

S.286

An act relating to challenges for change

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. LEGISLATIVE INTENT

(a) This act is intended to implement the concepts laid out by the report “Challenges for Change: Results for Vermonters,” as prepared by the steering team to the joint legislative government accountability committee and presented to the committee on January 5, 2010.

(b) Vermont state government is faced with a substantial gap between available revenues and projected expenditures based on the current manner of providing services. This act challenges us to redesign how we provide government services. If the challenges are fully met, we will create better methods for providing government services, while spending less money and still achieving the outcomes specified in this act.

(c) This effort will address an estimated \$38 million of the general fund projected shortfall and \$11 million in property tax pressure in fiscal year 2011; and in fiscal year 2012, would reduce spending by \$72 million in general funds and \$26 million in property taxes from fiscal year 2010 levels.

(d) Unlike traditional cuts in spending, these challenges focus both on available funding levels and on the outcomes expected, in order to give our citizens better results with less money.

(e) These challenges would require continued efforts in design and implementation work. This act is starting the reform process by issuing challenges and providing some tools to succeed in meeting those challenges. State agencies, school districts, local governments, and other recipients of state funds will have the opportunity to use their expertise to shape the changes necessary to meet these challenges.

(f) This effort addresses only one-quarter of our fiscal year 2011 shortfall. Efforts to address the remaining budget shortfall will be part of the regular budget process.

(g) This act summarizes the eight challenges in the Challenge Report, establishes the outcomes for each challenge, and requests a design for implementation of each challenge and its related accountability measures. The legislature recognizes and expects this initiative to evolve as all parties together seek to meet these challenges.

(h) The outcomes identified for each of the challenges will be used to guide administrators, policy makers, executives, service providers, and employees in taking action to meet the challenges.

Sec. 2. CHARTER UNIT CHALLENGE

(a) The charter unit challenge is to identify units of state government which agree to improve specified results while spending a combined total of \$2 million less in fiscal year 2011 than in fiscal year 2010 and, in fiscal year 2012, spending \$4.5 million less than in fiscal year 2010, or by generating all or a portion of these amounts in entrepreneurial revenue. The charter units will enter into formal agreements with the secretary of administration to specify between three and eight measurable results to improve, and the flexibility in practices and procedures needed to accomplish the target results.

(b) Outcomes for the charter unit challenge:

(1) Meet challenge target of reducing spending or generating entrepreneurial revenue of \$2 million in general funds in FY2011 and \$4.5 million in general funds in fiscal year 2012.

(2) Increase employees' engagement in their work.

(3) Produce outcomes for Vermonters that are the same as or better than outcomes delivered prior to redesign.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with an initial design and implementation plan to meet these challenges and achieve these outcomes. This plan shall include:

(1) a system of accountability to measure success in meeting the challenges and achieving the outcomes. The measures shall be simple, objective, consistent, and based on data that are currently collected or could easily be collected;

(2) a description of changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes; and

(3) a schedule of accountability for meeting these challenges and achieving these outcomes that includes proposed milestones, assessments of effectiveness, and quarterly meetings with the house and senate committees of jurisdiction.

Sec. 3. PERFORMANCE CONTRACTING CHALLENGE

(a) The performance contracting challenge is to institute performance contracting and performance grant-making to achieve better results from contractors and grantees at a fiscal year 2011 cost which is 3.5 percent lower than fiscal year 2010 spending, and at a fiscal year 2012 cost which is 10 percent lower than fiscal year 2010 spending. The goal is to pay contractors based on results, while reducing the total price of contracts and grants. It is also to reduce the cost of compliance for vendors while maintaining compliance with essential state requirements.

(b) Outcomes for performance contracting and grants:

(1) Increase the use of performance contracts with the goal of converting \$70 million of general funds contracts to performance-based contracts.

(2) Increase the rate at which contractors and grantees meet performance targets specified in contracts.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with an initial design and implementation plan to meet these challenges and achieve these outcomes.

