

Journal of the House

Thursday, February 18, 2010

At one o'clock and thirty minutes in the afternoon the Speaker called the House to order.

Devotional Exercises

Devotional exercises were conducted by Pastor Brad Keller of Journey Church, South Royalton, Vt.

Bill Referred to Committee on Appropriations

H. 268

House bill, entitled

An act relating to prohibiting mandatory overtime for health care employees

Appearing on the Calendar, carrying an appropriation, under rule 35a, was referred to the committee on Appropriations.

Bill Amended, