 15 and 15a of No. 80 of the Acts of 2007 as amended by Secs. 1 and 2 of No. 89 of the Acts of 2008 are further amended to read:

Sec. 15. ~~GENERIC DRUG VOUCHER~~ POPULATION-BASED MEDICATION MANAGEMENT PILOT PROJECT

(a) As part of the evidence-based education program established in subchapter 2 of chapter 91 of Title 18, the department of health, in collaboration with the ~~office~~ department of Vermont health access and the University of Vermont ~~area health education centers program~~ office of primary care, shall establish a population-based medication management pilot project to distribute vouchers for a sample of generic drugs equivalent to frequently prescribed prescription drugs that are used to treat common health conditions include a collaborative pharmacist practice using principles consistent with the Vermont Blueprint for Health.

(b) The ~~office~~ department of Vermont health access shall fund the ~~vouchers pilot project~~ from the fee established in ~~section 2004 of Title 33 V.S.A. § 2004~~ and shall provide payment to the pharmacy dispensing the prescription drugs in exchange for the voucher. The office shall establish a payment rate, including a dispensing fee, using the rules and procedures for the Medicaid program transfer funds to the department of health for implementation of the pilot.

Sec. 15a. ~~GENERIC DRUG VOUCHER~~ POPULATION-BASED MEDICATION MANAGEMENT PILOT; REPORT

(a) By ~~January 15, 2010~~ January 15, 2014, the ~~office~~ department of Vermont health access, the ~~department of banking, insurance, securities, and health care administration,~~ the ~~area health education centers~~ University of Vermont office of primary care, and the joint fiscal office shall provide a report to the house committee on health care and the senate committee on health and welfare describing and evaluating the effects of the ~~generic drug voucher~~ population-based medication management pilot program.

(b) The report shall describe how the pilot project is implemented, including which ~~health conditions~~ medications were targeted, ~~the generic drugs provided with the vouchers,~~ and the geographic regions participating. The report shall ~~compare the distribution of prescribing among generic drugs provided through the vouchers and brand name drugs before and after the first year of the generic drug sample pilot project and will review a year of prescribing data prior to the implementation of the pilot project to a year of prescribing data during the first year of the pilot project's implementation.~~ The data shall be adjusted to reflect how and where the pilot was implemented assess the pilot program in terms of improvements to patient care and increases

in evidence-based prescribing through improvements to prescriber-pharmacist communication and collaboration.

Sec. E.312 Health - public health

(a) AIDS/HIV funding:

(1) In fiscal year 2012 and as provided for in this section, the department of health shall provide grants in the amount of \$335,000 in Global Commitment funds to Vermont AIDS service and peer-support organizations for client-based support services. It is the intent of the general assembly that if the Global Commitment funds appropriated in this subsection are unavailable, the funding for Vermont AIDS service and peer-support organizations for client-based support services shall be maintained through the general fund or other state-funding sources. The department of health AIDS program shall meet at least quarterly with the community advisory group (CAG) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, \$84,488;

(B) HIV/HCV Resource Center (formerly ACORN), \$24,599;

(C) VT CARES, \$157,213;

(D) Twin States Network, \$31,850;

(E) People with AIDS Coalition, \$36,850.

(2) Ryan White Title II funds for AIDS services and the AIDS Medication Assistance Program shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by state general funds.

(3)(A) Notwithstanding the provisions of Sec. E.312(a)(6) of Act No. 1 of the 2009 special session, the department of health shall carry forward \$70,000 in general funds from fiscal year 2009 to provide assistance to individuals in the HIV/AIDS Medication Assistance Program (AMAP), including the costs of prescribed medications, related laboratory testing, and nutritional supplements. These funds may not be used for any administrative purposes by the department of health or by any other state agency or department. Before using the general fund allocation to cover the costs of AMAP, the department of health shall use pharmaceutical rebate special funds to cover the costs of AMAP. Any carryforward general funds remaining at the end of fiscal year 2012 shall be distributed to AIDS service organizations in the same proportion as those outlined in this subsection.

(B) The secretary of human services shall immediately notify the joint fiscal committee if at any time there are insufficient funds in AMAP to assist all eligible individuals. The secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to AMAP medications until such time as the general assembly can take action.

(C) As provided for in this section, the secretary of human services shall work in collaboration with the AMAP advisory committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2012, the department of health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; anti-stigma campaigns; and promotion of needle exchange programs. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the department of health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(b) The commissioner of health in consultation with AIDS service organizations shall report to the joint fiscal committee by November 15, 2011 on whether the base level of funding for AIDS service organizations should be revised in lieu of providing supplemental funding to these organizations from unexpended AIDS/HIV medication allocations.

(c) Funding for the tobacco programs in fiscal year 2012 shall consist of the \$1,594,000 in tobacco funds and \$302,507 in Global Commitment funds appropriated in Sec. B.312 of this act. The tobacco evaluation and review board shall determine how these funds are allocated to tobacco cessation, community-based, media, public education, surveillance, and evaluation activities. This allocation shall include funding for tobacco cessation programs that serve pregnant women.

Sec. E.313 Health - alcohol and drug abuse programs

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or

more or there is a lack of qualified clinicians to provide services in a region of the state, a state-qualified alcohol and drug abuse counselor may apply to the department of health, division of alcohol and drug abuse programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the division of alcohol and drug abuse programs may use the following criteria to determine whether to enroll a state-supported Medicaid and uninsured population substance abuse program in the division's network of designated providers, as described in the state plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the division's "request for bids" process.

(c) In fiscal year 2012, all funding appropriated to the department of health for student assistance professionals shall be directly administered by the department. The grant funding for student assistance program counselors shall be distributed to school districts utilizing the same methodology as in fiscal year 2011. The department of health shall send a description of the allowable activities to be funded by the grant with the award and a notice that data on performance of the grantees in meeting program outcomes will be collected by the department in 2012. By November 2011 the department shall inform school districts, if funding is available in fiscal year 2013, it will be distributed competitively, based upon individual program performance measures and demonstrated outcomes. In fiscal year 2013, criteria for grant award shall include matching funds or in-kind services provided by the grantee as well as a determination of need, based on the youth risk behavior assessment survey. The department shall develop evidence-based prevention activities and a process for evaluating the performance of the grantees which shall be submitted to the joint fiscal committee in November 2011.

Sec. E.315 Mental health - Vermont state hospital

(a) Effective July 1, 2011 the classified position of Chief Executive Officer (Position # 840184) shall be converted to the exempt position of Vermont State Hospital Chief Executive Officer.

Sec. E.315.1 18 V.S.A. § 7205 is amended to read:

§ 7205. SUPERVISION OF INSTITUTIONS

(a) The department of mental health shall operate the Vermont State Hospital and shall be responsible for patients receiving involuntary treatment at a hospital designated by the department of mental health.

(b) The commissioner of the department of mental health, in consultation with the secretary, shall appoint a chief executive officer of the Vermont State Hospital to oversee the operations of the hospital. The chief executive officer position shall be an exempt position.

Sec. E.316 Department for children and families – administration and support services

(a) The establishment of one (1) new position - Eligibility Worker - in the department for children and families is authorized during fiscal year 2012 to support Sec. E.309.2.

Sec. E.317 Department for children and families - family services

(a) The commissioner for children and families shall provide to the house and senate committees on appropriations, the house committee on human services, and the senate committee on health and welfare by January 15, 2012 a geographic inventory of the state-funded residential and nonresidential services that are available to serve youth between the ages of 12 through 22. The department shall also provide recommendations on how to evaluate this system.

Sec. E.319 [DELETED]

Sec. E.320 Department for children and families – aid to aged, blind and disabled

(a) The department for children and families shall analyze the actions necessary for the department to perform the function of transmitting the state supplement to the federal SSI benefit to AABD clients rather than relying on the federal government to perform this function. Should the analysis result in it being fiscally advantageous for the state to issue the state supplemental benefit, the department shall implement the process.

Sec. E.321 GENERAL ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) Commencing with state fiscal year 2007, the agency of human services may establish a housing assistance program within the general assistance program to create flexibility to provide these general assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently served with the same amount of general assistance funds. The program shall operate in a consistent manner within existing statutes and rules except that it may grant exceptions to this program's eligibility rules and may create programs and services as alternatives to these rules. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, and related services that assure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The program may operate in up to 12 districts designated by the secretary of human services. This program will be budget neutral. For each district in which the agency operates the program, it shall establish procedures for evaluating the pilot and its effects. The agency shall report annually to the general assembly on its findings from the programs, its recommendations for changes in the general assistance program, and a plan for further implementation of the program.

(c) The agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the general assistance flexibility program.

Sec. E.321.1 GENERAL ASSISTANCE; EMERGENCY SHELTER GRANTS; OUTCOME MEASURES

(a) The agency of human services shall develop a baseline to measure results of the investment in the emergency shelter grants and case management to assist the homeless population. These measurements shall include homelessness prevention outcome measures for the clients served by the investment. The outcomes shall be reported annually to the house and senate committees on appropriations during the department's budget testimony.

Sec. E.321.2 33 V.S.A. § 2101(1) is amended to read:

(1) "District welfare director" means an employee of the ~~department~~ agency of human services so designated by the ~~commissioner~~ secretary.

Sec. E.323 33 V.S.A. § 1121 is amended to read:

§ 1121. AUTHORIZATION TO SEGREGATE STATE FUNDS AND  
CREATE SEPARATE STATE AND SOLELY STATE-FUNDED  
PROGRAMS

\* \* \*

(g)(1) Any family receiving or applying for Reach Up financial assistance who is being referred by the department to apply for or who is applying for Supplemental Security Insurance (SSI) or aid to the aged, blind, or disabled (AABD) under chapter 13 of this title shall authorize the department to reimburse the state for the amounts described in subdivision (2) of this subsection from any initial SSI payment owed the individual that includes SSI payment for retroactive amounts. The family shall authorize the Social Security Administration to send the initial SSI payment directly to the department. The department may require an individual to sign a recovery of financial assistance agreement as authorization.

(2) The department may deduct an amount equal to the state-funded Reach Up financial assistance paid to the family for the needs of the SSI applicant during the period or periods in which the family received Reach Up financial assistance paid for with state funds. The deduction shall be for no more than the prorated portion of Reach Up financial assistance provided for those family members receiving SSI who are included in the SSI grant. The department shall send any remainder due to the family within 10 days of receiving the payment from the Social Security Administration.

(h) In furtherance of the policy goals of this section and in order to establish an excess of maintenance-of-effort state funds, the commissioner shall maximize maintenance-of-effort state funds in the reports to the U.S. Administration for Children and Families.

Sec. E.324 Department for children and families – home heating fuel assistance/LIHEAP

(a) Of the funds appropriated for home heating fuel assistance/LIHEAP in this act, no more than \$450,000 shall be expended for crisis fuel direct service/administration exclusive of statewide after-hours crisis coverage.

Sec. E.324.1 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2011, and for program administration, the commissioner of finance and management shall transfer \$2,550,000 from the home weatherization assistance trust fund to the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the home weatherization trust fund from the home heating fuel assistance fund to the extent that federal

LIHEAP or similar federal funds are received. Should a transfer of funds from the home weatherization assistance trust fund be necessary for the 2011–2012 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2011, and if LIHEAP funds awarded as of December 31, 2011, for fiscal year 2012 do not exceed \$2,550,000, subsequent payments under the home heating fuel assistance program shall not be made prior to January 30, 2012. Notwithstanding any other provision of law, payments authorized by the office of home heating fuel assistance shall not exceed funds available, except that for fuel assistance payments made through December 31, 2011, the commissioner of finance and management may anticipate receipts into the home weatherization assistance trust fund.

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the general fund appropriation in this section, \$792,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal McKinney emergency shelter funds. Grant decisions shall be made with assistance from the coalition of homeless Vermonters.

Sec. E.325.1 INDIVIDUAL DEVELOPMENT SAVINGS PROGRAM

(a) In fiscal year 2012, the funding for the individual development (IDA) savings program established in 33 V.S.A. § 1123 shall be from \$75,300 in general funds and \$60,000 from community services block grant funds.

Sec. E.326 Department for children and families - OEO - weatherization assistance

(a) Of the special fund appropriation in this section, \$400,000 is for the replacement and repair of home heating equipment.

(b) Appropriations from the weatherization trust fund may be limited based on the revenue forecast for the fund from the gross receipts tax as adopted pursuant to 32 V.S.A. § 305a.

Sec. E.327 Department for children and families – Woodside rehabilitation center

(a) The establishment of one (1) new classified position – nurse – is authorized in fiscal year 2012.

Sec. E.329 VERMONT VETERANS' HOME; REGIONAL BED CAPACITY

(a) The agency of human services shall not include the bed count at the Vermont veterans' home when recommending and implementing policies that are based on or intended to impact regional nursing home bed capacity in the state.

Sec. E.329.1 33 V.S.A. § 7111(i) and (j) are added to read:

(i) The licensing agency may enforce a final order by filing a civil action in the superior court in the county in which the facility is located, or in Washington superior court.

(j) The remedies provided in this chapter are cumulative.

Sec. E.329.2 33 V.S.A. § 7112 is added to read:

§ 7112. CONFIDENTIAL INFORMATION

(a) Information received by the licensing agency through filed reports, inspection, or as otherwise authorized under this chapter, except information that pertains to unsubstantiated complaints or the identity of residents and complainants, shall be made available to the public.

(b) Prior to release of information, the commissioner shall consult with representatives from the nursing home industry and the office of state long-term care ombudsman to develop:

(1) Guidelines for the release of information to the public that ensure the confidentiality and privacy of complainants and individuals who are receiving or have received care or services in nursing facilities in conformance with state and federal requirements.

(2) Indicators, derived from information databases maintained by the licensing agency and the division of rate setting, shall be disseminated to consumers in a readily understandable format designed to facilitate consumers' ability to compare the quality of care provided by nursing facilities. The commissioner shall continually update quality indicators and refine and improve the information disseminated to consumers.

Sec. E.330 Disabilities, aging, and independent living - advocacy and independent living

(a) Certification of adult day providers shall require a demonstration that the new program is filling an unmet need for adult day services in a given geographic region and does not have an adverse impact on existing adult day services.

(b) Of this appropriation, \$209,995 in general funds shall be allocated for base funds to adult day programs in the same proportion as they were allocated in fiscal year 2011. The commissioner of finance and management is authorized to transfer the state share of funding contained in the Choices for Care program for adult day services to this appropriation upon determination by the secretary of human services in consultation with the commissioner of disabilities, aging, and independent living that state funds and corresponding federal matching funds will not be expended for adult day services due to the need requirements of Choices for Care eligible enrollees. Any transfer of funds made under this authorization shall be reported to the joint fiscal committee at the time of transfer.

(c) The department shall manage the budget for the attendant services program for people whose incomes are over the level required for Medicaid eligibility by reviewing client's service packages prior to freezing enrollment or creating a waiting list. The department shall review the expenditures of this program to determine if any of these expenditures are eligible for inclusion as an investment in the Global Commitment waiver. The commissioner shall include with the fiscal year 2013 budget proposal a recommendation on whether the state should include an income and/or asset based test for eligibility for this program.

Sec. E.330.1 EXPEDITED RULES; LONG-TERM CARE AND DISABILITIES, AGING, AND INDEPENDENT LIVING

(a) In order to administer the provisions of this act in Sections B.308, B.330, and B.333, relating to the changes in Choices for Care 1115 Medicaid Waiver Programs, Attendant Services Programs, Developmental Disabilities Services Waiver Program, notwithstanding the provisions of 3 V.S.A. chapter 25, the department of disabilities, aging, and independent living shall adopt rules pursuant to the following:

(1) The commissioner shall file final proposed rules with the secretary of state and the legislative committee on administrative rules under 3 V.S.A. § 841 after publication in three daily newspapers with the highest average circulation in the state of a notice that lists the rules to be adopted pursuant to this process and a seven-day public comment period following publication.

(2) The commissioner shall file final proposed rules with the legislative committee on administrative rules no later than 28 days after the effective date of this act.

(3) The legislative committee on administrative rules shall review and may approve or object to the final proposed rules under 3 V.S.A. § 842, except that its action shall be completed no later than 14 days after the final proposed rules are filed with the committee.

(4) The commissioner may adopt a properly filed final proposed rule after the passage of 14 days from the date of filing final proposed rules with the legislative committee on administrative rules or after receiving notice of approval from the committee, provided the secretary:

(A) has not received a notice of objection from the legislative committee on administrative rules; or

(B) after having received a notice of objection from the committee, has responded pursuant to 3 V.S.A. § 842.

(5) Rules adopted under this section shall be effective upon being filed with the secretary of state and shall have the full force and effect of rules adopted pursuant to 3 V.S.A. chapter 25. Rules filed by the commissioner of disabilities, aging, and independent living with the secretary of state pursuant to this section shall be deemed to be in full compliance with 3 V.S.A. § 843, and shall be accepted by the secretary of state if filed with a certification by the commissioner of disabilities, aging, and independent living that the rule is required to meet the purposes of this section.

Sec. E.333 Disabilities, aging, and independent living – developmental services

(a) Providers shall include developmental service program participants in decisions regarding changes in their service plans.

Sec. E.337 REPEAL

(a) 28 V.S.A. § 120(g) (annual budget: appropriation to the department of corrections based on full-time equivalent students times statewide per pupil spending) is repealed.

Sec. E.338 Corrections – correctional services

(a) The establishment of ten (10) new classified positions–Correctional Officer I–is authorized in fiscal year 2012 to accommodate the expansion of the Caledonia Community Work Camp (two positions), and the conversion of temporary Correctional Officer I to full-time classified positions (eight positions).

(b) The department of corrections shall develop a plan in regard to the use of uniforms at correctional facilities and report this plan to the joint corrections oversight committee in November or December 2011 for consideration during the 2012 legislative session. In developing this plan, the department of corrections shall review the current policy utilized by the department, policies of other jurisdictions, and whether or not a comprehensive or selective uniform policy has a beneficial impact in meeting overall department outcomes. In fiscal year 2012, the commissioner may not expand the use of uniforms for incarcerated persons at any correctional facility where uniforms were not used as of January 1, 2011.

(c) The commissioner of corrections shall report to the joint corrections oversight committee and the joint fiscal committee by September 2011 on the proposed distribution of justice reinvestment funds.

Sec. E.339 Correctional services – out-of-state beds

(a) The level of funding in this appropriation is contingent upon enactment of separate legislation related to reduced incarceration of specified nonviolent misdemeanants.

Sec. E.342 Vermont veterans' home – care and support services

(a) If Global Commitment fund monies are unavailable, the total funding for the Vermont veterans' home shall be maintained through the general fund or other state funding sources.

(b) The Vermont veterans' home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality

health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

\* \* \* LABOR \* \* \*

Sec. E.401 Labor - programs

(a) The workforce development council shall allocate funding to the workforce investment boards based upon the performance of the local workforce investment boards, measured according to standards established by the council.

\* \* \* K-12 EDUCATION \* \* \*

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons or both in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,300,654 shall be used by the department of education in fiscal year 2011 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the commissioner shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$169,061 may be used by the department of education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

(a) The independence place program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504 Education – adult education and literacy

(a) Of this appropriation, \$4,000,000 from the education fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c).

## Sec. E.512 Education – Act 117 cost containment

(a) Notwithstanding any other provision of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the state’s 60 percent of the statewide total special education expenditures of funds which are not derived from federal sources.

## Sec. E.513 Appropriation and transfer to education fund

(a) Notwithstanding the provisions of 16 V.S.A. § 4025(a)(2), for fiscal year 2012, the general fund transfer to the education fund shall be \$276,240,000.

## Sec. E.513.1 16 V.S.A. § 4025(a)(2) is amended to read:

(2) For each fiscal year, the amount of the general funds appropriated or transferred to the education fund shall be ~~\$280,200,000.00~~ \$276,240,000.00 increased by the most recent New England economic project cumulative price index, as of November 15, for state and local government purchases of goods and services from fiscal year ~~2008~~ 2012 through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent.

## Sec. E.513.2 16 V.S.A. § 4025(b)(1) is amended to read:

(1) To make payments to school districts and supervisory unions for the support of education in accordance with the provisions of section 4028 of this title, other provisions of this chapter, and the provisions of chapter 135 of Title 32, ~~and~~ to make payments to carry out programs of adult education in accordance with section 1049(a) of this title, and to provide funding for the community high school of Vermont.

## Sec. E.514 State teachers’ retirement system

(a) The annual contribution to the Vermont state teachers’ retirement system shall be \$52,991,932, of which \$51,241,932 shall be contributed in accordance with 16 V.S.A. § 1944(g)(2) and an additional \$1,750,000 in general funds.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$10,574,040 is the “normal contribution,” and \$40,667,892 is the “accrued liability contribution.”

(c) A combination of \$51,672,307 in general funds and an estimated \$1,319,625 of Medicare Part D reimbursement funds is utilized to achieve funding at \$1,750,000 above the actuarially recommended level of \$51,241,932.

## Sec. E.515 [DELETED]

\* \* \* HIGHER EDUCATION \* \* \*

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Sec. E.600 University of Vermont

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

(c) If Global Commitment fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the general fund or other state funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high-quality health care services to Medicaid beneficiaries and to the uninsured or underinsured persons or both in Vermont and across the nation.

Sec. E.600.1 HIGHER EDUCATION TRUST FUND APPROPRIATION

(a) Notwithstanding 16 V.S.A. § 2885(a)(2), amounts over \$11,000,000 which would otherwise be deposited into the higher education trust fund shall be deposited into the revenue shortfall reserve established pursuant to 32 V.S.A. § 308d.

Sec. E.602 Vermont state colleges

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$427,898 shall be transferred to the Vermont manufacturing extension center for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

Sec. E.603 Vermont state colleges – allied health

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont State Colleges shall be maintained through the general fund or other state funding sources.

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 250 health care providers annually. These graduates deliver direct, high-quality health care services to Medicaid beneficiaries and uninsured or underinsured persons or both.

Sec. E.605 Vermont student assistance corporation

(a) Of this appropriation, \$25,000 is appropriated from the general fund to the Vermont Student Assistance Corporation to be deposited into the trust fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsection (a) of this section, not less than 93 percent of grants shall be used for direct student aid.

(c) Of state funds available to the Vermont Student Assistance Corporation pursuant to Secs. E.215(a) and B.1100(a)(3)(B) of this act, \$250,000 shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from these allocations shall carry forward for this purpose.

\* \* \* NATURAL RESOURCES \* \* \*

Sec. E.700 10 V.S.A. § 8020 is added to chapter 201 to read:

§ 8020. PUBLIC PARTICIPATION IN ENFORCEMENT

The environmental division shall hold an administrative order or an assurance of discontinuance for 10 calendar days after receipt to allow a person with standing who has provided written comment on the proposed enforcement action the opportunity to permissively intervene pursuant to Rule 24(b) of the Vermont Rules of Civil Procedure. When the environmental division permits a person with standing to intervene, it shall be for the sole purpose of establishing by a preponderance of the evidence that the proposed enforcement action is insufficient to carry out the purposes of this chapter. As used in this section, a person with standing means a person who alleges an injury to a particularized interest protected by a statute listed under subsection 8003(a) of this title, and the alleged injury is attributable to a violation addressed by an assurance of discontinuance or administrative order issued under this chapter.

Sec. E.702 Fish and wildlife - support and field services

(a) The commissioner of fish and wildlife shall report to the joint fiscal committee on November 15, 2011 on the status of recruitment for vacant game warden positions.

Sec. E.704 Forests, parks and recreation - forestry

(a) This special fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

Sec. E.704.1 10 V.S.A. § 2603(h) is added to read:

(h) All interest accrued from bonds deposited in the agency fund and forfeited bonds in the agency fund for the department of forests, parks and recreation's timber management program may be transferred annually by the commissioner, with the approval of the commissioner of finance and management, to the natural resources management fund.

\* \* \* COMMERCE AND COMMUNITY DEVELOPMENT \* \* \*

Sec. E.800 10 V.S.A. § 280a is amended to read:

§ 280a. ELIGIBLE PROJECTS; AUTHORIZED FINANCING PROGRAMS

(a) The authority may develop, modify, and implement any existing or new financing program, provided that any specific project that benefits from such program shall meet the criteria contained in the Vermont sustainable jobs strategy adopted under section 280b of this title, and provided further that the program shall meet the criteria contained in the Vermont sustainable jobs strategy adopted under section 280b of this title. Such programs may include:

\* \* \*

(8) one or more programs targeting economically distressed regions of the state, and specifically including the authority to develop a program to finance or refinance up to 100 percent of the existing assets or debts of a health, recreation, and fitness organization which is exempt under Section 501(c)(3) of the Internal Revenue Code, the income of which is entirely used for its exempt purpose, that owns and operates a recreation facility located in a distressed region of the state;

\* \* \*

Sec. E.803 Community development block grants

(a) Community development block grants shall carry forward until expended.

(b) Community development block grant (CDBG) funds shall be expended in accordance with and in the order of the following priorities.

(1) The greatest priority for the use of CDBG funds will be the creation and retention of affordable housing and jobs.

(2) The overarching priority and fundamental objective in the use of funds for all affordable housing is to achieve perpetual affordability through the use of mechanisms that produce housing resources that will continue to remain affordable over time. It is the goal of the state to maintain at least 45 to 55 percent of CDBG funds for affordable housing applications.

(3) Among affordable housing applications, the highest priorities are to preserve and increase the supply of affordable family housing, to reduce and strive to eliminate childhood homelessness, to preserve affordable housing developments and extend their useful life, and to serve families and individuals at or below 30 percent HUD area median income and people with special needs. Housing for seniors should be considered a priority when it meets clear unmet needs in the region for the lowest income seniors.

(4) CDBG and other public funds are intended to create and preserve affordable housing for households for income-eligible families, seniors, and those with special needs. Limited public funding must focus on these households. Therefore, funding for projects which intend to serve households which exceed the CDBG income limits shall be consistent with the Vermont housing finance agency's qualified allocation plan.

(5) Preference shall be given to projects that maintain the historic settlement patterns for compact village and downtown centers separated by a rural landscape. Funds generally should not be awarded on projects that promote or constitute sprawl, defined as dispersed development outside compact urban and village centers or along highways and in rural areas.

\* \* \* TRANSPORTATION \* \* \*

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$6,070,010 is appropriated from the transportation equipment replacement account within the central garage fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

Sec. E.922 [DELETED]

\* \* \* TRANSPORTATION INFRASTRUCTURE BOND AND DEBT  
SERVICE FUNDS \* \* \*

Sec. F.100 19 V.S.A. § 11f is amended to read:

§ 11f. TRANSPORTATION INFRASTRUCTURE BOND FUND

(a) There is created a special ~~account~~ fund within the transportation fund known as the transportation infrastructure bond fund to consist of funds raised from the motor fuel transportation infrastructure assessments levied pursuant to 23 V.S.A. §§ 3003(a) and 3106(a). Interest from the fund shall be credited ~~annually~~ to the fund, and the amount in the ~~account~~ fund shall carry forward from year to year.

~~(b)(1) Monies~~ As used in this section, the terms “transportation infrastructure bonds debt service fund” and “debt service obligations” are as defined in 32 V.S.A. § 951a.

(c) Monies in the transportation infrastructure bond fund shall be transferred to the transportation infrastructure bonds debt service fund to cover all debt service obligations of transportation infrastructure bonds that are due in the current fiscal year and as otherwise required in accordance with any trust agreement pertaining to such bonds.

(d) Provided that resources in the transportation infrastructure bonds debt service fund are sufficient in amount to cover all debt service obligations of transportation infrastructure bonds that are due in the current fiscal year and to meet all other obligations set forth in any trust agreement pertaining to any such bonds, any remaining balance in the transportation infrastructure bond fund may be used to pay for:

~~(A) to pay principal, interest, and related costs on transportation infrastructure bonds issued pursuant to 32 V.S.A. § 972; and~~

~~(B) to pay for:~~

~~(i)(1) the rehabilitation, reconstruction, or replacement of state bridges, culverts, roads, railroads, airports, and necessary buildings which, after such work, have an estimated minimum remaining useful life of 10 years;~~

~~(ii)(2) the rehabilitation, reconstruction, or replacement of municipal bridges, culverts, and highways which, after such work, have an estimated minimum remaining useful life of 10 years; and~~

~~(iii)(3) up to \$100,000.00 per year for operating costs associated with administering the capital expenditures.~~

~~(2) However, in any fiscal year, no payments shall be made under this subsection unless the amount needed to pay for the following items for that fiscal year, to the extent required by the terms of any trust agreement applicable to the transportation infrastructure bonds, is either in the fund and available to pay for those items, or the items have been paid: debt service due on the bonds for that fiscal year; any associated reserve or sinking funds; and any associated costs of the bonds as defined in 32 V.S.A. § 972(b).~~

(e) To the extent in the current fiscal year any balance remains in the transportation infrastructure bond fund after all transfers required by subsection (c) of this section have been made and all appropriations authorized by subsection (d) of this section are accounted for, such remaining balance may be transferred to the transportation infrastructure bonds debt service fund

to cover debt service obligations of transportation infrastructure bonds that are due in future fiscal years.

(e)(f) The assessments for motor fuel transportation infrastructure assessments paid pursuant to 23 V.S.A. §§ 3003(a) and 3106(a) shall not be reduced below the rates in effect at the time of issuance of any transportation infrastructure bond until the principal, interest, and all costs which must be paid in order to retire the bond have been paid.

(g) Except as provided in subsection (h) of this section, all transfers of funds from the transportation infrastructure bond fund to the transportation infrastructure bonds debt service fund shall be approved by the general assembly.

(h) To minimize disruption of summer construction schedules, it is the policy of the state to have a balance in the transportation infrastructure bonds debt service fund at the end of each fiscal year that is sufficient in amount to cover all debt service obligations of transportation infrastructure bonds that are due or are anticipated to be due in the succeeding fiscal year. To achieve the policy objective of ensuring the state's transportation infrastructure bond obligations are fulfilled with a minimum of disruption to the construction schedules of approved projects, in the event that revenue, economic, or other conditions vary from those assumed in the consensus forecast and in the budget process in which the general assembly approved transfers to the transportation infrastructure bonds debt service fund, the secretary of transportation with the approval of the secretary of administration may, notwithstanding the provisions of 32 V.S.A. § 706:

(1) transfer appropriations of transportation infrastructure bond funds to the transportation infrastructure bonds debt service fund; and

(2) transfer appropriations of transportation funds to replace transportation infrastructure bond funds transferred under subdivision (1) of this subsection, provided no significant delay in the construction schedule of any approved project results from the transfer.

(i) After executing a transfer authorized by subsection (h) of this section, the administration shall give prompt notice thereof to the joint fiscal office and submit an explanation and description of the action taken to the joint fiscal committee at its next scheduled meeting.

Sec. F.101 32 V.S.A. § 951a is added to read:

§ 951a. DEBT SERVICE FUNDS

(a) Three governmental debt service funds are hereby established:

(1) the general obligation bonds debt service fund to fulfill debt service obligations of general obligation bonds from all funding sources;

(2) the transportation infrastructure bonds debt service fund to fulfill debt service obligations of transportation infrastructure bonds funded primarily by the revenues of the transportation infrastructure bond fund; and

(3) other debt service funds to fulfill debt service obligations of other long-term debt funded by governmental fund dedicated revenue sources.

(b) Financial resources in each fund shall consist of appropriations by the general assembly to fulfill debt service obligations, the transfer of funding sources by the general assembly to fulfill future debt service obligations, bond proceeds raised to fund a permanent reserve required by a trust agreement entered into to secure bonds, transfers of appropriations effected pursuant to section 706 of this title, investment income earned on balances held in trust agreement accounts as required by a trust agreement, and such other amounts as directed by the general assembly or that are specifically authorized by provisions of this title. Each debt service fund shall account for the accumulation of resources and the fulfillment of debt service obligations within the current fiscal year and the accumulation of resources for debt service obligations maturing in future fiscal years.

(c) Debt service obligations of general obligation bonds, transportation infrastructure bonds, or other authorized long-term obligations shall be fulfilled from the respective governmental debt service funds established in this section.

(d) As used in this section, "debt service obligations" of bonds include requirements to:

(1) pay principal and interest, sinking fund obligations, and redemption premiums;

(2) pay investment return on and the maturity value of capital appreciation bonds;

(3) provide for reserves required by a trust agreement entered into to secure bonds; and

(4) provide any additional security, insurance, or other form of credit enhancement required by a trust agreement entered into to secure bonds.

Sec. F.102 32 V.S.A. § 954 is amended to read:

§ 954. PROCEEDS

(a) The proceeds arising from the sale of such bonds, except premiums, shall be applied to the purposes for which they were authorized and such

purposes shall be considered to include the expenses of preparing, issuing, and marketing such bonds and any notes issued under section 955 of this title, and amounts for reserves, but no purchasers of such bonds shall be in any way bound to see to the proper application of the proceeds thereof. The state treasurer shall pay the interest on, principal of, investment return on, and maturity value of such bonds and notes as the same fall due or accrue without further order or authority. Any premium received upon the sale of such bonds or notes shall be applied to the payment of the first principal or interest to come due thereon. The state treasurer with the approval of the governor, may establish sinking funds, reserve funds, or other special funds of the state as he or she may deem for the best interest of the state. To the extent not otherwise provided, the amount necessary each year to ~~pay~~ fulfill the maturing principal and interest of, investment return and maturity value of, and sinking fund installments on all such bonds then outstanding shall be included in and made a part of the annual appropriation bill for the expense of state government, and such principal and interest on, investment return and maturity value of, and sinking fund installments on the bonds as may come due before appropriations for the ~~payment~~ fulfillment thereof have been made shall be ~~paid~~ fulfilled from the ~~general fund or from the transportation or other applicable special~~ debt service fund.

\* \* \*

Sec. F.103 32 V.S.A. § 972 is amended to read:

§ 972. TRANSPORTATION INFRASTRUCTURE BONDS

\* \* \*

(b) As used in this subchapter, the term “debt service obligations” is as defined in section 951a of this title.

~~(c) Principal and interest on Debt service obligations of the bonds and associated costs shall be paid fulfilled or satisfied in accordance with the terms of any trust agreement pertaining to the bonds from the transportation infrastructure bond fund established in 19 V.S.A. § 11f bonds debt service fund. Associated costs of bonds include sinking fund payments; reserves; redemption premiums; additional security, insurance, or other form of credit enhancement required or provided for in any trust agreement entered to secure bonds; and related costs of issuance.~~

~~(e)~~(d) Funds raised from bonds issued under this section may be used to pay for or fund:

(1) the rehabilitation, reconstruction, or replacement of state bridges and culverts;

(2) the rehabilitation, reconstruction, or replacement of municipal bridges and culverts; ~~and~~

(3) the rehabilitation, reconstruction, or replacement of state roads, railroads, airports, and necessary buildings which, after such work, have an estimated minimum remaining useful life of 30 years or more; ~~and~~

(4) a permanent reserve required by a trust agreement entered into to secure the bonds.

~~(d)~~(e) Pursuant to section 953 of this title, interest and the investment return on the bonds shall be exempt from taxation in this state.

~~(e)~~(f) Bonds issued under this section shall be legal investments for all persons without limit as to the amount held, regardless of whether they are acting for their own account or in a fiduciary capacity. The bonds shall likewise be legal investments for all public officials authorized to invest in public funds.

Sec. F.104 32 V.S.A. § 973 is amended to read:

\* \* \*

(d) The ~~principal, interest, investment returns, and maturity value~~ debt service obligations of transportation infrastructure bonds which require a cash payment shall be payable in lawful money of the United States or of the country in which the bonds are sold.

\* \* \*

Sec. F.105 32 V.S.A. § 974 is amended to read:

§ 974. SECURITY DOCUMENTS

\* \* \*

(d) For payment of ~~principal, interest, investment returns, and maturity value~~ debt service obligations of transportation infrastructure bonds, the full faith and credit of the state is hereby pledged. However:

(1) if pledging of full faith and credit of the state is not necessary to market a transportation infrastructure bond in the best interest of the state, the treasurer shall enter into an agreement which establishes that the full faith and credit of the state is not pledged for payment of ~~principal, interest, investment returns, and maturity value~~ debt service obligations of the bond. In determining whether to pledge the full faith and credit of the state, the state treasurer shall consider the anticipated effect of such a pledge on the credit standing of the state, the marketability of the transportation infrastructure bond, and other factors he or she deems appropriate; ~~and,~~

~~(2) the treasurer shall only use other revenues to pay for debt service and associated costs as defined in section 972 of this title on transportation infrastructure bonds to which the full faith and credit of the state has been pledged in the event that monies in the transportation infrastructure bond fund are insufficient to pay for it.~~

Sec. F.106 32 V.S.A. § 975 is amended to read:

§ 975. PROCEEDS

(a) Proceeds from the sale of bonds may be expended for the authorized purposes of the bonds; including the expenses of preparing, issuing, and marketing the bonds; any notes issued under section 976 of this title; and amounts for any reserves. However, no purchasers of the bonds shall be bound to see to the proper application of the proceeds thereof.

~~(b) The treasurer may pay for the interest on, principal of, investment return on, maturity value of, and associated costs as defined in subsection 972(b) of this title of bonds issued under this subchapter from the transportation infrastructure bond fund as they fall due without further order or authority.~~

~~(c) The general assembly shall appropriate the amount necessary to pay the maturing principal and interest of, investment return and maturity value of, and sinking fund installments on transportation infrastructure bonds then outstanding in the annual appropriations bill and the principal and interest on, investment return and maturity value of, and sinking fund installments on the transportation infrastructure bonds as may come due before appropriations for~~

~~payment have been made shall be paid from the transportation infrastructure bond fund, or with respect to bonds to which the full faith and credit of the state has been pledged and in accordance with subdivision 974(d)(2) of this title, from the general fund or other applicable fund.~~

Sec. F.107 32 V.S.A. § 975a is added to read:

§ 975a. AUTHORITY OF TREASURER

The treasurer may fulfill debt service obligations of bonds issued under this subchapter as they fall due without further order or authority. All such fulfillments shall be accounted for as a payment or provision made from the transportation infrastructure bonds debt service fund.

Sec. F.108 32 V.S.A. § 975b is added to read:

§ 975b. DEBT SERVICE APPROPRIATIONS

The general assembly shall appropriate in the annual appropriations bill the amount necessary from the appropriate funds to pay the debt service obligations of transportation infrastructure bonds which are due in the fiscal year covered by the appropriations bill.

Sec. F.109 32 V.S.A. § 979 is amended to read:

§ 979. AUTHORITIES

In addition to the provisions of this subchapter, the following provisions of this title shall apply to transportation infrastructure bonds:

- (1) sections 951a, 953, 956, 958, and 960;
- (2) subsection 954(c), except that transfers shall be made only among projects to be funded with transportation infrastructure bonds; and
- (3) section 957, except that consolidation may be only among transportation infrastructure bonds, and the bonds shall be the lawful obligation of the transportation infrastructure bond fund and not of the remaining revenues of the state unless the treasurer has agreed to pledge the full faith and credit of the state pursuant to ~~subdivision 974(e)(2)~~ subsection 974(d) of this title.

\* \* \* REPEAL OF REFERENCES TO HCRC \* \* \*

Sec. G.100 8 V.S.A. § 4089k is amended to read:

§ 4089k. HEALTH CARE INFORMATION TECHNOLOGY  
REINVESTMENT FEE

\* \* \*

(e) No later than June 30, 2011, the secretary of administration, or his or her designee, shall assess the adequacy of funding and make recommendations to the ~~commission on health care reform~~ joint fiscal committee concerning the appropriateness of the duration of the health care information technology reinvestment fee.

Sec. G.101 18 V.S.A. § 702(b)(1)(A) is amended to read:

(b)(1)(A) The commissioner of Vermont health access shall establish an executive committee to advise the director of the Blueprint on creating and implementing a strategic plan for the development of the statewide system of chronic care and prevention as described under this section. The executive committee shall ~~consist of no fewer than 10 individuals, including~~ include the commissioner of health; the commissioner of mental health; a representative from the department of banking, insurance, securities, and health care administration; a representative from the department of Vermont health access; an individual appointed jointly by the president pro tempore of the senate and the speaker of the house of representatives; a representative from the Vermont medical society; a representative from the Vermont nurse practitioners association; a representative from a statewide quality assurance organization; a representative from the Vermont association of hospitals and health systems; two representatives of private health insurers; a consumer; a representative of the complementary and alternative medicine professions; a primary care professional serving low income or uninsured Vermonters; a representative of the Vermont assembly of home health agencies who has clinical experience; a representative from a self-insured employer who offers a health benefit plan to its employees; and a representative of the state employees' health plan, who shall be designated by the ~~director~~ commissioner of human resources and who may be an employee of the third-party administrator contracting to provide services to the state employees' health plan. ~~In addition, the director of the commission on health care reform shall be a nonvoting member of the executive committee.~~

Sec. G.102 18 V.S.A. § 709(a) is amended to read:

(a) The director of the Blueprint shall report annually, no later than January 15, on the status of implementation of the Vermont Blueprint for Health for the prior calendar year and shall provide the report to the house committee on health care, the senate committee on health and welfare, and the health access oversight committee, ~~and the joint legislative commission on health care reform.~~

Sec. G.103 18 V.S.A. § 9351(c) is amended to read:

(c) The secretary of administration or designee shall update the plan annually to reflect emerging technologies, the state's changing needs, and such other areas as the secretary or designee deems appropriate. The secretary or designee shall solicit recommendations from Vermont Information Technology Leaders, Inc. (VITL) and other entities in order to update the health information technology plan pursuant to this section, including applicable standards, protocols, and pilot programs, and may enter into a contract or grant agreement with VITL or other entities to update some or all of the plan. Upon approval by the secretary, the updated plan shall be distributed to ~~the commission on health care reform~~; the commissioner of information and innovation; the commissioner of banking, insurance, securities, and health care administration; the commissioner of Vermont health access; the secretary of human services; the commissioner of health; the commissioner of mental health; the commissioner of disabilities, aging, and independent living; the senate committee on health and welfare; the house committee on health care; affected parties; and interested stakeholders.

Sec. G.104 18 V.S.A. § 9352(e) is amended to read:

(e) Report. No later than January 15 of each year, VITL shall file a report with ~~the commission on health care reform~~; the secretary of administration; the commissioner of information and innovation; the commissioner of banking, insurance, securities, and health care administration; the commissioner of Vermont health access; the secretary of human services; the commissioner of health; the commissioner of mental health; the commissioner of disabilities, aging, and independent living; the senate committee on health and welfare; and the house committee on health care. The report shall include an assessment of progress in implementing health information technology in Vermont and recommendations for additional funding and legislation required. In addition, VITL shall publish minutes of VITL meetings and any other relevant information on a public website.

Sec. G.105 32 V.S.A. § 10301 is amended to read:

§ 10301. HEALTH IT-FUND

\* \* \*

(e) VITL and any other entity requesting disbursements from the health IT-fund shall develop a detailed annual plan for proposed expenditures from the health IT-fund for the upcoming fiscal year. The expenditure plan shall be included within the context of the entity's overall budget, including all revenue and expenditures. ~~Beginning with the fiscal quarter commencing October 1, 2008, VITL and any other entity requesting disbursements from the health IT-fund shall submit proposed quarterly spending plans for review by the health~~

~~care reform commission and approval by the secretary of administration. Upon the general assembly beginning its consideration of the expenditure plans for fiscal year 2010, this quarterly plan requirement shall cease.~~

(f) The plan developed under subsection (e) of this section shall be submitted to the secretary of administration or his or her designee, ~~who shall then submit his or her recommendations on the plan to the health care reform commission.~~ the Green Mountain Care board, the house and senate committees on appropriations, the house committee on health care, and the senate committee on health and welfare.

(g) The secretary of administration or his or her designee shall submit an annual report on the receipts, expenditures, and balances in the health IT-fund to the joint fiscal committee at its September meeting and to the ~~commission on health care reform by October 1~~ Green Mountain Care board. The report shall include information on the results of an annual independent study of the effectiveness of programs and initiatives funded through the health IT-fund, with reference to a baseline, benchmarks, and other measures for monitoring progress and including data on return on investments made.

(h) VITL and any other beneficiary receiving funding shall submit quarterly expenditure reports to the secretary of administration and ~~the health care reform commission~~ to the Green Mountain Care board, including a year-end report by August 1.

\* \* \*

Sec. G.106 33 V.S.A. § 1974(h) is amended to read:

(h) The agency shall report monthly to the joint fiscal committee, and the health access oversight committee, ~~and the commission on health care reform~~ with on the number of individuals enrolled in the premium assistance program, the income levels of the individuals, a description of the range and types of employer-sponsored plans that have been approved, the percentage of premium and cost-sharing amounts paid by employers whose employees participate in the premium assistance program, and the net savings or cost of the program.

Sec. G.107 REPEAL

(a) 2 V.S.A. chapter 25 (joint legislative commission on health care reform) is repealed on July 1, 2011.

## \* \* \* RETIREMENT \* \*

Sec. H.1 3 V.S.A. § 470 is amended to read:

§ 470. ~~POST-RETIREMENT~~ POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

\* \* \*

(c) For purposes of this section, Consumer Price Index shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as “CPI-U,” in the northeast region, as published by the United States Department of Labor, Bureau of Labor Statistics.

\* \* \*

Sec. H.2 16 V.S.A. § 1949 is amended to read:

§ 1949. ~~POST-RETIREMENT~~ POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

\* \* \*

(c) For the purposes of this section, “consumer price index” shall mean the Northeast Region consumer price index for all urban consumers, designated as “CPI-U,” in the northeast region, as published by the United States Department of Labor, Bureau of Labor Statistics.

\* \* \*

Sec. H.3 24 V.S.A. § 5067 is amended to read:

§ 5067. ~~COST-OF-LIVING~~ POSTRETIREMENT ADJUSTMENTS TO RETIREMENT ALLOWANCES

\* \* \*

(b) For purposes of this section, Consumer Price Index shall mean the Northeast Region Consumer Price Index for all urban consumers, designated as “CPI-U,” in the northeast region, as published by the United States Department of Labor, Bureau of Labor Statistics.

\* \* \*

Sec. H.4 3 V.S.A. § 473 is amended to read:

§ 473. FUNDS

(a) All of the assets of the retirement system shall be credited to the Vermont state retirement fund.

(b) Member contributions.

\* \* \*

(2) Contributions shall be made on and after the date of establishment at the rate of ~~five 6.3~~ percent of compensation ~~except for each group A, D, and F member and~~ at a rate of ~~6.18~~ 8.18 percent of compensation for each group C member ~~unless the member was a group C member on June 30, 1998 in which case contributions shall be at the rate of six percent of compensation for each group C member who has elected not to have his or her compensation from the state be subject to Social Security withholding or at the rate of five percent of compensation if the member elected to have compensation from the state subject to Social Security withholding and at the rate of five percent of compensation for each group F member and, commencing July 1, 2019, at the rate of 4.75 percent of compensation for each group F member. For the period of July 1, 2011 through June 30, 2016, should the annual value of the total increased contributions of group C, D, and F member contributions exceed \$5,300,000.00 on an aggregate basis, any amount in excess of \$5,300,000.00 shall remain in the retirement system and the state's contribution shall not be reduced by the amount in excess of \$5,300,000.00. Commencing July 1, 2016 or when the state employees' retirement system has been determined by the actuary to have assets at least equal to its accrued liability, whichever occurs first, contributions shall be five percent of compensation for group A, D, and F members and 6.88 percent of compensation for group C members. Commencing July 1, 2019, the rate of contribution applicable to all active group F members shall be 4.75 percent of compensation.~~ In determining the amount earnable by a member in a payroll period, the retirement board may consider the annual or other periodic rate of earnable compensation payable to such member on the first day of the payroll period as continuing throughout such payroll period, and it may omit deduction from compensation for any period less than a full payroll period if an employee was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as, on an annual basis, shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is to be made. Each of the amounts shall be deducted until the member retires or otherwise withdraws from service, and when deducted shall be paid into the annuity savings fund, and shall be credited to the individual account of the member from whose compensation the deduction was made.

\* \* \*

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Sec. H.5 VERMONT MUNICIPAL RETIREMENT FUND

(a) Notwithstanding the provisions of 24 V.S.A. § 5064(b), for the period July 1, 2011 through June 30, 2012, contributions shall be made by group A members at the rate of 2.5 percent of earnable compensation, by group B members at the rate of 4.5 percent of earnable compensation, and by group C members at the rate of 9.25 percent of earnable compensation.

Sec. H.6 REVIEW OF VERMONT STATE EMPLOYEES' RETIREMENT MEMBER CONTRIBUTION RATE STRUCTURE

(a) By July 1, 2016, the governor or his or her designee, the treasurer and representatives from the judicial branch, the Vermont state employees' association, and the Vermont troopers' association shall meet to review and evaluate the Vermont state employees' member contribution rate structure applicable to groups C, D, and F.

Sec. H.7 3 V.S.A. § 457(e) is added to read:

(e) For purposes of benefits available under this chapter, former county court employees hired by the counties to court positions on or before June 30, 2008 who became state employees on February 1, 2011 pursuant to No. 154 of the Acts of the 2009 Adj. Sess. (2010) shall be deemed to have been first included in membership of the system on or before June 30, 2008.

Sec. I.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (human services caseload reserve appropriation), C.101 (transportation infrastructure bond fund debt service transfer), C.102 (reversions to general fund), C.103–C.103.1 (tax computer system special fund), C.104 (Medicaid state funds reserve), C.105–C.105.1 (DCF tiered sanctions), C.106–C.109 (transportation appropriations), C.110 (fiscal year 2011 general fund balance), D.102 (tobacco litigation settlement fund balance), E.100(b) (fiscal year 2011 one-time appropriations), E.127(b) (contract transfer), E.130(a) (auditor positions), E.130.1(b) (auditor work plan), E.301.7(a) (Catamount transition provisions), E.307 (waiver), E.307.2 (suspension of automatic premium increases repeal), E.307.3 (emergency rules), E.329.1–E.329.2 (long-term care facility receivership technical correction), E.330.1 (expedited rules – long-term care and disabilities, aging, and independent living), E.600.1 (higher education trust fund), F.100–F.109 (transportation infrastructure bond and debt service funds), and G.100 (health care information technology reinvestment fee) of this act shall take effect upon passage.

(b) Sec. E.513.1 shall take effect July 1, 2012.

(c) Secs. H.1–H.3 of this act shall take effect on July 1, 2011, with determinations for cost-of-living adjustments as required by 3 V.S.A. § 470, 16 V.S.A. § 1949, and 24 V.S.A. § 5067 being made on January 1, 2012 pursuant to the Northeast Region Consumer Price Index as of June 30, 2011.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

\*\*\*The Committee of Conference **further submitted a signed “Addendum” for inclusion in their Committee report** as a means of supplying some text for the purpose of correcting certain errata.

The details of this “Addendum” are set forth below.

**Addendum to the Report of the Committee of Conference on H. 441**

By striking out Sec. E.700 in its entirety.

*M. JANE KITCHEL  
RICHARD W. SEARS  
DIANE B. SNELLING*

*Committee on the part of the Senate*

*MARTHA P. HEATH  
MITZI JOHNSON  
JOSEPH N. ACINAPURA*

*Committee on the part of the House*

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 27, Nays 1.

Senator Kitchel having demanded the yeas and nays, they were taken and are as follows:

**Roll Call**

**Those Senators who voted in the affirmative were:** Ashe, Ayer, Baruth, Benning, Brock, Campbell, Carris, Cummings, Doyle, Flory, Fox, Galbraith, Giard, Hartwell, Illuzzi, Kitchel, Lyons, MacDonald, Mazza, McCormack, Miller, Mullin, Nitka, Sears, Snelling, Starr, White.

**The Senator who voted in the negative was:** Pollina.

**Those Senators absent and not voting were:** Kittell, Westman.

Thereupon, on motion of Senator Campbell, the rules were suspended, and the bill was ordered messaged to the House forthwith.

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**Message from the House No. 70**

A message was received from the House of Representatives by Ms. H. Gwynn Zakov, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has passed House bills of the following titles:

**H. 97.** An act relating to early childhood educators.

**H. 460.** An act relating to amending the charter of the city of Barre.

In the passage of which the concurrence of the Senate is requested.

The House has considered bills originating in the Senate of the following titles:

**S. 15.** An act relating to insurance coverage for midwifery services and home births.

**S. 17.** An act relating to licensing a nonprofit organization to dispense marijuana for therapeutic purposes.

**S. 104.** An act relating to modifications to the ban on gifts by manufacturers of prescribed products.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the Senate is requested.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

**S. 100.** An act relating to making miscellaneous amendments to education laws.

And has adopted the same on its part.

**Rules Suspended; Bills on Notice Calendar for Immediate Consideration**

On motion of Senator Campbell, the rules were suspended, and the following bills and Joint resolution, appearing on the Calendar for notice, were ordered to be brought up for immediate consideration:

**S. 15, S. 17, S. 104, H. 201.**

**House Proposal of Amendment Concurred In****S. 104.**

House proposal of amendment to Senate bill entitled:

An act relating to modifications to the ban on gifts by manufacturers of prescribed products.

Was taken up.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 18 V.S.A. § 4631a is amended to read:

§ 4631a. EXPENDITURES BY MANUFACTURERS OF PRESCRIBED PRODUCTS

(a) As used in this section:

(1) "Allowable expenditures" means:

(A) Payment to the sponsor of a significant educational, medical, scientific, or policy-making conference or seminar, provided:

(i) the payment is not made directly to a health care professional or pharmacist;

(ii) funding is used solely for bona fide educational purposes, except that the sponsor may, in the sponsor's discretion, apply some or all of the funding to provide meals and other food for all conference participants; and

(iii) all program content is objective, free from industry control, and does not promote specific products.

(B) Honoraria and payment of the expenses of a health care professional who serves on the faculty at a bona fide significant educational, medical, scientific, or policy-making conference or seminar, provided:

(i) there is an explicit contract with specific deliverables which are restricted to medical issues, not marketing activities; and

(ii) consistent with federal law, the content of the presentation, including slides and written materials, is determined by the health care professional.

(C) For a bona fide clinical trial:

(i) gross compensation for the Vermont location or locations involved;

(ii) direct salary support per principal investigator and other health care professionals per year; and

(iii) expenses paid on behalf of investigators or other health care professionals paid to review the clinical trial.

(D) For a research project that constitutes a systematic investigation, is designed to develop or contribute to general knowledge, and reasonably can be considered to be of significant interest or value to scientists or health care professionals working in the particular field of inquiry:

(i) gross compensation;

(ii) direct salary support per health care professional; and

(iii) expenses paid on behalf of each health care professional.

(E) Payment or reimbursement for the reasonable expenses, including travel and lodging-related expenses, necessary for technical training of individual health care professionals on the use of a medical device if the commitment to provide such expenses and the amounts or categories of reasonable expenses to be paid are described in a written agreement between the health care provider and the manufacturer.

(F) Royalties and licensing fees paid to health care providers in return for contractual rights to use or purchase a patented or otherwise legally recognized discovery for which the health care provider holds an ownership right.

(G) The payment of the reasonable expenses of an individual related to the interview of the individual by a manufacturer of prescribed products in connection with a bona fide employment opportunity or for health care services on behalf of an employee of the manufacturer.

(H) Other reasonable fees, payments, subsidies, or other economic benefits provided by a manufacturer of prescribed products at fair market value.

(2) “Bona fide clinical trial” means an FDA-reviewed clinical trial that constitutes “research” as that term is defined in 45 C.F.R. § 46.102 and reasonably can be considered to be of interest to scientists or health care professionals working in the particular field of inquiry.

(3) “Clinical trial” means any study assessing the safety or efficacy of prescribed products administered alone or in combination with other prescribed products or other therapies, or assessing the relative safety or efficacy of prescribed products in comparison with other prescribed products or other therapies.

(4) “Free clinic” means a health care facility operated by a nonprofit private entity that:

(A) in providing health care, does not accept reimbursement from any third-party payor, including reimbursement from any insurance policy, health plan, or federal or state health benefits program that is individually determined;

(B) in providing health care, either:

(i) does not impose charges on patients to whom service is provided; or

(ii) imposes charges on patients according to their ability to pay;

(C) may accept patients’ voluntary donations for health care service provision; and

(D) is licensed or certified to provide health services in accordance with Vermont law.

(5) “Gift” means:

(A) Anything of value provided for free to a health care provider ~~for free~~ or to a member of the Green Mountain Care board established in chapter 220 of this title; or

(B) Except as otherwise provided in subdivision (a)(1)(A)(ii) of this section, any payment, food, entertainment, travel, subscription, advance, service, or anything else of value provided to a health care provider or to a member of the Green Mountain Care board established in chapter 220 of this title, unless:

(i) it is an allowable expenditure as defined in subdivision (a)(1) of this section; or

(ii) the health care provider or board member reimburses the cost at fair market value.

(6) “Health benefit plan administrator” means the person or entity who sets formularies on behalf of an employer or health insurer.

(7)(A) “Health care professional” means:

(i) a person who is authorized by law to prescribe or to recommend prescribed products, who regularly practices in this state, and who either is licensed by this state to provide or is otherwise lawfully providing health care in this state; or

(ii) a partnership or corporation made up of the persons described in subdivision (i) of this subdivision (7)(A); or

(iii) an officer, employee, agent, or contractor of a person described in subdivision (i) of this subdivision (7)(A) who is acting in the course and scope of employment, of an agency, or of a contract related to or supportive of the provision of health care to individuals.

(B) The term shall not include a person described in subdivision (A) of this subdivision (7) who is employed solely by a manufacturer.

(8) “Health care provider” means a health care professional, hospital, nursing home, pharmacist, health benefit plan administrator, or any other person authorized to dispense or purchase for distribution prescribed products in this state. The term does not include a hospital foundation that is organized as a nonprofit entity separate from a hospital.

(9) “Manufacturer” means a pharmaceutical, biological product, or medical device manufacturer or any other person who is engaged in the production, preparation, propagation, compounding, processing, marketing, packaging, repackaging, distributing, or labeling of prescribed products. The term does not include a wholesale distributor of biological products, a retailer, or a pharmacist licensed under chapter 36 of Title 26. The term also does not include a manufacturer whose only prescribed products are classified as Class I by the U.S. Food and Drug Administration, are exempt from pre-market notification under Section 510(k) of the federal Food, Drug and Cosmetic Act, and are sold over-the-counter without a prescription.

(10) “Marketing” shall include promotion, detailing, or any activity that is intended to be used or is used to influence sales or market share or to evaluate the effectiveness of a professional sales force.

(11) “Pharmaceutical manufacturer” means any entity which is engaged in the production, preparation, propagation, compounding, conversion, or processing of prescription drugs, whether directly or indirectly by extraction from substances of natural origin, independently by means of chemical synthesis, or by a combination of extraction and chemical synthesis, or any entity engaged in the packaging, repackaging, labeling, relabeling, or distribution of prescription drugs. The term does not include a wholesale distributor of prescription drugs, a retailer, or a pharmacist licensed under chapter 36 of Title 26.

(12) “Prescribed product” means a drug or device as defined in section 201 of the federal Food, Drug and Cosmetic Act, 21 U.S.C. § 321, a compound drug or drugs, or a biological product as defined in section 351 of the Public Health Service Act, 42 U.S.C. § 262, for human use.

(13) “Sample” means a unit of a prescription drug, biological product, or medical device that is not intended to be sold and is intended to promote the

sale of the drug, product, or device. The term includes starter packs and coupons or other vouchers that enable an individual to receive a prescribed product free of charge or at a discounted price. The term does not include prescribed products distributed free of charge or at a discounted price pursuant to a manufacturer-sponsored or manufacturer-funded patient assistance program.

(14) “Significant educational, scientific, or policy-making conference or seminar” means an educational, scientific, or policy-making conference or seminar that:

(A) is accredited by the Accreditation Council for Continuing Medical Education or a comparable organization or is presented by an approved sponsor of continuing education, provided that the sponsor is not a manufacturer of prescribed products; and

(B) offers continuing education credit, features multiple presenters on scientific research, or is authorized by the sponsor to recommend or make policy.

(b)(1) It is unlawful for any manufacturer of a prescribed product or any wholesale distributor of medical devices, or any agent thereof, to offer or give any gift to a health care provider or to a member of the Green Mountain Care board established in chapter 220 of this title.

(2) The prohibition set forth in subdivision (1) of this subsection shall not apply to any of the following:

(A) Samples of a prescribed product or reasonable quantities of an over-the-counter drug, nonprescription medical device, or item of nonprescription durable medical equipment, provided to a health care provider for free distribution to patients.

(B) The loan of a medical device for a short-term trial period, not to exceed ~~90~~ 120 days, to permit evaluation of a medical device by a health care provider or patient.

(C) The provision of reasonable quantities of medical device demonstration or evaluation units to a health care provider to assess the appropriate use and function of the product and determine whether and when to use or recommend the product in the future.

(D) The provision, distribution, dissemination, or receipt of peer-reviewed academic, scientific, or clinical articles or journals and other items that serve a genuine educational function provided to a health care provider for the benefit of patients.

(E) Scholarship or other support for medical students, residents, and fellows to attend a significant educational, scientific, or policy-making conference or seminar of a national, regional, or specialty medical or other professional association if the recipient of the scholarship or other support is selected by the association.

(F) Rebates and discounts for prescribed products provided in the normal course of business.

(G) Labels approved by the federal Food and Drug Administration for prescribed products.

(H) The provision of free prescription drugs or over-the-counter drugs, medical devices, biological products, medical equipment or supplies, or financial donations to a free clinic.

~~(I) The provision of free prescription drugs to or on behalf of an individual through a prescription drug manufacturer's patient assistance program.~~ Prescribed products distributed free of charge or at a discounted price pursuant to a manufacturer-sponsored or manufacturer-funded patient assistance program.

(J) Fellowship salary support provided to fellows through grants from manufacturers of prescribed products, provided:

(i) such grants are applied for by an academic institution or hospital;

(ii) the institution or hospital selects the recipient fellows;

(iii) the manufacturer imposes no further demands or limits on the institution's, hospital's, or fellow's use of the funds; and

(iv) fellowships are not named for a manufacturer and no individual recipient's fellowship is attributed to a particular manufacturer of prescribed products.

(K) The provision of coffee or other snacks or refreshments at a booth at a conference or seminar.

(c) Except as described in subdivisions (a)(1)(B) and (C) of this section, no manufacturer or other entity on behalf of a manufacturer shall provide any fee, payment, subsidy, or other economic benefit to a health care provider in connection with the provider's participation in research.

(d) The attorney general may bring an action in Washington superior court for injunctive relief, costs, and attorney's fees and may impose on a manufacturer that violates this section a civil penalty of no more than

\$10,000.00 per violation. Each unlawful gift shall constitute a separate violation.

Sec. 2. 18 V.S.A. § 4632 is amended to read:

§ 4632. DISCLOSURE OF ALLOWABLE EXPENDITURES AND GIFTS BY MANUFACTURERS OF PRESCRIBED PRODUCTS

(a)(1)(A) Annually on or before ~~October~~ April 1 of each year, every manufacturer of prescribed products shall disclose to the office of the attorney general for the ~~fiscal preceding calendar year ending the previous June 30th~~ the value, nature, purpose, and recipient information of:

~~(A)~~ any allowable expenditure or gift permitted under subdivision 4631a(b)(2) of this title to any health care provider or to a member of the Green Mountain Care board established in chapter 220 of this title, except:

(i) royalties and licensing fees as described in subdivision 4631a(a)(1)(F) of this title;

(ii) rebates and discounts for prescribed products provided to health care providers in the normal course of business as described in subdivision 4631a(b)(2)(F) of this title;

(iii) payments for clinical trials as described in subdivision 4631a(a)(1)(C) of this title, which shall be disclosed after the earlier of the date of the approval or clearance of the prescribed product by the Food and Drug Administration for the use for which the clinical trial is being conducted or ~~two~~ four calendar years after the date the payment was made. For a clinical trial for which disclosure is delayed under this subdivision (iii), the manufacturer shall identify to the attorney general the clinical trial, the start date, and the web link to the clinical trial registration on the national clinical trials registry;

(iv) interview or health care expenses as described in subdivision 4631a(a)(1)(G) of this title; ~~and~~

(v) coffee or other snacks or refreshments at a booth at a conference or seminar;

(vi) loans of medical devices for short-term trial periods pursuant to subdivision 4631a(b)(2)(B) of this title, provided the loan results in the purchase, lease, or other comparable arrangement of the medical device after issuance of a certificate of need pursuant to chapter 221, subchapter 5 of this title, and

(vii) prescribed products distributed free of charge or at a discounted price pursuant to a manufacturer-sponsored or manufacturer-funded patient assistance program

(B) Annually on or before April 1 of each year, every manufacturer of prescribed products shall disclose to the office of the attorney general for the preceding calendar year

(C) Annually on or before April 1 of each year, every manufacturer of prescribed products shall disclose to the office of the attorney general for the preceding calendar year the value, nature, purpose, and recipient information of any allowable expenditure or gift to an academic institution, to a nonprofit hospital foundation, or to a professional, educational, or patient organization representing or serving health care providers or consumers located in or providing services in Vermont, except:

(i) royalties and licensing fees as described in subdivision 4631a(a)(1)(F) of this title;

(ii) rebates and discounts for prescribed products provided in the normal course of business as described in subdivision 4631a(b)(2)(F) of this title; and

(iii) payments for clinical trials as described in subdivision 4631a(a)(1)(C) of this title, which shall be disclosed after the earlier of the date of the approval or clearance of the prescribed product by the Food and Drug Administration for the use for which the clinical trial is being conducted or ~~two~~ four calendar years after the date the payment was made. For a clinical trial for which disclosure is delayed under this subdivision (iii), the manufacturer shall identify to the attorney general the clinical trial, the start date, and the web link to the clinical trial registration on the national clinical trials registry.

(2)(A)(i) Subject to the provisions of subdivision (B) of this subdivision (a)(2) and to the extent allowed under federal law, annually on or before April 1 of each year beginning in 2012, each manufacturer of prescribed products shall disclose to the office of the attorney general all ~~free~~ samples of prescribed products provided to health care providers during the preceding calendar year, identifying for each sample the product, recipient, number of units, and dosage.

(ii) The office of the attorney general may contract with academic researchers to release to such researchers data relating to manufacturer distribution of ~~free~~ samples, subject to confidentiality provisions and without including the names or license numbers of individual recipients, for analysis and aggregated public reporting.

(iii) Any public reporting of manufacturer distribution of ~~free~~ samples shall not include information that allows for the identification of individual recipients of samples or connects individual recipients with the monetary value of the samples provided.

(B) Subdivision (A) of this subdivision (a)(2) shall not apply to samples of prescription drugs required to be reported under Sec. 6004 of the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, if ~~as of January 1, 2011,~~ the office of the attorney general ~~has determined~~ determines that the U.S. Department of Health and Human Services will collect and report state- and recipient-specific information regarding manufacturer distribution of ~~free~~ samples of such prescription drugs.

(3) Annually on ~~July~~ January 1, each manufacturer of prescribed products also shall disclose to the office of the attorney general the name and address of the individual responsible for the manufacturer's compliance with the provisions of this section.

(4) Disclosure shall be made on a form and in a manner prescribed by the office of the attorney general and shall require manufacturers of prescribed products to report each allowable expenditure or gift permitted under subdivision 4631a(b)(2) of this title including:

(A) ~~except as otherwise provided in subdivision~~ subdivisions (a)(1)(B) and (a)(2) of this section, the value, nature, and purpose of each allowable expenditure, and gift permitted under subdivision 4631a(b)(2) of this title according to specific categories identified by the office of the attorney general;

(B) the name of the recipient;

(C) the recipient's address;

(D) the recipient's institutional affiliation;

(E) prescribed product or products being marketed, if any; and

(F) the recipient's state board number or, in the case of an institution, foundation, or organization, the federal tax identification number or the identification number assigned by the attorney general.

(5) The office of the attorney general shall report annually on the disclosures made under this section to the general assembly and the governor on or before ~~April~~ October 1. The report shall include:

(A) Information on allowable expenditures and permitted gifts required to be disclosed under this section, which shall ~~be presented in both present information in~~ aggregate form and by selected types of health care providers or individual health care providers, as prioritized each year by the office; and showing the amounts expended on the Green Mountain Care board established in chapter 220 of this title. In accordance with subdivisions (1)(B) and (2)(A) of this subsection, information on samples of prescribed products

and of over-the-counter drugs, nonprescription medical devices, and items of nonprescription durable medical equipment shall be presented in aggregate form.

(B) Information on violations and enforcement actions brought pursuant to this section and section 4631a of this title.

(6) After issuance of the report required by subdivision (5) of this subsection and except as otherwise provided in ~~subdivision~~ subdivisions (1)(B) and (2)(A)(i) of this subsection, the office of the attorney general shall make all disclosed data used for the report publicly available and searchable through an Internet website.

(7) The department of Vermont health access shall examine the data available from the office of the attorney general for relevant expenditures and determine whether and to what extent prescribing patterns by health care providers of prescribed products reimbursed by Medicaid, VHAP, Dr. Dynasaur, VermontRx, and VPharm may reflect manufacturer influence. The department may select the data most relevant to its analysis. The department shall report its analysis annually to the general assembly and the governor on or before ~~October 1~~ March 1.

~~(b)(1) Annually on July 1~~ Beginning January 1, 2013 and annually thereafter, the office of the attorney general shall collect a \$500.00 fee from each manufacturer of prescribed products filing annual disclosures of expenditures greater than zero described in subsection (a) of this section.

(2) Fees collected under this section shall fund collection and analysis of information on activities related to the marketing of prescribed products under section 4631a of this title and under this section. The fees shall be collected in a special fund assigned to the office.

(c) The attorney general may bring an action in Washington superior court for injunctive relief, costs, and attorney's fees, and to impose on a manufacturer of prescribed products that fails to disclose as required by subsection (a) of this section a civil penalty of no more than \$10,000.00 per violation. Each unlawful failure to disclose shall constitute a separate violation.

(d) The terms used in this section shall have the same meanings as they do in section 4631a of this title.

### Sec. 3. REPORTING FEES

(a) Notwithstanding the provisions of 18 V.S.A. § 4632(b)(1), on July 1, 2011, the office of the attorney general shall collect a \$500.00 fee from each manufacturer of prescribed products filing annual disclosures of expenditures

greater than zero described in 18 V.S.A. § 4632(a) for the fiscal year ending June 30, 2011.

(b) Notwithstanding the provisions of 18 V.S.A. § 4632(b)(1), on January 1, 2012, the office of the attorney general shall collect a \$250.00 fee from each manufacturer of prescribed products filing disclosures of expenditures greater than zero described in 18 V.S.A. § 4632(a) for the six-month period from July 1, 2011 through December 31, 2011.

#### Sec. 4. ELECTRONIC PRIOR AUTHORIZATION

The commissioner of Vermont health access and the Vermont information technology leaders (VITL), in collaboration with health insurers, prescribers, representatives of the independent pharmacy community, and other interested parties, shall evaluate the use of electronic means for requesting and granting prior authorization for prescription drugs. No later than January 15, 2012, the commissioner and VITL shall report their findings to the senate committee on health and welfare and the house committee on health care and make recommendations for processes to develop standards for electronic prior authorizations.

#### Sec. 5. SPECIALTY TIER DRUGS

(a) Prior to July 1, 2012, no health insurer or pharmacy benefit manager shall utilize a cost-sharing structure for prescription drugs that imposes on a consumer for any drug a greater co-payment, deductible, coinsurance, or other cost-sharing requirement than that which applies for a nonpreferred brand-name drug.

(b) The commissioner of banking, insurance, securities, and health care administration shall not approve any form for a health insurance policy prior to July 1, 2012 that imposes on a consumer for any prescription drug a greater co-payment, deductible, coinsurance, or other cost-sharing requirement than that which applies for a nonpreferred brand-name drug.

#### Sec. 6. EFFECTIVE DATES

(a) Secs. 1, 2, and 3 of this act shall take effect on July 1, 2011, except that, in Sec. 2, the amendments to 18 V.S.A. § 4632(a)(1)(B) shall take effect on January 1, 2012.

(b) Sec. 4 of this act and this section shall take effect on passage.

(c) Sec. 5 of this act shall take effect on passage and shall apply to all forms that have previously been approved by the department of banking, insurance, securities, and health care administration or that may be approved by the department after passage of this act.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, was decided in the affirmative.

### **House Proposal of Amendment; Consideration Postponed**

#### **S. 15.**

House proposal of amendment to Senate bill entitled:

An act relating to insurance coverage for midwifery services and home births.

Was taken up.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 8 V.S.A. § 4099d is added to read:

#### § 4099d. MIDWIFERY COVERAGE; HOME BIRTHS

(a) A health insurance plan or health benefit plan providing maternity benefits shall also provide coverage for services rendered by a midwife licensed pursuant to chapter 85 of Title 26 or an advanced practice registered nurse licensed pursuant to chapter 28 of Title 26 who is certified as a nurse midwife for services within the licensed midwife's or certified nurse midwife's scope of practice and provided in a hospital or other health care facility or at home.

(b) Coverage for services provided by a licensed midwife or certified nurse midwife shall not be subject to any greater co-payment, deductible, or coinsurance than is applicable to any other similar benefits provided by the plan.

(c) A health insurance plan may require that the maternity services be provided by a licensed midwife or certified nurse midwife under contract with the plan.

(d) As used in this section, "health insurance plan" means any health insurance policy or health benefit plan offered by a health insurer, as defined in 18 V.S.A. § 9402, as well as Medicaid, the Vermont health access plan, and any other public health care assistance program offered or administered by the state or by any subdivision or instrumentality of the state. The term shall not include policies or plans providing coverage for specific disease or other limited benefit coverage.

Sec. 2. 18 V.S.A. chapter 30 is added to read:

#### CHAPTER 30. MATERNAL MORTALITY REVIEW PANEL

#### § 1551. DEFINITIONS

As used in this chapter:

(1) “Maternal mortality” or “maternal death” means:

(A) pregnancy-associated death;

(B) pregnancy-related death; or

(C) pregnancy-associated but not pregnancy-related death.

(2) “Pregnancy-associated death” means the death of a woman while pregnant or within one year following the end of pregnancy, irrespective of cause.

(3) “Pregnancy-associated, but not pregnancy-related death” means the death of a woman while pregnant or within one year following the end of pregnancy due to a cause unrelated to pregnancy.

(4) “Pregnancy-related death” means the death of a woman while pregnant or within one year following the end of pregnancy, irrespective of the duration and site of the pregnancy, from any cause related to or aggravated by her pregnancy or its management, but not from accidental or incidental causes.

#### § 1552. MATERNAL MORTALITY REVIEW PANEL ESTABLISHED

(a) There is established a maternal mortality review panel to conduct comprehensive, multidisciplinary reviews of maternal deaths in Vermont for the purposes of identifying factors associated with the deaths and making recommendations for system changes to improve health care services for women in this state. The members of the panel shall be appointed by the commissioner of health as follows:

(1) Two members from the Vermont section of the American College of Obstetricians and Gynecologists, one of whom shall be a generalist obstetrician and one of whom shall be a maternal fetal medicine specialist.

(2) One member from the Vermont chapter of the American Academy of Pediatrics, specializing in neonatology.

(3) One member from the Vermont chapter of the American College of Nurse-Midwives.

(4) One member who is a midwife licensed pursuant to chapter 85 of Title 26.

(5) One member from the Vermont section of the Association of Women’s Health, Obstetric and Neonatal Nurses.

(6) The director of the division of maternal and child health in the Vermont department of health, or designee.

(7) An epidemiologist from the department of health with experience analyzing perinatal data, or designee.

(8) The chief medical examiner or designee.

(9) A representative of the community mental health centers.

(10) A member of the public.

(b) The term of each member shall be three years and the terms shall be staggered. The commissioner shall appoint the initial chair of the panel, who shall call the first meeting of the panel and serve as chair for six months, after which time the panel shall elect its chair. Members of the panel shall receive no compensation.

(c) The commissioner may delegate to the Northern New England Perinatal Quality Improvement Network (NNEPQIN) the functions of collecting, analyzing, and disseminating maternal mortality information; organizing and convening meetings of the panel; and such other substantive and administrative tasks as may be incident to these activities. The activities of the NNEPQIN and its employees or agents shall be subject to the same confidentiality provisions as apply to members of the panel.

#### § 1553. DUTIES

(a) The panel, in collaboration with the commissioner of health or designee, shall conduct comprehensive, multidisciplinary reviews of maternal mortality in Vermont.

(b) Each member of the panel shall be responsible for disseminating panel recommendations to his or her respective institution and professional organization, as applicable. All such information shall be disseminated through the institution's or organization's quality assurance program in order to protect the confidentiality of all participants and patients involved in any incident.

(c) On or before January 15 of each year, the commissioner of health shall submit a report to the house committees on health care and on human services and the senate committee on health and welfare containing at least the following information:

(1) a description of the adverse events reviewed by the panel during the preceding 12 months, including statistics and causes;

(2) corrective action plans to address, in the aggregate, such adverse events; and

(3) recommendations for system changes and legislation relating to the delivery of health care in Vermont.

(d) The panel shall not:

(1) Call witnesses or take testimony from any individual involved in the investigation of a maternal death.

(2) Enforce any public health standard or criminal law or otherwise participate in any legal proceeding, except to the extent that a member of the panel is involved in the investigation of a maternal death or resulting prosecution and must participate in a legal proceeding in the course of performing his or her duties outside the panel.

#### § 1554. CONFIDENTIALITY

(a) The panel's proceedings, records, and opinions shall be confidential and shall not be subject to inspection or review under subchapter 3 of chapter 5 of Title 1 or to discovery, subpoena, or introduction into evidence in any civil or criminal proceeding; provided, however, that nothing in this subsection shall be construed to limit or restrict the right to discover or use in any civil or criminal proceeding anything that is available from another source and entirely independent of the panel's proceedings.

(b) Members of the panel shall not be questioned in any civil or criminal proceeding regarding the information presented in or opinions formed as a result of a meeting of the panel; provided, however, that nothing in this subsection shall be construed to prevent a member of the panel from testifying to information obtained independently of the panel or which is public information.

#### § 1555. INFORMATION RELATED TO MATERNAL MORTALITY

(a)(1) Health care providers; health care facilities; clinics; laboratories; medical records departments; and state offices, agencies, and departments shall report all maternal mortality deaths to the chair of the maternal mortality review panel and to the commissioner of health or designee.

(2) The commissioner and the chair may acquire the information described in subdivision (1) of this subsection from health care facilities, maternal mortality review programs, and other sources in other states to ensure that the panel's records of Vermont maternal mortality cases are accurate and complete.

(b)(1) The commissioner shall have access to individually identifiable information relating to the occurrence of maternal deaths only on a case-by-case basis where public health is at risk. As used in this section, "individually identifiable information" includes vital records; hospital discharge data; prenatal, fetal, pediatric, or infant medical records; hospital or

clinic records; laboratory reports; records of fetal deaths or induced terminations of pregnancies; and autopsy reports.

(2) The commissioner or designee may retain identifiable information regarding facilities where maternal deaths occur and geographic information on each case solely for the purposes of trending and analysis over time. In accordance with the rules adopted pursuant to subdivision 1556(4) of this title, all individually identifiable information on individuals and identifiable information on facilities shall be removed prior to any case review by the panel.

(3) The chair shall not acquire or retain any individually identifiable information.

(c) If a root cause analysis of a maternal mortality event has been completed, the findings of such analysis shall be included in the records supplied to the review panel.

#### § 1556. RULEMAKING

The commissioner of health, with the advice and recommendation of a majority of the members of the panel, shall adopt rules pursuant to chapter 25 of Title 3 related to the following:

(1) The system for identifying and reporting maternal deaths to the commissioner or designee.

(2) The form and manner through which the panel may acquire information under section 1555 of this title.

(3) The protocol to be used in carefully and sensitively contacting a family member of the deceased woman for a discussion of the events surrounding the death, including allowing grieving family members to delay or refuse such an interview.

(4) Ensuring de-identification of all individuals and facilities involved in the panel's review of cases.

Sec. 3. 18 V.S.A. § 5087 is amended to read:

#### § 5087. ESTABLISHMENT OF BIRTH INFORMATION NETWORK

(a) The commissioner of health shall establish a statewide birth information network designed to identify newborns who have specified health conditions which may respond to early intervention and treatment by the health care system.

(b) The department of health is authorized to collect information for the birth information network for the purpose of preventing and controlling disease, injury, and disability. The commissioner of health, in collaboration

with appropriate partners, shall coordinate existing data systems and records to enhance the network's comprehensiveness and effectiveness, including:

- (1) Vital records (birth, death, and fetal death certificates).
- (2) The children with special health needs database.
- (3) Newborn metabolic screening.
- (4) Universal newborn hearing screening.
- (5) The hearing outreach program.
- (6) The cancer registry.
- (7) The lead screening registry.
- (8) The immunization registry.
- (9) The special supplemental nutrition program for women, infants, and children.
- (10) The Medicaid claims database.
- (11) The hospital discharge data system.
- (12) Health records (such as discharge summaries, disease indexes, nursery logs, pediatric logs, and neonatal intensive care unit logs) from hospitals, outpatient specialty clinics, genetics clinics, and cytogenetics laboratories.
- (13) The Vermont health care claims uniform reporting and evaluation system.

(c) The commissioner of health shall refer to the report submitted to the general assembly by the birth information council, pursuant to section 5086 of this title, for the purpose of establishing guiding principles for the research and decision-making necessary for the development of the birth information network.

(d) The network shall provide information on public health activities, such as surveillance, assessment, and planning for interventions to improve the health and quality of life for Vermont's infants and children and their families. This information shall be used for improving health care delivery systems and outreach and referral services for families with children with special health needs and for determining measures that can be taken to prevent further medical conditions.

(e) The network shall be designed to follow infants and children up to one year of age with the 40 medical conditions listed in the matrix developed by the birth information council which have been selected as identifiable via

existing Vermont data systems and are considered to be representative of the most significant health conditions of newborns in Vermont, including conditions relating to upper and lower limbs. The department of health is authorized to amend the list of medical conditions through rulemaking pursuant to chapter 25 of Title 3 to meet the objectives of this section.

(f) The network's data system shall be designed to coordinate with the data systems of other states so that data on out-of-state births to Vermont residents will be captured for vital records, case ascertainment, and follow-up services. The commissioner of health is authorized to enter into interstate agreements containing the necessary conditions for information transmission.

(g) The commissioner of health shall compile information every two years to document possible links between environmental and chemical exposure with the special health conditions of Vermont's infants and children.

(h) The department of health shall develop a form that contains a description of the birth information network and the purpose of the network. The form shall include a statement that the parent or guardian of a child may contact the department of health and have his or her child's personally identifying information removed from the network, using a process developed by the advisory committee.

Sec. 4. 18 V.S.A. chapter 104 is added to read:

#### CHAPTER 104. BIRTH RECORDS

##### § 5112. ISSUANCE OF NEW BIRTH CERTIFICATE; CHANGE OF SEX

(a) Upon receiving from the probate division of the superior court a court order that an individual's sexual reassignment has been completed, the state registrar shall issue a new birth certificate to show that the sex of the individual born in this state has been changed.

(b) An affidavit by a licensed physician who has treated or evaluated the individual stating that the individual has undergone surgical, hormonal, or other treatment appropriate for that individual for the purpose of gender transition shall constitute sufficient evidence for the court to issue an order that sexual reassignment has been completed. The affidavit shall include the medical license number and signature of the physician.

(c) A new certificate issued pursuant to subsection (a) of this section shall be substituted for the original birth certificate in official records. The new certificate shall not show that a change in name or sex, or both, has been made. The original birth certificate, the probate court order, and any other records relating to the issuance of the new birth certificate shall be confidential and shall not be subject to public inspection pursuant to 1 V.S.A. § 317(c);

however an individual may have access to his or her own records and may authorize the state registrar to confirm that, pursuant to court order, it has issued a new birth certificate to the individual that reflects a change in name or sex, or both.

(d) If an individual born in this state has an amended birth certificate showing that the sex of the individual has been changed, and the birth certificate is marked "Court Amended" or otherwise clearly shows that it has been amended, the individual may receive a new birth certificate from the state registrar upon application.

Sec. 5. 26 V.S.A. § 4187 is amended to read:

§ 4187. RENEWALS

(a)(1) Biennially, the director shall forward a renewal form to each licensed midwife. The completed form shall include verification that during the preceding two years, the licensed midwife has:

(A) completed 20 hours of continuing education approved by the director by rule;

(B) participated in at least four peer reviews;

(C) submitted individual practice data; ~~and~~

(D) maintained current cardiopulmonary resuscitation certification; and

(E) filed a timely certificate of birth for each birth at which he or she was the attending midwife, as required by law.

(2) Upon receipt of the completed form and of the renewal fee, the director shall issue a renewal license to applicants who qualify under this section.

\* \* \*

Sec. 6. 26 V.S.A. § 4190 is amended to read:

§ 4190. WRITTEN PLAN FOR CONSULTATION, EMERGENCY TRANSFER, AND TRANSPORT

(a) Every licensed midwife shall develop a written plan for consultation with physicians licensed under chapter 23 of this title and other health care providers for emergency transfer, for transport of an infant to a newborn nursery or neonatal intensive care nursery, and for transport of a woman to an appropriate obstetrical department or patient care area. The written plan shall be submitted to the director on an approved form with the application required by section 4184 of this title and biennially thereafter with the renewal form

required by section 4187 of this title. The written transport plan shall be reviewed and approved by the advisors appointed pursuant to section 4186 of this title and shall be provided to any health care facility or health care professional identified in the plan. The director, in consultation with the advisors, the commissioner of health, and other interested parties, shall develop a single, uniform form for use in all cases in which a transfer or transport occurs, which shall include the medical information needed by the facility or professional receiving the transferred or transported patient.

(b)(1) A licensed midwife shall, within 30 days of a birth or sentinel event, complete any peer review that is both required by rules governing licensed midwives and which is generated due to a death, significant morbidity to client or child, transfer to hospital, or to practice performed outside the standards for midwives as set forth in the rules governing licensed midwives. This peer review report shall be submitted to the office of professional regulation within 30 days of its completion.

(2) During the peer review process, other health care professionals engaged in the care or treatment of the client may provide written input to the peer review panel related to quality assurance and other matters within or related to the licensed midwife's scope of practice. The written comments shall be filed with the office of professional regulation and subject to the same confidentiality provisions as apply to other documents related to peer reviews. Upon completion of the peer review process, the director shall provide notice of the final disposition of the peer review to all health care professionals who submitted input pursuant to this subdivision.

#### Sec. 7. DATA SUBMISSION

Each midwife licensed pursuant to chapter 85 of Title 26 and each advanced practice registered nurse licensed pursuant to chapter 28 of Title 26 who is certified as a nurse midwife shall submit data to the database maintained by the Division of Research of the Midwives Alliance of North America regarding each home birth in Vermont for which he or she is the attending midwife.

#### Sec. 8. DEPARTMENT OF HEALTH; REPORTING REQUIREMENT

(a) The department of health shall access the database maintained by the Division of Research of the Midwives Alliance of North America to obtain information relating to care provided in Vermont by midwives licensed pursuant to chapter 85 of Title 26 and by advanced practice registered nurses licensed pursuant to chapter 28 of Title 26 who are certified as nurse midwives.

(b) No later than March 15 of each year from 2012 through 2016, inclusive, the commissioner of health or designee shall provide testimony to the house

committee on health care and the senate committee on health and welfare regarding the activities of licensed midwives and certified nurse midwives performing home births and providing prenatal and postnatal care in a nonmedical environment during the preceding year. The testimony shall include the number of home births in Vermont, the number of hospital transports associated with home births, the treatment of high-risk patients, and other relevant data, as well as the level of compliance of the licensed midwives and certified nurse midwives with the laws and rules governing their scope of practice.

Sec. 9. EFFECTIVE DATES

(a) Sec. 1 of this act shall take effect on October 1, 2011, and shall apply to all health insurance plans and health benefit plans on and after October 1, 2011, on such date as a health insurer issues, offers, or renews the plan, but in no event later than October 1, 2012.

(b) The remaining sections of this act shall take effect on passage.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment?, consideration of the bill was postponed.

**House Proposals of Amendment to Senate Proposal of Amendment  
Concurred In**

**H. 201.**

House proposal of amendment to Senate proposal of amendment to House bill entitled:

An act relating to hospice and palliative care.

Was taken up.

The House concurs in the Senate proposal of amendment with further amendment thereto as follows:

By striking out “Fifth” instance of amendment in its entirety.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment?, was decided in the affirmative.

**Report of Committee of Conference Accepted and Adopted on the Part of  
the Senate**

**S. 100.**

Senator Mullin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

An act relating to making miscellaneous amendments to education laws.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment with the following additional amendments thereto:

First: By striking out Sec. 27 (special education information management system) in its entirety and inserting in lieu thereof the following: Sec. 27. [Deleted.]

Second: In Sec. 32, 16 V.S.A. § 562, subdivision (11), by striking out the following: “\$200,000.00” and inserting in lieu thereof the following: \$350,000.00

Third: Immediately prior to Sec. 39, by inserting a reader assistance note to read as follows: \* \* \* Student Athletes; Concussions \* \* \*

Fourth: In Sec. 40, 16 V.S.A. § 1431, in subsection (a), by striking out subdivision (4) in its entirety.

Fifth: In Sec. 40, 16 V.S.A. § 1431, in subsection (b), by striking out the words “and the Vermont School Boards Association” and also in subsection (b), by striking out the words “those associations” and inserting in lieu thereof the words following: that association

Sixth: In Sec. 40, 16 V.S.A. § 1431, by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

(d) Participation in athletic activity. A coach shall not permit a youth athlete to train or compete with a school athletic team if the athlete has been removed or prohibited from participating in a training session or competition associated with the school athletic team due to symptoms of a concussion or other head injury until the athlete has been examined by and received written permission to participate in athletic activities from a health care provider licensed pursuant to Title 26 and trained in the evaluation and management of concussions and other head injuries.

*KEVIN J. MULLIN  
SARA BRANON KITTELL  
PHILIP E. BARUTH*

*Committee on the part of the Senate*

*HOWARD T. CRAWFORD  
JOHANNAH L. DONOVAN*

GARY L. GILBERT

*Committee on the part of the House*

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

**Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate**

**H. 287.**

Appearing on the Calendar for notice, on motion of Senator Campbell, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to job creation and economic development.

Was taken up for immediate consideration.

Senator Ashe, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

**H. 287.** An act relating to job creation and economic development.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposals of amendment and the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Incentive Grants; VEGI \* \* \*

Sec. 1. VEGI STUDY

On or before January 15, 2012, the secretary of commerce and community development shall conduct a comprehensive study of the Vermont employment growth incentive program and shall submit a report to the house committees on commerce and economic development and on ways and means, and to the senate committees on finance and on economic development, housing and general affairs. The study shall address the overall effectiveness of the program; the appropriate term and use of the "look back" provision and the wage threshold; the appropriate use of company-specific and industry background growth rates; the administrative burden the program imposes both on employers and on government; a comparison to similar programs in other states; and such other issues as the secretary deems necessary to evaluate changes to or elimination of the program.

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Sec. 2. Sec. 3(c) of No. 184 of the Acts of the 2005 Adj. Sess. (2006) is amended to read:

(c) Beginning April 1, 2009, the economic incentive review board is authorized to grant payroll-based growth incentives pursuant to the Vermont employment growth incentive program established by Sec. 9 of this act. Unless extended by act of the General Assembly, as of ~~January~~ July 1, 2012, no new Vermont employment growth incentive (VEGI) awards under 32 V.S.A. § 5930b may be made. Any VEGI awards granted prior to ~~January~~ July 1, 2012 may remain in effect until used.

Sec. 3. 32 V.S.A. § 5930a(c)(1) is amended to read:

(1) The enterprise should create new, full-time jobs to be filled by individuals who are Vermont residents. The new jobs shall not include jobs or employees transferred from an existing business in the state, or replacements for vacant or terminated positions in the applicant's business. The new jobs include those that exceed the applicant's average annual employment level in Vermont during the two preceding fiscal years, unless the council determines that the enterprise will establish a significantly different, new line of business and create new jobs in the new line of business that were not part of the enterprise prior to filing its application for incentives with the council. The enterprise should provide opportunities that increase income, reduce unemployment, and reduce facility vacancy rates. Preference should be given to projects that enhance economic activity in areas of the state with the highest levels of unemployment and the lowest levels of economic activity.

Sec. 4. [RESERVED]

Sec. 5. 32 V.S.A. § 5930b(e) is amended to read:

(e) Reporting. By May 1, 2008 and by May 1 each year thereafter, the council and the department of taxes shall file a joint report on the employment growth incentives authorized by this section with the chairs of the house committee on ways and means, the house committee on commerce and economic development, the senate committee on finance, the senate committee on economic development, housing and general affairs, the house and senate committees on appropriations, and the joint fiscal committee of the general assembly and provide notice of the report to the members of those committees. The joint report shall contain the total authorized award amount of incentives granted during the preceding year, amounts actually earned and paid from inception of the program to the date of the report, including the date and amount of the award, the expected calendar year or years in which the award will be exercised, whether the award is currently available, the date the award will expire, and the amount and date of all incentives exercised. The joint report shall also include information on recipient performance in the year in which the incentives were applied, including the number of applications for the incentive, the number of approved applicants who complied with all their requirements for the incentive, the aggregate number of new jobs created, the aggregate payroll of those jobs and the identity of businesses whose applications were approved. The council and department shall use measures to protect proprietary financial information, such as reporting information in an aggregate form. Data and information in the joint report made available to the public shall be presented in a searchable format.

Sec. 6. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS (STEM) INCENTIVE PROGRAM

(a) In this section:

(1) “Accredited institution” means an educational institution that is accredited by ABET, Inc., a regional accrediting association, or by one of the specialized accrediting agencies recognized by the United States secretary of education.

(2) “Qualified new employee” means a person who:

(A) is hired by a qualified employer for a STEM position on or before December 31, 2012;

(B) graduated from an accredited institution with an associate’s degree or higher not more than 18 months before the date of hire; and

(C) is paid annual compensation of not less than \$50,000.00, including the value of benefits.

(3) “Qualified employer” means a person doing business in Vermont that is registered with the Vermont secretary of state, is current with all payments and filings required by the Vermont departments of taxes and of labor, and has a valid workers’ compensation policy.

(4) “Secretary” means the secretary of commerce and community development.

(5) “STEM position” means an employment position in the field of science, technology, engineering, or mathematics that requires, as determined by the secretary in his or her discretion, a high level of scientific or mathematical knowledge and skill. The term shall not include a position of academic instruction with a college or university.

(6) “Student loan” means debt incurred for the purpose of paying tuition and expenses at an accredited institution, excluding any debt or other financial assistance provided by a family member, relative, or other private person.

(b)(1) A qualified new employee who is hired by and remains in a STEM position with one or more qualified employers for a period of not less than five years shall be eligible for an incentive to pay a qualified student loan in the amount of \$1,500.00 per year for five years.

(2) A qualified new employee shall notify the secretary of his or her initial employment in a STEM position within 30 days of the date of hire and shall provide the secretary an annual notice of employment in a STEM position in each of the five years thereafter.

(3) Following receipt of an annual notice of employment in a STEM position and verification of employment with one or more qualified employers, the secretary shall deliver an incentive to the qualified new employee pursuant to subdivision (1) of this subsection.

(4) The secretary shall award up to a maximum of \$75,000.00 per year for incentives in accordance with this section, which shall be made in the order in which they are claimed, as determined by the secretary in his or her discretion, and not to exceed a total program cap of \$375,000.00.

(c) The secretary shall design and make available on the agency of commerce and community development website:

(1) any forms necessary for a new employee to apply for an incentive available under this section; and

(2) a list of STEM positions for which a new employee may be eligible for an incentive under this section.

#### Sec. 7. LONG-TERM UNEMPLOYED HIRING INCENTIVE

(a) In this section:

(1) “New full-time employment” means employment by a qualified employer in a permanent position at least 35 hours each week in the year for which an incentive is claimed at a compensation of not less than the average wage for the corresponding economic sector in the county of the state as determined by the Vermont department of labor.

(2) “Qualified employer” means a person doing business in Vermont that is registered with the Vermont secretary of state, is current with all payments and filings required by the Vermont departments of taxes and of labor, and has a valid workers’ compensation policy.

(3) “Qualified long-term unemployed Vermonter” means a legal resident of Vermont who collected unemployment insurance benefits in the state of Vermont for five months or more or whose collection of unemployment insurance benefits has expired within 30 days of the date of new employment with a qualified employer and who was hired through a referral from the Vermont department of labor.

(b) A qualified employer who hires a qualified long-term unemployed Vermonter on or before December 31, 2012 shall be eligible to receive a hiring incentive one year after the employee’s date of hire in the amount of \$500.00 per employee. Incentive awards shall be made in the order in which they are claimed, as determined by the commissioner in his or her discretion, not to exceed \$5,000.00 per recipient per year, and not to exceed a total program cap of \$25,000.00.

(c) The commissioner of labor shall administer payment of incentives consistent with this section and shall develop:

- (1) an application form for qualified employers; and
- (2) a process for verifying compliance with the eligibility requirements of the program.

(d) The commissioner may, in his or her discretion, modify any requirement of and use the funds appropriated for this section in any other manner that furthers the goal of reducing the number of long-term unemployed Vermonters.

\* \* \* Labor; Workforce Training \* \* \*

Sec. 8. 10 V.S.A. § 541(d) is amended to read:

(d) The governor shall appoint one of the business or employer members to chair the council for a term of two years. A member shall not serve more than three consecutive terms as chair.

Sec. 8a. DEPARTMENT OF LABOR; WORKFORCE DEVELOPMENT DIRECTOR; REPEAL

10 V.S.A. 541(h) (executive director of workforce development council) is repealed.

Sec. 9. FINDINGS: VERMONT TRAINING PROGRAM

The general assembly finds:

(1) The Vermont training program provides funds for the training of employees in new and existing businesses in the sectors of manufacturing, information technology, health care, telecommunications, and environmental engineering. The state offers three training initiatives: new employment, upgrade, and crossover training for incumbent workers. These individually designed training programs may include on-the-job, classroom, skill upgrade, or other specialized training which is mutually agreed upon between the state and employer.

(2) A report conducted by the legislative joint fiscal office pursuant to Sec. 14a. of No. 78 of the 2009 Adj. Sess. (2010) found that businesses that are served by the Vermont training program (VTP) see it as a valuable state program in support of small business and the workforce in Vermont.

(3) Currently, as is the case with many programs that receive state funding and are included in the unified economic development budget, the VTP is not collecting and reporting sufficient data, nor are sufficient performance measures and benchmarks in place, to measure effectively the program's performance.

Sec. 10. 10 V.S.A. § 531 is amended to read:

§ 531. ~~EMPLOYMENT TRAINING~~ VERMONT TRAINING PROGRAM

(a) The secretary of commerce and community development may issue performance-based grants to any employer, consortium of employers, or ~~contract with~~ providers of training, either individuals or organizations, as necessary, to conduct training under the following circumstances:

(1) when issuing grants to an employer or consortium of employers, the employer promises as a condition of the grant to increase employment or provide training to enhance employment stability at an existing or expanded eligible facility within the state where eligible facility is defined as in subdivision 212(6) of this title relating to Vermont economic development authority, or the employer or consortium of employers promises to open an eligible facility within the state which will employ persons, provided that for the purposes of this section, eligible facility may be broadly interpreted to include employers in sectors other than manufacturing ~~including the fields of information technology, telecommunications, health care, and environmental technologies~~; and

\* \* \*

(b) Eligibility for grant. The secretary of commerce and community development ~~shall find in the grant or contract that~~ may award a grant to an employer if:

(1) the employer's new or expanded ~~facility~~ initiative will enhance employment opportunities for Vermont residents;

(2) ~~the existing labor force within the state will probably be unable to provide the employer with sufficient numbers of employees with suitable training and experience;~~ and

(3) the employer provides its employees with at least three of the following:

(A) health care benefits with 50 percent or more of the premium paid by the employer;

(B) dental assistance;

(C) paid vacation and holidays;

(D) child care;

(E) other extraordinary employee benefits; ~~and~~

(F) retirement benefits; and

(3) the training is directly related to the employment responsibilities of the trainee.

(c) The employer promises as a condition of the grant to:

\* \* \*

(4) submit a customer satisfaction report to the secretary of commerce and community development, on a form prepared by the secretary for that purpose, no more than 30 days from the last day of the training program.

~~(d) In issuing a grant or entering a contract for the conduct of order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, the secretary of commerce and community development shall:~~

~~(1) first consult with: the commissioner of education regarding vocational technical education; the commissioner of labor regarding apprenticeship programs, on the job training programs, and recruiting services provided through Vermont Job Service and available federal training funds; the commissioner for children and families regarding welfare to work priorities; and the University of Vermont and the Vermont state colleges whether the grantee has accessed, or is eligible to access, other workforce development and training resources offered by public or private workforce development partners;~~

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.

(e) The secretary of commerce and community development shall administer all training programs under this section, may select and use providers of training as appropriate, and shall adopt rules and may accept services, money or property donated for the purposes of this section. The secretary may promote awareness of, and may give priority to, training that enhances critical skills, productivity, innovation, quality, or competitiveness, such as training in Innovation Engineering, "Lean" systems, and ISO certification for expansion into new markets.

\* \* \*

(h) The secretary may designate the commissioner of economic, housing and community development to carry out his or her powers and duties under this chapter.

~~(i)(1) Program Outcomes.—The joint fiscal office shall prepare a training program performance report based on the following information submitted to it by the Vermont training program, which is to be collected from each participating employer and then aggregated:~~

~~(A) The number of full-time employees six months prior to the training and six months after its completion.~~

~~(B) For all existing employees, the median hourly wages prior to and after the training.~~

~~(C) The number of “new hires,” “upgrades,” and “crossovers” deemed eligible for the waivers authorized by statute and the median wages paid to employees in each category upon completion.~~

~~(D) A list and description of the benefits required under subdivision (c)(3) of this section for all affected employees, including the number of employees that receive each type of benefit.~~

~~(E) The number of employers allowed to pay reduced wages in high unemployment areas of the state, along with the number of affected workers and their median wage.~~

~~(2) Upon request by the secretary of commerce and community development, participating employers shall provide the information necessary to conduct the performance report required by this subsection. The secretary, in turn, shall provide such information to the joint fiscal office in a manner agreed upon by the secretary and the joint fiscal office. The secretary and the joint fiscal office shall take measures to ensure that company specific data and information remain confidential and are not publicly disclosed except in aggregate form. The secretary shall submit to the joint fiscal office any program outcomes, measurement standards, or other evaluative approaches in use by the training program.~~

~~(3) The joint fiscal office shall review the information collected pursuant to subdivisions (1) and (2) of this subsection and prepare a training program performance report with recommendations relative to the program. The joint fiscal office shall submit its first training program performance report on or before January 15, 2011, to the senate committee on economic development, housing and general affairs and the house committee on commerce and economic development. A second performance report shall be submitted on or before January 15, 2016. In addition to the information~~

evaluated pursuant to subdivision (1) of this subsection, the second report shall include recommendations as to the following:

~~(A) whether the outcomes achieved by the program are sufficient to warrant its continued existence.~~

~~(B) whether training program outcomes can be improved by legislative or administrative changes.~~

~~(C) whether continued program performance reports are warranted and, if so, at what frequency and at what level of review.~~

~~(4) The joint fiscal office may contract with a consultant to conduct the performance reports required by this subsection. Costs incurred in preparing each report shall be reimbursed from the training program fund up to \$15,000.00.~~

#### Program Outcomes.

(1) On or before September 1, 2011, the agency of commerce and community development, in coordination with the department of labor, and in consultation with the workforce development council and the legislative joint fiscal office, shall develop, to the extent appropriate, a common set of benchmarks and performance measures for the training program established in this section and the workforce education and training fund established in section 543 of this title, and shall collect employee-specific data on training outcomes regarding the performance measures; provided, however, that the secretary shall redact personal identifying information from such data.

(2) On or before January 15, 2013, the joint fiscal office shall prepare a performance report using the benchmarks and performance measures created pursuant to subdivision (1) of this subsection. The joint fiscal office shall submit its report to the senate committee on economic development, housing and general affairs and the house committee on commerce and economic development.

(3) The secretary shall use information gathered pursuant to this subsection and customer satisfaction reports submitted pursuant to subdivision (c)(4) of this section to evaluate the program and make necessary changes that fall within the secretary's authority or, if beyond the scope of the secretary's authority, to recommend necessary changes to the appropriate committees of the general assembly.

\* \* \*

(k) Annually on or before January 15, the secretary shall submit a report to the house committee on commerce and economic development and the senate committee on economic development, housing and general affairs

summarizing all active and completed contracts and grants, the types of training activities provided, the number of employees served, and the average wage by employer, and addressing any waivers granted.

Sec. 10a. VERMONT TRAINING PROGRAM; ELIGIBILITY CRITERIA; REPORT; REPEAL

(a) On or before January 15, 2012, the secretary of commerce and community development shall review and report his or her recommendations to the house committee on commerce and economic development and the senate committee on economic development, housing and general affairs concerning:

(1) appropriate eligibility criteria to supplement or replace the criteria in 10 V.S.A. § 531(b); and

(2) the appropriate amounts by which the secretary may reduce or waive the program wage requirements to adequately account for:

(A) the value of benefits offered by an employer; and

(B) economic and employment conditions in different regions of the state.

(b) 10 V.S.A. § 531(b) shall be repealed on June 30, 2012.

Sec. 11. 10 V.S.A. § 544 is added to read:

§ 544. VERMONT CAREER INTERNSHIP PROGRAM

(a)(1) The department of labor, in consultation with the department of education, shall develop and implement a statewide Vermont career internship program for Vermonters who are in high school or in college and for those who are recent graduates of 24 months or less.

(2) The department of labor shall coordinate and provide funding to public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, colleges, and recent graduates of 24 months or less.

(3) Funding awarded through the Vermont career internship program may be used to administer an internship program and to provide participants with a stipend during the internship, based on need. Funds may be made only to programs or projects that do all the following:

(A) do not replace or supplant existing positions;

(B) create real workplace expectations and consequences;

(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;

(D) are designed to motivate and educate secondary and postsecondary students and recent graduates through work-based learning opportunities with Vermont employers that are likely to lead to real employment;

(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools; and

(F) offer participants a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont.

(4) For the purposes of this section, “internship” means a learning experience working with an employer where the intern may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these.

(b) The department of labor, in collaboration with the agency of agriculture, food and markets, the department of education and state-funded postsecondary educational institutions, the workforce development council, and other state agencies and departments that have workforce development and training monies, shall:

(1) identify new and existing funding sources that may be allocated to the Vermont career internship program;

(2) collect data and establish program goals and quantifiable performance measures for internship programs funded through the Vermont career internship program;

(3) develop or enhance a website that will connect students and graduates with internship opportunities with Vermont employers;

(4) engage appropriate agencies and departments of the state in the internship program to expand internship opportunities with state government and with entities awarded state contracts; and

(5) work with other public and private entities to develop and enhance internship programs, opportunities, and activities throughout the state.

Sec. 12. IMPLEMENTATION OF THE VERMONT CAREER INTERNSHIP PROGRAM; WORKERS' COMPENSATION

(a)(1) Program costs in fiscal year 2012 for the Vermont career internship program created in 10 V.S.A. § 544 shall be funded through an appropriation from the next generation initiative fund established in 16 V.S.A. § 2887.

(2) Funding in subsequent years shall be recommended by the department of labor, in collaboration with the agency of agriculture, food and markets, the department of education and state-funded postsecondary educational institutions, the workforce development council, and other state agencies and departments that have workforce development and training monies.

(b) The state may provide workers' compensation coverage to participants in the Vermont career internship program authorized in 10 V.S.A. § 544. The state shall be considered a single entity solely for purposes of purchasing a single workers' compensation insurance policy providing coverage for interns. This subsection is intended to permit the state to provide workers' compensation coverage, and the state shall not be considered the employer of the participants for any other purposes. The cost of coverage may be deducted from grants provided for the internship program.

Sec. 13. 10 V.S.A. § 543(f) is amended to read:

(f) Awards. Based on guidelines set by the council, the commissioners of labor and of education shall jointly make awards to the following:

\* \* \*

~~(2) Vermont Career Internship Program. Public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, and colleges. For the purposes of this section, "internship" means a learning experience working with an employer where the intern may, but does not necessarily receive academic credit, financial remuneration, a stipend, or any combination of these. Awards under this subdivision may be used to fund the cost of administering an internship program and to provide students with a stipend during the internship, based on need. Awards may be made only to programs or projects that do all the following:~~

~~(A) do not replace or supplant existing positions;~~

~~(B) create real workplace expectations and consequences;~~

~~(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;~~

~~(D) are designed to motivate and educate secondary and postsecondary students through work-based learning opportunities with Vermont employers that are likely to lead to real employment;~~

~~(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools;~~

~~(F) involve Vermont employers or interns who are Vermont residents; and~~

~~(G) offer students a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont. Funding for eligible internship programs and activities under the Vermont career internship program established in section 544 of this section.~~

Sec. 14. 10 V.S.A. § 542 is amended to read:

§ 542. REGIONAL WORKFORCE DEVELOPMENT

~~(a) Each regional technical center, as defined in 16 V.S.A. § 1522, shall:~~

~~(1) identify and respond to the workforce development needs of employers in its region; and~~

~~(2) coordinate a delivery system of workforce education and training services that is responsive to the needs of employers, employees, and individuals interested in receiving workforce training and is consistent with policies established by the workforce development council. The system shall avoid duplication of services among workforce education and training programs and service providers.~~

~~(b) Notwithstanding subsection (a) of this section, the workforce development council may authorize a regional workforce investment board that existed on May 1, 2010 to carry out the duties which would otherwise be assigned to a regional technical center pursuant to this section. The amount of funding to each WIB so authorized shall be based on the performance contract entered into between the council and the WIB.~~

~~(c) (d) [Repealed.]~~

(a) The commissioner of labor, in coordination with the secretary of commerce and community development, and in consultation with the workforce development council, is authorized to issue performance grants to one or more persons to perform workforce development activities in a region.

(b) Each grant shall specify the scope of the workforce development activities to be performed and the geographic region to be served, and shall include outcomes and measures to evaluate the grantee's performance.

(c) The commissioner of labor and the secretary of commerce and community development shall jointly develop a grant process and eligibility criteria, as well as an outreach process for notifying potential participants of the grant program. The commissioner of labor shall have final authority to approve each grant.

\* \* \* Entrepreneurship; Creative Economy \* \* \*

Sec. 15. 3 V.S.A. § 2471c is added read:

§ 2471c. OFFICE OF CREATIVE ECONOMY; VERMONT FILM COMMISSION

(a) The office of creative economy is created within the agency of commerce and community development in order to build upon the years of work and energy around creative economy initiatives in Vermont, including the work of the Vermont film commission. The office shall provide business, networking, and technical support to establish, grow, and attract enterprises involved with the creative economy, primarily focused on but not limited to such areas as film, new and emerging media, software development, and innovative commercial goods. The office shall work in collaboration with Vermont's private and public sectors, including educational institutions, to raise the profile and economic productivity of these activities.

(b) The office shall be administered by a director appointed by the secretary pursuant to section 2454 of this title and shall be supervised by the commissioner of the department of economic, housing and community development.

Sec. 16. REPEAL; ASSIGNMENT OF DUTIES; VERMONT FILM CORPORATION

(a) 10 V.S.A. chapter 26 (Vermont film corporation; Vermont film production incentive program) is repealed.

(b) The duties of the Vermont film corporation shall be transferred to the agency of commerce and community development.

Sec. 17. 3 V.S.A. § 2471d is added read:

§ 2471d. VERMONT FILM AND NEW MEDIA ADVISORY BOARD

The secretary of commerce and community development shall appoint a film and new media advisory board to make recommendations to the secretary on promoting Vermont as a location for commercial film and television production and facilitating the participation of local individuals and companies in such productions. The primary function of the advisory board is to recommend to the secretary strategies to link Vermonters employed in the film and new media, video, or other creative arts, to economic opportunities in their trades in Vermont.

Sec. 18. 11A V.S.A. § 8.20 is amended to read:

§ 8.20. MEETINGS

(a) The board of directors may hold regular or special meetings, as defined in subdivision 1.40(26) of this title, in or outside this state.

(b) The board of directors may permit any or all directors to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or audio-conferencing conference telephone call, by which all directors participating may simultaneously or sequentially communicate with each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Sec. 19. 11B V.S.A. § 8.20 is amended to read:

§ 8.20. REGULAR AND SPECIAL MEETINGS

(a) If the time and place of a directors' meeting is fixed by the bylaws or the board, the meeting is a regular meeting. All other meetings are special meetings.

(b) A board of directors may hold regular or special meetings in or out of this state.

(c) Unless the articles of incorporation or bylaws provide otherwise, a board may permit any or all directors to participate in a regular or special

meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or audio-conferencing conference telephone call, by which all directors participating may simultaneously or sequentially communicate with each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Sec. 20. [RESERVED]

\* \* \* Finance; Access to Capital \* \* \*

Sec. 21. 10 V.S.A. chapter 3 is added to read:

CHAPTER 3. EB-5 INVESTMENT

§ 21. EB-5 ENTERPRISE FUND

(a) An EB-5 enterprise fund is created for the operation of the state of Vermont regional center for immigrant investment under the federal EB-5 program. The fund shall consist of revenues derived from administrative charges by the agency of commerce and community development pursuant to subsection (c) of this section, any interest earned by the fund, and all sums which are from time to time appropriated for the support of the regional center and its operations.

(b)(1) The receipt and expenditure of moneys from the enterprise fund shall be under the supervision of the secretary of commerce and community development.

(2) The secretary shall maintain accurate and complete records of all receipts and expenditures by and from the fund, and shall make an annual report on the condition of the fund to the secretary of administration, the house committees on commerce and on ways and means, and the senate committees on finance and on economic development, housing and general affairs.

(3) Expenditures from the fund shall be used only to administer the EB-5 program. At the end of each fiscal year, the secretary of administration shall transfer from the EB-5 enterprise fund to the general fund any amount that the secretary of administration determines, in his or her discretion, exceeds the funds necessary to administer the program.

(c) Notwithstanding 32 V.S.A. § 603, the secretary of commerce and community development is authorized to impose an administrative charge for the costs of administering the regional center and providing specialized services in support of participating economic development projects.

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Sec. 22. EB-5 ENTERPRISE FUND REPORT

On or before January 15, 2012, the secretary of commerce and community development shall submit a memorandum to the house committee on ways and means and the senate committee on finance concerning the performance of the EB-5 enterprise fund, including the number of projects and investors served, the amount of the charges imposed and collected, and recommendations concerning the EB-5 enterprise fund.

\* \* \* Housing and Development \* \* \*

Sec. 23. FINDINGS: VERMONT NEIGHBORHOODS

The general assembly finds:

(1) The Vermont neighborhoods program offers benefits to municipalities and developers with projects that promote affordable, high-density, smart growth principles in areas of the municipality most suitable for targeted growth and infill development.

(2) Among the benefits afforded by the program, projects within designated Vermont neighborhoods can be designed to reduce the scope and cost of Act 250 jurisdiction, can reduce environmental permitting costs, and in some cases can eliminate land gains tax.

(3) The process for achieving a Vermont neighborhoods designation has proven to be either too costly or administratively burdensome for most towns in Vermont, and as a result, very few designations have been made since the creation of the designation.

(4) By providing landowners the ability to apply for Vermont neighborhood designation directly and in compliance with procedures designed to ensure public notice and participation, developers, municipalities, and Vermonters will likely benefit from expansion of the Vermont neighborhoods program and the types of smart growth development it promotes.

Sec. 23a. 24 V.S.A. § 2793d is amended to read:

§ 2793d. DESIGNATION OF VERMONT NEIGHBORHOODS

(a) A The Vermont downtown development board may designate a Vermont neighborhood in a municipality that has a duly adopted and approved plan and a planning process that is confirmed in accordance with section 4350 of this title, has adopted zoning bylaws and subdivision regulations in accordance with section 4442 of this title, and has a designated downtown district, a designated village center, a designated new town center, or a designated growth center served by municipal sewer infrastructure or a community or alternative wastewater system approved by the agency of natural

~~resources, is authorized to apply for designation of a Vermont neighborhood. An application for designation may be made by a municipality or by a landowner who meets the criteria under subsection (f) of this section. A municipal decision to apply for designation shall be made by the municipal legislative body after at least one duly warned public hearing. An application by a municipality or a landowner shall be made after at least one duly warned public hearing by the legislative body. If the application is submitted by a landowner, the legislative body shall duly warn a joint public hearing with the appropriate municipal panel, which hearing shall be held concurrently with the local permitting process. Designation pursuant to this subsection is possible in two different situations:~~

(1) ~~Per se approval. If a municipality or landowner submits an application in compliance with this subsection for a designated Vermont neighborhood that would have boundaries that are entirely within the boundaries of a designated downtown district, designated village center, designated new town center, or designated growth center, the downtown board shall issue the designation.~~

(2) ~~Designation by downtown board in towns without growth centers. If an application is submitted in compliance with this subsection by a municipality or a landowner in a municipality that does not have a designated growth center and proposes to create a Vermont neighborhood that has boundaries that include land that is not within its designated downtown, village center, or new town center, the downtown board shall consider the application. This application may be for approval of one or more Vermont neighborhoods that are outside but contiguous to a designated downtown district, village center, or new town center. The application for designation shall include a map of the boundaries of the proposed Vermont neighborhood, including the property outside but contiguous to a designated downtown district, village center, or new town center and verification that the municipality or landowner has notified the regional planning commission and the regional development corporation of its application for this designation.~~

\* \* \*

(f) Alternative designation in towns without density or design standards. If a municipality has not adopted either the minimum density requirements or design standards, or both, set out in subdivision (c)(5) of this section in its zoning bylaw, a landowner within a proposed Vermont neighborhood may apply to the downtown board for designation of a Vermont neighborhood that meets the standards set out in subdivision (c)(5) of this section by submitting:

(1) a copy of the plans and necessary municipal permits obtained for a project; and

(2) a letter of support for the project issued to the landowner from the municipality within 30 days of the effective date of a final municipal permit.