This plan shall include:

(1) a system of accountability to measure success in meeting the challenges and achieving the outcomes. The measures shall be simple, objective, consistent, and based on data that are currently collected or could easily be collected;

(2) a description of changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes; and

(3) a schedule of accountability for meeting these challenges and achieving these outcomes that includes proposed milestones, assessments of effectiveness, and quarterly meetings with the house and senate committees of jurisdiction.

Sec. 4. HUMAN SERVICES CHALLENGE

(a) The client-centered, results-based, human services challenge to the state's human service administrators, employees, and service providers is to redesign delivery of the state's human services programs and health care system as a client-centered, integrated system that improves outcomes within budget constraints. There are four parts to this challenge:

(1) Client-centered intake and client-centered coordinated and managed services. Improve the outcomes for individuals and families receiving services from the agency of human services, while spending five percent less in fiscal year 2011 than in fiscal year 2010 and in fiscal year 2012 spending 10 percent less than in fiscal year 2010, by redesigning the delivery of services to be more efficient, interconnected, and targeted to achieve the essential outcomes with less duplication of services.

(2) Support services promoting independence of elders and individuals with disabilities. Maintain or improve services for elders and individuals with disabilities by redesigning how support services are provided and by allowing family members who desire to be caregivers to provide part of the support services, while spending two percent less in fiscal year 2011 than in fiscal year 2010 and five percent less in fiscal year 2012 than in fiscal year 2010.

(3) Expand the policy of using payment methods based on outcome measures. Redesign grants and contracts made by the agency to service

providers to use payment methods to achieve spending five percent less in fiscal year 2011 than in fiscal year 2010 and 10 percent less in fiscal year 2012 than in fiscal year 2010, while maintaining or improving service.

(4) Outcomes-based contracts with the designated agencies. Improve the outcomes of individuals and families served by the 17 agencies designated under 18 V.S.A. § 8905 to provide mental health services and services to individuals with a developmental disability, while spending five percent less in fiscal year 2011 than in fiscal year 2010 and 7.5 percent less in fiscal year 2012 than in fiscal year 2010, by enhancing collaboration among these agencies and by redesigning the contracts.

(b) The agency of human services shall meet the outcomes defined in 3 V.S.A. § 3026 and for each of the subchallenges shall also meet the following outcomes:

(1)(A) Client-centered intake.

(i) Individuals and families will direct their own lives and will be supported in pursuing their own choices, goals, aspirations, and preferences.

(ii) Individuals and families will have access to apply for health and human services programs for which they are eligible through any department or office of the agency.

(B) Client-centered coordinated and managed services.

(i) Individuals and families will direct their own lives and will be supported in pursuing their own choices, goals, aspirations, and preferences.

(ii) The individual will be at the core of all plans and services and will be treated with dignity and respect.

(iii) Individuals and families with multiple needs will have more coordinated services with a single point of accountability to manage the services.

(iv) The agency and service providers will work across departments and organizations to interweave funding sources to ensure efficient and effective use of available funds to meet individuals' and families' needs in order to promote the outcomes in 3 V.S.A. § 3026 and this section.

(2) Support services promoting independence of elders and individuals with disabilities.

(A) The individual's personal and economic independence will be promoted.

(B) Families who choose to be caregivers will be supported to provide available and appropriate services for elders and individuals with disabilities.

(C) Families will receive relief from caregiving responsibilities in order to continue to provide care over the long term.

(D) The agency and service providers shall work across departments and organizations to interweave funding sources to ensure efficient and effective use of available funds to meet individuals' and families' needs in order to promote the outcomes in 3 V.S.A. § 3026 and this section.

(3) Expand the policy of using payment methods based on outcome measures.

(A) Individuals' and families' needs will be met using best practices in a timely and cost-effective way.

(B) Nongovernmental service providers will have one point of contact in state government to manage all their grants or contracts.

(C) Each nongovernmental service provider will have performance measures or indicators based on the outcomes provided for in 3 V.S.A. § 3026.

(D) Nongovernmental service providers will report performance measures or indicators of outcomes once for all grants or contracts with the agency to ensure efficient and simple administration.

(E) Positive outcomes will be pursued through effective, evidence-based practices by a trained and competent workforce.

(F) The agency and nongovernmental service providers will work across departments and organizations to interweave funding sources to ensure efficient and effective use of available funds to meet individuals' and families' needs in order to promote the outcomes in 3 V.S.A. § 3026 and this section.

(4) Outcome-based contracts with the designated agencies.

(A) Intake will be client-centered as described in subdivision (1)(A) of this subsection (b).

(B) Individuals' and families' needs will be met using best practices in a timely and cost-effective way.

(C) The designated agencies will have one point of contact in state government to manage all their grants or contracts.

(D) The designated agencies will have performance measures or indicators based on the outcomes provided for in 3 V.S.A. § 3026.

(E) The designated agencies will report performance measures or indicators of outcomes once for all grants or contracts with the agency to ensure efficient and simple administration.

(F) Employees, representatives, and consumers of the designated agencies will be involved in the development of the performance measures or indicators included in the outcome-based contracts.

(G) The agency of human services and the designated agencies shall work across departments and organizations to interweave funding sources to ensure efficient and effective use of available funds to meet individuals' and families' needs in order to promote the outcomes in 3 V.S.A. § 3026 and this section.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with an initial design and implementation plan to meet these challenges and achieve these outcomes. This plan shall include:

(1) a system of accountability to measure success in meeting the challenges and achieving the outcomes. The measures shall be simple, objective, consistent, and based on data that are currently collected or could easily be collected;

(2) a description of changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes; and

(3) a schedule of accountability for meeting these challenges and achieving these outcomes that includes proposed milestones, assessments of effectiveness, and quarterly meetings with the house and senate committees of jurisdiction.

Sec. 4a. 3 V.S.A. § 3026 is amended to read:

§ 3026. PARTNERSHIPS FOR CHILDREN, FAMILIES, AND
INDIVIDUALS

(a) The secretary of human services, the commissioner of education, and the president of the University of Vermont ~~shall~~ may establish a research

partnership to study and make recommendations for improving the effectiveness of state and local health, human services, and education programs. Critical program outcomes relating to the well-being of Vermonters that should be addressed by the research partnership may include, ~~without limitation,~~ the following:

- (1) Children, families, and individuals are engaged in and contribute to their community's decisions and activities.
- (2) Pregnant woman and children thrive.
- (3) Children are ready for school.
- (4) Children succeed in school.
- (5) Children live in safe, nurturing, stable, supported families.
- (6) Youth choose healthy behaviors.
- (7) Youth successfully transition to adulthood.
- (8) Elders ~~and,~~ people with disabilities, and individuals with mental health conditions live with dignity and independence in settings they prefer.
- (9) Families and individuals live in safe and supportive communities.
- (10) Adults lead healthy and productive lives.
- (11) All Vermonters receive affordable and appropriate health care at the appropriate time, and health care costs are contained over time.
- (12) Families and individuals move out of poverty through education and advancement in employment.

(b) The secretary of human services and the commissioner of education ~~shall~~ may collaborate with regional partnerships for children, families, and individuals in each of the geographical regions of the state. Regional partnerships consist of citizens, consumers of health, human services, and education programs, family members, governmental agencies and nongovernmental organizations providing health, education, and human services, economic development representatives and business leaders, and any other individuals and groups who can contribute to the activities of the regional partnership. Regional partnerships ~~shall~~ may develop and implement local strategies for improving the social well-being of Vermonters, and ~~shall~~ may advise the agency of human services and the department of education concerning effective implementation of state and local health, human services, and education programs.

(c) The secretary of human services and the commissioner of education ~~shall~~ may collaborate with the state team for children, families, and individuals, consisting of representatives of the agencies and departments of state government which serve children, families, and individuals, state coordinators of interagency teams, directors of private sector service and advocacy organizations, institutions of higher education, coordinators for the regional partnerships, and any other individual or group who can contribute to the activities of the state team. The state team ~~shall~~ may support the activities

of the regional partnerships, and participate in the development and implementation of state policies and programs designed to improve the well-being of Vermonters.