Sec. 24. FINDINGS: SMALL CONDOMINIUM EXCEPTION TO UCIOA

The general assembly finds:

(1) There are two kinds of common interest communities governed by the Vermont Common Interest Ownership Act: planned communities and condominiums, either of which may be used for the subdivision of land or for the subdivision of a building.

(2) Under current law, a small planned community of 24 or fewer units is exempt from all but three sections of Title 27A, but only if a declarant does not reserve any development rights.

(3) Certain projects require a reservation of development rights because they are developed in phases, and later phases are often not completely designed when a developer begins construction, particularly in cases that blend affordable rentals with subsidized home ownership units, or in projects that include rental housing mixed with commercial space.

(4) By including an exception for small condominium projects, developers of affordable housing and mixed use projects have the statutory authority necessary to utilize most effectively monies available through programs such as the new markets tax credit program, the low income housing tax credit, the community development institutions fund, and diverse private and nonprofit capital streams to maximize funding opportunities for these projects.

Sec. 25. 27A V.S.A. § 1-209 is amended to read:

§ 1-209. SMALL CONDOMINIUMS; EXCEPTION; ACCESS TO MIXED FUNDING SOURCES

~~A condominium that will contain no more than 12 units and is not subject to any development rights, unless the declaration provides that the entire act is applicable, shall not be subject to subsection~~ Subsection 2-101(b), subdivisions 2-109(b)(2) and (11), subsection 2-109(g), section 2-115, and Article 4 of this title shall not apply to a condominium if the declaration:

(1) creates fewer than ten units; and

(2) restricts ownership of a unit to entities that are controlled by, affiliated with, or managed by the declarant.

Sec. 26. REPEAL

Sec. 12 of No. 155 of the Acts of the 2009 Adj. Sess. (2010) (repeal of 27A V.S.A. § 1-209, effective January 1, 2012) is repealed.

Secs. 27–28. [RESERVED]

\* \* \* Economic Development Planning \* \* \*

Sec. 29. 3 V.S.A. § 2293 is amended to read:

§ 2293. DEVELOPMENT CABINET

(a) Legislative purpose. The general assembly deems it prudent to establish a permanent and formal mechanism to assure collaboration and consultation among state agencies and departments, in order to support and encourage Vermont's economic development, while at the same time conserving and promoting Vermont's traditional settlement patterns, its working and rural landscape, its strong communities, and its healthy environment, all in a manner set forth in this section.

(b) Development cabinet. A development cabinet is created, to consist of the secretaries of the agencies of administration, of natural resources, of commerce and community affairs, and of transportation, and ~~the secretary of the agency~~ of agriculture, food and markets. The governor or the governor's designee shall chair the development cabinet. The development cabinet shall advise the governor on how best to implement the purposes of this section, and shall recommend changes as appropriate to improve implementation of those purposes. The development cabinet may establish interagency work groups to support its mission, drawing membership from any agency or department of state government.

(c) All state agencies that have programs or take actions affecting land use, including those identified under 3 V.S.A. chapter 67, shall, through or in conjunction with the members of the development cabinet:

- (1) Support conservation of working lands and open spaces.
- (2) Strengthen agricultural and forest product economies, and encourage the diversification of these industries.
- (3) Develop and implement plans to educate the public by encouraging discussion at the local level about the impacts of poorly designed growth, and support local efforts to enhance and encourage development and economic growth in the state's existing towns and villages.
- (4) Administer tax credits, loans, and grants for water, sewer, housing, schools, transportation, and other community or industrial infrastructure, in a manner consistent with the purposes of this section.
- (5) To the extent possible, endeavor to make the expenditure of state appropriations consistent with the purposes of this section.

(6) Encourage development in, and work to revitalize, land and buildings in existing village and urban centers, including “brownfields,” housing stock, and vacant or underutilized development zones. Each agency is to set meaningful and quantifiable benchmarks.

(7) Encourage communities to approve settlement patterns based on maintaining the state’s compact villages, open spaces, working landscapes, and rural countryside.

(8) Encourage relatively intensive residential development close to resources such as schools, shops, and community centers and make infrastructure investments to support this pattern.

(9) Support recreational opportunities that build on Vermont’s outstanding natural resources, and encourage public access for activities such as boating, hiking, fishing, skiing, hunting, and snowmobiling. Support and work collaboratively to make possible sound development and well-planned growth in existing recreational infrastructure.

(10) Provide means and opportunity for downtown housing for mixed social and income groups in each community.

~~(11) Report annually to the governor and the legislature, through the chair of the development cabinet and the secretary of administration, on the effectiveness and impact of this section on the state’s economic growth and land use development and the activities of the council of regional commissions.~~

(12) Encourage timely and efficient processing of permit applications affecting land use, including 10 V.S.A. chapter 151 and the subdivision regulations adopted under 18 V.S.A. § 1218, in order to encourage the development of affordable housing and small business expansion, while protecting Vermont’s natural resources.

(13) Participate in creating a long-term economic development plan, including making available the members of any agency or department of state government as necessary and appropriate to support the mission of an interagency work group established under subsection (b) of this section.

(d)(1) Pursuant to the recommendations of the oversight panel on economic development created in Sec. G6 of No. 146 of the Acts of the 2009 Adj. Sess. (2010), the development cabinet shall create an interagency work group as provided in subsection (b) of this section with the secretary of commerce and community development serving as its chair.

(2) The mission of the work group shall be to develop a long-term economic development plan for the state, which shall identify goals and

recommend actions to be taken over ten years, and which shall be consistent with the four goals of economic development identified in 10 V.S.A. § 3 and the outcomes for economic development identified in Sec. 8 of No. 68 of the Acts of the 2009 Adj. Sess. (2010).

(e)(1) On or before January 15, 2014, and every two years thereafter, the development cabinet or its work-group shall complete a long-term economic development plan as required under subsection (d) of this section and recommend it to the governor.

(2) Commencing with the plan due on or before January 15, 2016, the development cabinet or its work-group may elect only to prepare and recommend to the governor an update of the long-term economic development plan.

(3) Administrative support for the economic development planning efforts of the development cabinet or its work-group shall be provided by the agency of commerce and community development.

~~(d)~~(f) Limitations. This cabinet is strictly an information gathering and coordinating cabinet and confers no additional enforcement powers.

Sec. 30. 24 V.S.A. chapter 117 is amended to read:

CHAPTER 117. MUNICIPAL AND REGIONAL PLANNING  
AND DEVELOPMENT

\* \* \*

§ 4348b. READOPTION OF REGIONAL PLANS

(a) Unless they are readopted, all regional plans, including all prior amendments, shall expire every eight years.

~~(b)~~(1) A regional plan that has expired or is about to expire may be readopted as provided under section 4348 of this title for the adoption of a regional plan or amendment. Prior to any re adoption, the regional planning commission shall ~~review and update the information on which the plan is based, and shall consider this information in evaluating the continuing applicability of the regional plan~~ prepare an assessment report which shall be submitted to the agency of commerce and community development and the municipalities within the region. The assessment report may include:

(A) the extent to which the plan has been implemented since adoption or re adoption;

(B) an evaluation of the goals and policies and any amendments necessary due to changing conditions of the region;

(C) an evaluation of the land use element and any amendments necessary to reflect changes in land use within the region or changes to regional goals and policies;

(D) priorities for implementation in the next five years; and

(E) updates to information and data necessary to support goals and policies.

(2) The readopted plan shall remain in effect for the ensuing eight years unless earlier readopted.

(c) Upon the expiration of a regional plan under this section, the regional plan shall be of no further effect in any other proceeding.

\* \* \*

Sec. 31. [RESERVED]

Sec. 32. 24 V.S.A. § 4348a is amended to read:

§ 4348a. ELEMENTS OF A REGIONAL PLAN

(a) A regional plan shall be consistent with the goals established in section 4302 of this title and shall include but need not be limited to the following:

\* \* \*

(10) An economic development element that describes present economic conditions and the location, type, and scale of desired economic development, and identifies policies, projects, and programs necessary to foster economic growth.

\* \* \*

Sec. 33. 24 V.S.A. § 4382 is amended to read:

§ 4382. THE PLAN FOR A MUNICIPALITY

(a) A plan for a municipality may be consistent with the goals established in section 4302 of this title and compatible with approved plans of other municipalities in the region and with the regional plan and shall include the following:

\* \* \*

(11) An economic development element that describes present economic conditions and the location, type, and scale of desired economic development, and identifies policies, projects, and programs necessary to foster economic growth.

\* \* \*

\* \* \* Agriculture; Vermont Sustainable Jobs Fund \* \* \*

Sec. 34. SLAUGHTERHOUSE AND MEAT PROCESSING FACILITY CAPACITY

The agency of agriculture, food and markets is authorized to issue one or more competitive matching grants to increase slaughterhouse and meat processing facility capacity throughout the state. Funds made available in a fiscal year for this section shall be used exclusively for direct grants and shall not be used for administration of the program.

Sec. 35. FINDINGS: VERMONT SUSTAINABLE JOBS FUND (VSJF)

The general assembly finds:

(1) In order to access funds available from the community development financial institutions fund, the nonprofit corporation Vermont sustainable jobs must demonstrate that it is sufficiently independent from control of government.

(2) The general assembly has made a substantial investment in recent years to enable the work of VSJF in enhancing the agricultural sector and resources within the state, and finds it important to maintain a presence on the board while allowing VSJF to access additional sources of funding.

(3) Therefore, the purpose and intent of Secs. 35a through 38 of this act is to authorize a change in the composition of the VSJF board to allow it to access necessary funds.

Sec. 35a. 10 V.S.A. § 328 is amended to read:

§ 328. CREATION OF THE SUSTAINABLE JOBS FUND PROGRAM

\* \* \*

(c)(1) Notwithstanding the provisions of subdivision 216(14) of this title, the authority may contribute not more than \$1,000,000.00 to the capital of the corporation formed under this section, and the board of directors of the corporation formed under this section shall consist of ~~three members of the authority designated by the authority, the secretary of commerce and community development, and seven members who are not officials or employees of a governmental agency appointed by the governor, with the advice and consent of the senate, for terms of five years, except that the governor shall stagger initial appointments so that the terms of no more than two members expire during a calendar year;~~

(A) the secretary of commerce and community development or his or her designee;

(B) the secretary of agriculture, food and markets or his or her designee;

(C) a director appointed by the governor; and

(D) eight independent directors, no more than two of whom shall be state government employees or officials, and who shall be selected as vacancies occur by vote of the existing directors from a list of names offered by a nominating committee of the board created for that purpose.

(2)(A) Each independent director shall serve a term of three years or until his or her earlier resignation.

(B) A director may be reappointed, but no independent director and no director appointed by the governor shall serve for more than three terms.

(C) The director appointed by the governor shall serve at the pleasure of the governor and may be removed at any time with or without cause.

(3) A director of the board who is or is appointed by a state government official or employee shall not be eligible to hold the position of chair, vice chair, secretary, or treasurer of the board.

\* \* \*

Sec. 36. VERMONT SUSTAINABLE JOBS FUND BOARD OF DIRECTORS; TRANSITION

Notwithstanding any other provision of law to the contrary, and notwithstanding any provision of the articles of incorporation or the bylaws of the corporation:

(1) The chair, vice chair, and secretary of the Vermont sustainable jobs fund board of directors as of January 1, 2011 shall constitute an initial nominating committee charged with appointing eight independent directors who shall take office on July 1, 2011.

(2) The initial nominating committee shall appoint each independent director to serve a term of one, two, or three years. Independent director terms shall be staggered so that the terms of no more than three members expire during a calendar year.

(3) The terms of the directors in office on the date of passage of this act shall expire on July 1, 2011.

Sec. 37. REPEAL

Secs. G18 and G19 of No. 146 of the Acts of the 2009 Adj. Sess. (2010) are repealed.

Sec. 38. Sec. G28 of No. 146 of the Acts of the 2009 Adj. Sess. (2010) is amended to read:

Sec. G28. EFFECTIVE DATES

Secs. G1 through G28 of this act (economic development) shall take effect upon passage, ~~except that Secs. G18 and G19 (Vermont sustainable jobs~~

~~(A) Secs. G18 and G19 (Vermont sustainable job fund program) shall take effect upon the cessation of state funding to the program from the general fund.~~

Sec. 39. 6 V.S.A. § 20 is amended to read:

§ 20. VERMONT LARGE ANIMAL VETERINARIAN EDUCATIONAL LOAN REPAYMENT FUND

(a) There is created a special fund to be known as the Vermont large animal veterinarian educational loan repayment fund that shall be used for the purpose of ensuring a stable and adequate supply of large animal veterinarians ~~throughout~~ in regions of the state as determined by the secretary. The fund shall be established and held separate and apart from any other funds or monies of the state and shall be used and administered exclusively for the purpose of this section. The money in the fund shall be invested in the same manner as permitted for investment of funds belonging to the state or held in the treasury.

\* \* \*

Sec. 40. 6 V.S.A. chapter 207 is amended to read:

~~CHAPTER 207. STATE AGENCIES AND STATE FUNDED INSTITUTIONS TO PURCHASE PROMOTION AND MARKETING OF VERMONT FOODS AND PRODUCTS~~

\* \* \*

§ 4602. GOOD AGRICULTURAL PRACTICES GRANT PROGRAM

(a) A good agricultural practices grant program (GAP) is established in the agency of agriculture, food and markets for the purpose of providing matching grant funds to agricultural producers whose markets require them to obtain or maintain GAP certification.

(b) The secretary may award matching grants for capital upgrades that will support Vermont agricultural producers in obtaining GAP certification. The amount of matching funds required by an applicant for a GAP certification grant shall be determined by the secretary.

(c) An applicant may receive no more than 10 percent of the total funds appropriated for the program in a fiscal year.

Sec. 41. 6 V.S.A. § 3319 is added to read:

§ 3319. SKILLED MEAT CUTTER TRAINING

The secretary shall issue a request for proposals to develop a curriculum and provide classroom and on-the-job training for the occupation of skilled meat cutter.

Sec. 42. 6 V.S.A. § 4724 is added to read:

§ 4724. LOCAL FOODS COORDINATOR

(a) The position of local food coordinator is established in the agency of agriculture, food and markets for the purpose of assisting Vermont producers to increase their access to commercial markets and institutions, including schools, state and municipal governments, and hospitals.

(b) The duties of the local foods coordinator shall include:

(1) working with institutions, distributors, producers, commercial markets, and others to create matchmaking opportunities that increase the number of Vermont institutions that purchase foods grown or produced in Vermont;

(2) coordinating funding and providing support to the farm-to-school and farm-to-institutions programs within the agency of agriculture, food and markets, and coordinating with interested parties to create matchmaking opportunities that increase participation in those programs;

(3) encouraging and facilitating the enrollment of state employees in a local community supported agriculture (CSA) organization;

(4) developing a database of producers and potential purchasers and enhancing the agency's website to improve and support local foods coordination through the use of information technology; and

(5) providing technical support to local communities with their food security efforts.

(c) The local foods coordinator, working with the commissioner of buildings and general services pursuant to rules adopted under 29 V.S.A. § 152(14), shall:

(1) encourage and facilitate CSA enrollment by state employees through the use of approved advertisements and solicitations on state-owned property; and

(2) implement guidelines for the appropriate use of state property for employee participation in CSA organizations, including reasonable restrictions on the time, place, and manner of solicitations, advertisements, deliveries, and

related activities to ensure the safety and welfare of state property and its occupants.

(d) The local foods coordinator shall administer a local foods grant program, the purpose of which shall be to provide grants to allow Vermont producers to increase their access to commercial and institutional markets.

Sec. 43. FARM-TO-PLATE INVESTMENT PROGRAM IMPLEMENTATION

(a)(1) The agency of agriculture, food and markets shall coordinate with the Vermont sustainable jobs fund program established under 10 V.S.A. § 328, stakeholders, and other interested parties, including the agriculture development board, to implement actions necessary to fulfill the goals of the farm-to-plate investment program as established under 10 V.S.A. § 330.

(2) The actions shall be guided by, but not limited to, the strategies outlined in the farm-to-plate strategic plan.

(3) The agency shall develop and maintain a report of the actions undertaken to achieve the goals of the farm-to-plate investment program and the farm-to-plate strategic plan.

(b) The secretary of agriculture, food and markets may contract with a third party to assist the agency with implementation of the program, to track those activities over time, and to develop a report on the progress of the program.

Sec. 44. [RESERVED]

\* \* \* Consumer Protection; Local Florists \* \* \*

Sec. 45. 9 V.S.A. § 2465b is added to read:

§ 2465b. MISREPRESENTATION OF A FLORAL BUSINESS AS LOCAL

(a) In connection with the sale of floral products, it shall be an unlawful and deceptive act and practice in commerce in violation of section 2453 of this title for a floral business to misrepresent in an advertisement, on the Internet, on a website, or in a listing of the floral business in a telephone directory or other directory assistance database the geographic location of the floral business as “local,” “locally owned,” or physically located within Vermont.

(b) A floral business is considered to misrepresent its geographic location that it is “local,” “locally owned,” or located within Vermont in violation of subsection (a) of this section if the floral business is not physically located in Vermont and:

(1) the advertisement, Internet, web site, or directory listing would lead a reasonable consumer to conclude that the floral business is physically located in Vermont; or

(2) the advertisement, Internet, web site, or directory listing uses the name of a floral business that is physically located in Vermont, with geographic terms that would lead a reasonable consumer to understand the advertised floral business to be physically located in Vermont.

(c) A retail floral business physically located in Vermont shall be deemed a consumer for the purposes of enforcing this section under § 2461(b) of this chapter.

\* \* \* Study of Vermont Building Codes \* \* \*

Sec. 46. STUDY; VERMONT BUILDING CODES

(a) Findings.

(1) The state of Vermont has two codes that are used to regulate construction in public buildings: one is the International Code Council (ICC) that publishes the International Building Code (IBC) which is adopted by the State, the other is the National Fire Protection Association (NFPA), that publishes the Life Safety Code and Uniform Fire Code adopted by the state. In most cases, the life safety codes do not regulate the actual construction of buildings, but rather, are designed to protect life safety and property. Other states may use only the International Code Council codes; however, these codes have greater than 300 references to the NFPA codes; in addition, these states also have modified the code for particular local or state issues. Some states have no building codes at all.

(2) Construction is regulated under the division of fire safety and by municipal code officials. Application of these codes should be consistent throughout the state. This would help to reduce confusion with contractors, design professionals, and the enforcement staff located in regional offices and municipalities. It would also reduce time during the design process and improve efficiency. The issues are further complicated when determining the appropriate application of one or more codes to both new buildings and to existing buildings. It is realized that the IBC code is not appropriate to use for existing buildings which may present differing concerns from the perspective of both construction and design professionals; however, those working in the field of existing building renovation understand that the use of the NFPA codes is applied by public safety.