(d) Annually, on or before February 15, the secretary of human services, the commissioner of education, and the president of the University of Vermont ~~shall~~ may report to the general assembly and the governor, concerning:

(1) the activities of the state, regional, and research partnerships for children, families, and individuals established under this section;

(2) the well-being of Vermonters;

(3) the results of any outcome research completed in the preceding calendar year; and

(4) any other findings or recommendations relating to improving the effectiveness of state and local health, human services, and education programs.

Sec. 5. CORRECTIONS CHALLENGE

(a) The corrections challenge is to the secretary of human services, commissioner of education, and administrative judge to collaborate to develop a plan which if implemented would reduce the number of people entering the corrections system, decrease the recidivism rate, improve community safety, and reduce the corrections budget by \$10 million in fiscal year 2011 and \$10 million in fiscal year 2012. In fiscal year 2011, \$3 million of the \$10 million

saved, and in fiscal year 2012, \$2 million of the \$10 million saved shall be reinvested in programs and services which will reduce the number of people entering the criminal justice system and decrease the recidivism of those who do enter the system.

(b) Outcomes for corrections:

(1) Reduce the number of people returned to prison for technical violation of probation and parole while ensuring public safety.

(2) Reduce the number of people coming into the corrections system by engaging the human services community, the education community, and the community-based criminal justice system in identifying people at risk of committing a crime and providing services to them which will reduce criminal behavior.

(3) Ensure that nonviolent offenders are sent to prison only if no other options are available, and increase the number of nonviolent offenders diverted from prison into the community while ensuring public safety and providing effective consequences for criminal behavior.

(4) Increase services in the prisons which will reduce recidivism.

(5) Decrease recidivism by providing community services to help offenders successfully reenter the community.

(6) Investigate ways to produce a unified criminal prevention and justice system budget for presentation to the general assembly.

(7) Investigate ways to save money and increase revenues within the corrections system while ensuring public safety and reducing recidivism.

(8) Reduce short-term lodgings in department of corrections facilities.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with an initial design and implementation plan to meet these challenges and achieve these outcomes.

This plan shall include:

(1) a system of accountability to measure success in meeting the challenges and achieving the outcomes. The measures shall be simple, objective, consistent, and based on data that are currently collected or could easily be collected;

(2) a description of changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes; and

(3) a schedule of accountability for meeting these challenges and achieving these outcomes that includes proposed milestones, assessments of effectiveness, and quarterly meetings with the house and senate committees of jurisdiction.

Sec. 6. EDUCATION CHALLENGES

(a) The focus on learning challenge is to education policy makers and school administrators to improve student learning and reduce costs of administration, resulting in spending on administrative services in fiscal year 2011 that is five percent less than in fiscal year 2010, and 15 percent less in fiscal year 2012 than in fiscal year 2010. In fiscal year 2012, 25 percent of the total savings will be reinvested in instructional activities.

(b) The special education incentives challenge is to education policy makers and school administrators to improve special education student outcomes, including graduation rates and employment, while spending five percent less in fiscal year 2011 than in fiscal year 2010, and 7.5 percent less in fiscal year 2012 than in fiscal year 2010.

(c) The outcomes for education for the focus on learning and special education challenges are:

(1) Ensure that learning expectations, experiences, and assessments incorporate and emphasize the knowledge and skills that all students need to be successful in postsecondary education or training, in their careers, and as citizens in a global and technological society.

(2) Increase the secondary school graduation rates for all students.

(3) Increase the aspiration, continuation, and completion rates for all students in connection with postsecondary education and training.

(4) Ensure that educational governance structures, including K–12 school districts, meet the challenges and facilitate the outcomes stated in this act in the most cost-efficient manner.

(d) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with an initial design and implementation plan to meet these challenges and achieve these outcomes. This plan shall include:

(1) a system of accountability to measure success in meeting the challenges and achieving the outcomes. The measures shall be simple, objective, consistent, and based on data that are currently collected or could easily be collected;

(2) a description of changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes; and

(3) a schedule of accountability for meeting these challenges and achieving these outcomes that includes proposed milestones, assessments of effectiveness, and quarterly meetings with the house and senate committees of jurisdiction.

Sec. 7. REGULATORY CHALLENGE

(a) The regulatory reform challenge is to the state's environmental and energy regulatory systems to achieve the current standards, goals, and requirements of federal and state law and regulation through improved administrative, application review, and compliance processes while spending three percent less in the agency of natural resources' and agency of agriculture, food and markets' budgets in each fiscal year 2011 and 2012 than in fiscal year 2010.

(b) Outcomes for regulatory reform: The secretary of natural resources, the secretary of agriculture, food and markets, the chair of the public service board, the chair of the natural resources board, the commissioner of public service, and the administrative judge shall protect Vermont's natural resources and collaborate to develop a plan that when implemented will meet the following outcomes:

(1) The permitting and licensing process achieves environmental standards and is clear, timely, predictable, and coordinated among the agencies. The process enables applicants readily to determine what permits and licenses are needed and what information must be submitted to apply for those permits and licenses.

(2) The permit and enforcement processes enable citizens and visitors to the state of Vermont to understand and comply with the laws protecting our natural and agricultural resources.

(3) Permitting and licensing procedures are cost-effective and user-friendly.

(4) Provide timely and cost-effective consumer and environmental protection services.

(5) Increase transparency in decision-making, encourage meaningful citizen participation, and increase client satisfaction.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with an initial design and implementation plan to meet these challenges and achieve these outcomes. This plan shall include:

(1) a system of accountability to measure success in meeting the challenges and achieving the outcomes. The measures shall be simple, objective, consistent, and based on data that are currently collected or could easily be collected;

(2) a description of changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes;

(3) a schedule of accountability for meeting these challenges and achieving these outcomes that includes proposed milestones, assessments of effectiveness, and quarterly meetings with the house and senate committees of jurisdiction; and

(4) measurements to determine the rate of compliance with time limits established under 3 V.S.A. § 2822(g) (time limits for agency of natural resource permit applications) and 10 V.S.A. § 6083(d) (time limits for Act 250 permit applications) and whether those time limits can be reduced.

Sec. 8. ECONOMIC DEVELOPMENT CHALLENGE

(a) The economic development challenge is to improve economic development results while spending \$3.4 million less in both fiscal years 2011 and 2012 than in fiscal year 2010.

(1) The challenges for change initiative calls for a \$3.4 million dollar reduction in economic development spending in both fiscal years 2011 and 2012 on economic development programs identified in the unified economic development budget in the agency of commerce and community development; the agency of administration; the agency of agriculture, food and markets; the department for children and families; the department of labor; and the department of public service, as well as economic development-related tax expenditures, incentives, and subsidies identified in the unified economic development budget, and in telecommunications.

(2) Of the \$34.26 million of appropriations in the unified economic development budget, approximately \$24.3 million comes from state funding and approximately \$9.95 million comes from federal funding.

(3) The challenge is to improve economic development results as described in this subsection by:

(A) identifying measurable results of improvement;

(B) designing evidence-based economic development strategies to achieve these improvements and the four goals of economic development identified in 10 V.S.A. § 3;

(C) directing available state funds to these strategies; and

(D) using objective, data-based indicators to measure performance of these strategies.

(b) Outcomes for economic development:

(1) Vermont achieves a sustainable annual increase in nonpublic sector employment and in median household income.

(2) Vermont attains a statewide, state-of-the-art telecommunications infrastructure.

(c) Design and implementation: Within four weeks of the enactment of this legislation, the persons to whom these challenges are issued shall provide the general assembly and the committees of jurisdiction with an initial design and

implementation plan to meet these challenges and achieve these outcomes.

This plan shall include:

(1) a system of accountability to measure success in meeting the challenges and achieving the outcomes. The measures shall be simple, objective, consistent, and based on data that are currently collected or could easily be collected;

(2) a description of changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes; and

(3) a schedule of accountability for meeting these challenges and achieving these outcomes that includes proposed milestones, assessments of effectiveness, and quarterly meetings with the house and senate committees of jurisdiction.