(3) Notwithstanding these competing perspectives, Vermont's blend of codes remains difficult for most professionals from all perspectives to interpret and apply. It is appropriate for design professionals to meet with division staff during preconstruction of complex design; this is a free service which is encouraged. A better understanding of the codes through education and cooperation would substantially reduce public resources.

(4) The general assembly therefore has determined that it should create an interim committee to consider whether the process may be simplified to improve clarity and reduce regulatory costs without reducing life safety for occupants and for first responders in the case of emergency.

(b) Creation of committee. There is created a building code study committee to evaluate the present use of multiple building and life safety codes, to assess the costs and benefits of each, to recommend to the general assembly whether one or more codes should be used going forward, and to what types of buildings or classes of buildings they should be applied.

(c) Membership. The building code study committee shall be composed of the following:

(1) one member appointed by the commissioner of public safety who shall be an employee of the division of fire safety and who shall serve as chair of the committee;

(2) one member appointed by the AIA-VT who shall be a licensed architect;

(3) one member appointed by the Structural Engineers Association of Vermont who shall be a structural engineer;

(4) two members from the emergency services sector, one of whom shall be appointed by the Vermont Coalition of Fire and Rescue Services and shall be a professional firefighter, and one of whom shall be appointed by the

Vermont Ambulance Association and who shall be an emergency medical technician;

(5) one member appointed by the Associated General Contractors of Vermont who is a general contractor;

(6) one member appointed by the governor who shall be a representative of a nonprofit developer;

(7) two members appointed by the Vermont League of Cities and Towns, one from a city and one from a town, and each of whom represents the interests of municipalities that administer building code programs;

(8) one member appointed by the secretary of commerce and community development who shall have expertise in historic preservation.

(9) the commissioner of buildings and general services or his or her designee.

(d) Report. On or before January 15, 2011, the committee shall report its findings and any recommendations for legislative action to the house committees on commerce and economic development and on general, housing and military affairs, and to the senate committee on economic development, housing and general affairs.

(e) The committee may meet no more than six times, shall serve without compensation, and shall cease to exist on January 31, 2012.

Sec. 47–49. [RESERVED]

\* \* \* Website for Affiliates of Online Retailers Collecting  
Sales Tax \* \* \*

Sec. 50. ACCD; WEBSITE FOR AFFILIATES OF ONLINE BUSINESSES

The agency of commerce and community development shall create a website, or a new section of its website, the purpose of which shall be to provide matchmaking opportunities for Vermont companies to affiliate with online retailers that collect and remit sales tax on purchases made online.

Sec. 51–59. [RESERVED]

\* \* \* First and Second Class Liquor Licenses; Food Service \* \* \*

Sec. 60. 7 V.S.A. § 222 is amended to read:

§ 222. FIRST AND SECOND CLASS LICENSES, GRANTING OF; SALE TO MINORS; CONTRACTING FOR FOOD SERVICE

\* \* \*

(4)(A) A holder of a first class license may contract with another person to prepare and dispense food on the license holder's premises. ~~The first class license holder may have no more than 75 events each year under this subdivision. At least five days prior to each event under this subdivision, the first class license holder shall provide to the department of liquor control written notification that includes the name and address of the license holder, the date and time of the event and the name and address of the person who will provide the food.~~

(B) The first class license holder shall provide to the department written notification five business days prior to start of the contract the following information:

(i) the name and address of the license holder;

(ii) a signed copy of the contract;

(iii) the name and address of the person contracted to provide the food;

(iv) a copy of the person's license from the department of health for the facility in which food is served; and

(v) the person's rooms and meals tax certificate from the department of taxes.

(C) The holder of the first class license shall notify the department within five business days of the termination of the contract to prepare and dispense food. It is the responsibility of the first class licensee to control all conduct on the premises at all times, including the area in which the food is prepared and stored.

Secs. 61–63. [RESERVED]

Sec. 64. STUDY; PRIVATE ACTIVITY BONDS

(a) Findings.

(1) Due to changes in federal law governing underwriting and servicing student loans, the Vermont student assistance corporation (VSAC) has experienced a substantial decrease in its ability to generate revenue and is currently downsizing its operation.

(2) As a result, the general assembly finds that VSAC's private activity bond allocation, which in recent years has exceeded \$100 million, may be available for use as an economic development tool, and that the secretary of administration should review the process of allocation and the potential uses to which the state's allocation should be dedicated.

(b) On or before November 1, 2011, the secretary of administration, in collaboration with the office of the treasurer, shall review and report his or her findings to the house committee on commerce and economic development and to the senate committee on economic development, housing and general affairs concerning:

(1) the state's current process for allocation of private activity bond capacity, including whether the process should be modified to increase participation by the public and interested parties; and

(2) a cost-benefit analysis of one or more projects that may be suitable for private activity bond funding.

\* \* \* Southeast Vermont Economic Development Strategy \* \* \*

Sec. 65. SOUTHEAST VERMONT ECONOMIC DEVELOPMENT STRATEGY

The general assembly finds:

(1) In light of the scheduled closure of the Vermont Yankee nuclear facility in March 2012, Windham County will experience dramatic regional economic dislocation and will require additional support beyond background economic development programs.

(2) Windham County is currently undertaking an economic development planning process, the Southeast Vermont Economic Development Strategy (SeVEDS), the purpose of which is to prepare for the economic shift that will occur upon closure of Vermont Yankee. The process is now funded by Fairpoint Communications, but that funding will expire prior to completion of the process.

(3) The general assembly therefore finds it appropriate to provide funding to support the completion of the SeVEDS and to support workforce development and other activities that will assist Windham County in addressing the adverse economic consequences of the closure of Vermont Yankee, with particular emphasis on supporting Vermont Yankee employees and their families in securing new employment in Windham County.

\* \* \* Next Generation Initiative Fund;  
Appropriations, Transfers, and Funding \* \* \*

Sec. 66. Sec. B.1100(a)(1)(B) of H.441 of 2011 (Sec. B.1100 of No. \_\_ of the Acts of 2011) is amended to read:

(B) Adult Technical Education Programs. The amount of \$360,000 is appropriated to the department of labor working with the workforce development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults. ~~Notwithstanding any other provision of law to the contrary, the funds appropriated pursuant to this subdivision (B) shall be evenly divided among the regional technical centers and the comprehensive high schools based on the level of resources provided pursuant to performance contracts.~~

Sec. 67. Sec. B.1100.1(a) of H. 441 of 2011 (Sec. B.1100.1 of No. \_\_ of the Acts of 2011) is amended by striking subsection B.1100.1(a) in its entirety and inserting a new Sec. B.1100.1 to read:

Sec. B.1100.1 WORKFORCE DEVELOPMENT COUNCIL  
RECOMMENDATION FOR FISCAL YEAR 2013 NEXT GENERATION  
FUND DISTRIBUTION

The department of labor, in coordination with the agency of commerce and community development, the agency of human services, and the department of education, and in consultation with the workforce development council, shall recommend to the governor no later than November 1, 2011, on how \$4,793,000 from the next generation fund should be allocated or appropriated in fiscal year 2013 to provide maximum benefit to workforce development, participation in postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont.

Secs. 68–69. [RESERVED]

\* \* \* State Contracting; Net Costs of Contracting \* \* \*

Sec. 70. FINDINGS: NET COSTS OF GOVERNMENT CONTRACTING

The general assembly finds:

(1) The state of Vermont is a significant purchaser of goods and services. As a result, the purchasing policies of the state of Vermont both influence the practices of vendors and have a fiscal impact on the state.

(2) Although multiple factors are considered in the procurement process, Vermont often selects the lowest bids for goods and services contracts and

does not consistently account for the true economic costs of procurement from out-of-state providers relative to local and socially responsible providers.

(3) This policy fails to account for the fact that procurement decisions based on a bid price alone do not necessarily account for the total fiscal impact to the state of the bid award. Among the fiscal impacts to the state inherent in bid proposals are: the amount of wages paid to Vermont resident employees, the local spending effect of earned wages and profits in the Vermont economy by Vermont residents, revenue effects of purchasing of goods and services from other Vermont businesses in support of the primary vendor's submitting the bid, the possible reduction of Vermont unemployment, and the possible reduction in public assistance programs that result from earned wages.

(4) In recognition of the total fiscal impacts of state procurement practices, new procurement policies are required to ensure that the state of Vermont makes sound financial decisions that reflect the whole cost of contracts.

Sec. 71. STUDY; NET COST OF GOVERNMENT CONTRACTING;  
ECONOMETRIC MODELING

(a) The secretary of administration shall conduct a study on the net economic costs and benefits of government contracting and how the state may most effectively increase purchasing of in-state products and services.

(b) As a component of the study, the secretary shall investigate the development of an econometric model, based on or similar to the REMI model currently used by the executive and legislative economists, to allow state agencies and departments to evaluate the net costs and economic impacts of government contracts for goods and services. The secretary may, in his or her discretion, contract for the development of an econometric model that would:

(1) consider the net fiscal impact to the state of all significant elements of bids, including the level of local employment, wages and benefits, source of goods, and domicile of bidder;

(2) be designed to be easily updated from year to year; and

(3) be designed such that state employees administering bid processes can easily utilize the model in an expedient fashion.

(c) On or before January 15, 2012, the secretary shall submit a report of his or her findings to the senate committees on finance, on economic development, housing and general affairs, and on government operations, and to the house committees on commerce and economic development and on government operations.

Sec. 72. 29 V.S.A. § 909 is added to read:

§ 909. STATE PURCHASE OF FOOD AND AGRICULTURAL PRODUCTS

(a) When procuring food and agricultural products for the state, its agencies, departments, instrumentalities, and institutions, the commissioner of buildings and general services shall consider the interests of the state relating to the proximity of the supplier and the costs of transportation, and relating to the economy of the state and the need to maintain and create jobs in the state.

(b) When making purchases pursuant to this section, the secretary of administration, the commissioner of buildings and general services, and any state-funded institutions shall, other considerations being equal and considering the results of any econometric analysis conducted, purchase products grown or produced in Vermont when available.

Sec. 73. REPEAL

6 V.S.A. § 4601 (purchase of Vermont agricultural products) is repealed.

Sec. 72–75. [RESERVED]

Sec. 76. 7 V.S.A. § 2 is amended to read:

§ 2. DEFINITIONS

The following words as used in this title, unless a contrary meaning is required by the context, shall have the following meaning:

\* \* \*

(32) “Art gallery or bookstore permit”: a permit granted by the liquor control board permitting an art gallery or bookstore to conduct an event at which malt or vinous beverages or both are served by the glass to the public, provided that the event is approved by the local licensing authority. A permit holder may purchase malt or vinous beverages directly from a licensed retailer. A permit holder shall be subject to the provisions of this title and the rules of the board regarding the service of alcoholic beverages. A request for a permit shall be submitted to the department in a form required by the department at least five days prior to the event and shall be accompanied by the permit fee required by subdivision 231(a)(22) of this title.

Sec. 77. 7 V.S.A. § 231 is amended to read:

§ 231. FEES FOR LICENSES; DISPOSITION OF FEES

(a) The following fees shall be paid:

\* \* \*

(22) For an art gallery or bookstore permit, \$15.00.

\* \* \*

Sec. 78. 9 V.S.A. § 2466 is amended to read:

§ 2466. GOODS AND SERVICES APPEARING ON TELEPHONE BILL

(a) ~~No~~ Except as provided in subsection (f) of this section, a seller shall not bill a consumer for goods or services that will appear as a charge on the person's local telephone bill without the consumer's express authorization bill for telephone service provided by any local exchange carrier.

~~(b) No later than the tenth business day after a seller has entered into a contract or other agreement with a consumer to sell or lease or otherwise provide for consideration goods or services that will appear as a charge on the consumer's local telephone bill, the seller shall send, or cause to be sent, to the consumer, by first class mail, postage prepaid, a notice of the contract or agreement.~~

~~(c) The notice shall clearly and conspicuously disclose:~~

~~(1) The nature of the goods or services to be provided;~~

~~(2) The cost of the goods or services;~~

~~(3) Information on how the consumer may cancel the contract or agreement;~~

~~(4) The consumer assistance address and telephone number specified by the attorney general;~~

~~(5) That the charges for the goods or services may appear on the consumer's local telephone bill; and~~

~~(6) Such other information as the attorney general may prescribe by rule.~~

~~(d) The notice shall be a separate document sent for the sole purpose of providing to the consumer the information required by subsection (c) of this section. The notice shall not be combined with any sweepstakes offer or other inducement to purchase goods or services.~~

~~(e) The sending of the notice required by this section is not a defense to a claim that a consumer did not consent to enter into the contract or agreement.~~

~~(f)~~ No person shall arrange on behalf of a seller of goods or services, directly or through an intermediary, with a local exchange carrier, to bill a consumer for goods or services ~~unless the seller complies with~~ other than as permitted by this section. This prohibition applies, but is not limited, to persons who aggregate consumer billings for a seller and to persons who serve as a clearinghouse for aggregated billings.

~~(g)~~~~(c)~~ Failure to comply with this section is an unfair and deceptive act and practice in commerce under this chapter.

~~(h)~~~~(d)~~ The attorney general may make rules and regulations to carry out the purposes of this section.

~~(i)~~~~(e)~~ Nothing in this section limits the liability of any person under existing statutory or common law.

~~(j)~~~~(f)~~~~(1)~~ This section shall apply to billing aggregators described in 30 V.S.A. § 231a, but shall ~~does not apply to; sellers regulated by~~

(A) billing for goods or services marketed or sold by persons subject to the jurisdiction of the Vermont public service board under Title 30, other than section 231a of Title 30 30 V.S.A. § 203;

(B) billing for direct dial or dial around services initiated from the consumer's telephone; or

(C) operator-assisted telephone calls, collect calls, or telephone services provided to facilitate communication to or from correctional center inmates.

(2) Nothing in this section affects any rule issued by the Vermont public service board.

\* \* \* Appropriations and Allocations \* \* \*

## Sec. 100. APPROPRIATIONS AND ALLOCATIONS

(a) In fiscal year 2012:

(1) The amount of \$25,000.00 is appropriated from the general fund to the department of labor for the long-term unemployed hiring incentive in Sec. 7 of this act.

(2) The amount of \$475,000.00 is appropriated from the general fund to the agency of agriculture, food and markets as follows:

(A) \$100,000.00 for the good agricultural practices grant program in Sec. 40 of this act.

(B) \$25,000.00 for the skilled meat cutter apprenticeship program in Sec. 41 of this act.

(C) \$125,000.00 for the local foods coordinator and the local foods grant program in Sec. 42 of this act, not more than \$75,000.00 of which funds shall be used for the total annual compensation of the coordinator, and not less than \$50,000.00 of which funds shall be used for the performance of the local foods coordinator's duties under this act and for competitive matching grants from the agency to Vermont producers, unless in the secretary's discretion it shall be necessary to increase the amount of total compensation of the local foods coordinator in order to retain a highly qualified candidate for the position.

(D) \$100,000.00 for implementation of the farm-to-plate investment program in Sec. 43 of this act.

(E) \$75,000.00 for competitive matching grants for the farm-to-school program established in 6 V.S.A. § 4721.

(F) \$50,000.00 for competitive matching grants to increase slaughterhouse and meat processing facility capacity as authorized in Sec. 34 of this act.

(3) The amount of \$25,000.00 is appropriated from the general fund to the agency of commerce and community development for a matching grant to the Vermont Employee Ownership Center.

(b) The following Next Generation funds are appropriated in Sec. B 1100 of H.441 of 2011 in fiscal year 2012:

(1) \$350,000.00 to the department of labor for the Vermont career internship program in Secs. 11–13 of this act.

(2) \$30,000.00 to the agency of agriculture, food and markets for the Vermont large animal veterinarian educational loan repayment fund in Sec. 39 of this act.

(3) \$25,000.00 to the agency of commerce and community development to fund the completion of the southeast Vermont economic development strategy, workforce development, and other activities pursuant to Sec. 65 of this act.

(4) \$32,500.00 to the agency of commerce and community development for the STEM incentive program in Sec. 6 of this act.

(5) Of the amount appropriated to the workforce education and training fund, and notwithstanding 10 V.S.A. § 543(d), up to \$15,000.00 for transfer to the secretary of administration for the work of the executive economist, and to reimburse the joint fiscal office for the work of the legislative economist, to conduct a study on government contracting, and to develop an econometric

model for the evaluation of net costs of government contracts pursuant to Sec. 71 of this act.

(c) Of the funds appropriated to the agency of commerce and community development in fiscal year 2012, \$100,000.00 shall be allocated for the office of creative economy created in Secs. 15–16 of this act.

(d) Of the general funds appropriated to the department of labor in H.441 of 2011:

(1) \$106,395.00 shall be allocated to fund performance grants for regional workforce development activities pursuant to Sec. 14 of this act, not more than seven percent of which funds may be used for administration of the program.

(2) \$25,000.00 shall be allocated for transfer to the secretary of commerce and community development to fund the completion of the southeast Vermont economic development strategy, workforce development, and other activities pursuant to Sec. 65 of this act.

(3) Up to \$15,000.00 shall be allocated for transfer to the secretary of administration for the work of the executive economist, and to reimburse the joint fiscal office for the work of the legislative economist, to conduct a study on government contracting, and to develop an econometric model for the evaluation of net costs of government contracts pursuant to Sec. 71 of this act.

#### Sec. 101. REPORTING

On or before January 15, 2012, the agency of commerce and community development shall coordinate with each agency, department, or outside entity charged with oversight or implementation of a program or policy change in this act and submit in its annual report to the house committees on commerce and economic development and on agriculture, and to the senate committees on economic development, housing and general affairs and on agriculture:

(1) a performance analysis of each program or policy change following passage of this act;

(2) an analysis of the number of private sector jobs created as a result of each program or policy in this act that has a direct financial impact to the state;

(3) an analysis of each program or policy in this act and the proportion of opportunities distributed to each gender; and

(4) recommendations for future actions in light of performance relative to the intended outcomes for each program or policy change.

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Sec. 102. EFFECTIVE DATES; IMPLEMENTATION

(a) This act shall take effect upon passage, except that Secs. 30–33 shall take effect July 1, 2012.

(b) Notwithstanding any other provision of law to the contrary, no program funds shall be expended or allocated prior to July 1, 2011.

And that after passage the title of the bill be amended to read:

An act relating to job creation, economic development, and buy local agriculture.

*TIMOTHY R. ASHE  
WILLIAM H. CARRIS*

*Committee on the part of the Senate*

*WILLIAM G. F. BOTZOW  
JAMES O. CONDON  
MICHAEL J. MARCOTTE*

*Committee on the part of the House*

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 27, Nays 1.

Senator Sears having demanded the yeas and nays, they were taken and are as follows:

**Roll Call**

**Those Senators who voted in the affirmative were:** Ashe, Ayer, Baruth, Benning, Brock, Campbell, Carris, Cummings, Doyle, Flory, Fox, Galbraith, Giard, Hartwell, Kitchel, Lyons, MacDonald, Mazza, McCormack, Miller, Mullin, Nitka, Pollina, Sears, Snelling, Starr, White.

**The Senator who voted in the negative was:** Illuzzi.

**Those Senators absent and not voting were:** Kittell, Westman.

**Consideration Resumed; Bill Amended; Third Reading Ordered****S. 15.**

Consideration was resumed on House bill entitled:

An act relating to insurance coverage for midwifery services and home births.

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment?, was agreed to.

**Rules Suspended; Bills Messaged**

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

**H. 201, H. 287.**

**Rules Suspended; Bills Delivered**

On motion of Senator Campbell, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

**S. 15, S. 100.**

**Adjournment**

On motion of Senator Campbell, the Senate adjourned until ten o'clock in the morning.