(d) In addition to the measures described in subsection (c), success in achieving the economic development outcomes should be measured with data-based indicators assessing the following:

(1) Change in real wages and personal income.

(2) Change in state employment and unemployment.

(3) Job growth and loss across industry sectors.

(4) Job readiness and training.

(5) Business growth.

(6) Number of child care slots available to working families.

(7) Broadband availability.

(8) Households utilizing broadband Internet service.

(9) Cell phone coverage.

Sec. 9. APPROPRIATIONS REDUCTIONS AND INVESTMENTS

(a) In creating the challenges for change and design for implementation, the general assembly and the executive branch have worked together. In implementation, the executive branch will take the lead, in accordance with established outcomes and accountability measures and reporting, with a joint executive and legislative steering team to oversee the implementation.

(b) In fiscal year 2011, the secretary of administration is authorized to reduce general fund appropriations or reduce other appropriated funds and make transfers to the general fund as specified for each of the challenges and is authorized to reinvest a portion of the reduced funds as specified in the following subsections. The secretary of administration, in consultation with the steering team, shall develop an initial outline for the use of these reinvestment funds in one-time expenditures which will most successfully implement the challenges. This outline should include investment criteria, should reserve a portion of the funding for future innovations not yet identified, and should provide both guidance and flexibility to the implementing agencies and departments. Agencies and departments may

apply to the secretary of administration for reinvestment funds in accordance with the outline. The secretary of administration shall report at least monthly to the steering team and the joint legislative government accountability committee on funds reinvested to meet these challenges.

(c) The secretary of administration shall have the following authority for each of the challenges:

(1) Charter Units. In fiscal year 2011, the secretary may reduce up to \$3 million of general funds appropriated to units of government that become charter units or make similar transfers to the general fund and may reinvest up to \$1 million of these funds to foster Charter Unit innovation.

(2) Performance Contracting and Grant Making. In fiscal year 2011, the secretary may reduce total appropriations up to \$7 million and may reinvest up to \$500,000.00 related to performance contracting. Of the total reduction after reinvestment, \$2,600,000.00 shall be general fund appropriations reductions or result in transfers to the general fund.

(3) Human Services. In fiscal year 2011, the secretary may reduce total human service appropriations by \$46,040,000.00 and may reinvest up to \$4 million of these funds as needed to accomplish this challenge. Of the total reduction after reinvestment, \$16,816,000.00 shall be general fund appropriations reductions or shall result in transfers to the general fund.

(4) Corrections. In fiscal year 2011, the secretary may reduce general fund appropriations in the department of corrections or other criminal justice system organization budgets by \$10 million and may reinvest up to \$3 million to accomplish this challenge; resulting in a net general fund reduction of \$7 million.

(5) Education. Focus on Learning. In fiscal year 2011, the secretary shall reduce the general fund appropriation and transfer to the education fund by \$3,966,375.00. It is expected that as part of the implementation plan developed in this act, total local education spending related to administration will be reduced by \$13,332,500.00, and of this total, \$2 million of education funds will be allocated for reinvestment to meet the challenge, and the remainder will result in lower property taxes.

(6) Special Education Incentives. In fiscal year 2011, the secretary shall reduce the general fund appropriation and transfer to the education fund by \$2,100,000.00. It is expected that as part of the implementation plan developed in this act, total special education spending will be reduced by \$7 million, and of this total, \$1 million of education funds will be allocated for reinvestment to meet the challenge, and the remainder will result in lower property taxes. It is anticipated that \$4,200,000.00 of this reduction will impact the special education grant.

(7) Regulatory Reform. In fiscal year 2011, the secretary may reduce total appropriations in the agencies of natural resources and agriculture by \$1,720,000.00 and may reinvest up to \$400,000.00 to accomplish this challenge. Of the total reduction after reinvestment, \$360,000.00 in general fund appropriations shall be reduced.

(8) Implement an Economic Development Strategy. In fiscal year 2011, the secretary may reduce total general fund appropriations related to economic development by \$3,430,000.00 and may reinvest up to \$400,000.00 to accomplish this challenge.

Sec. 10. EFFECTIVE DATE

This act shall take effect upon passage.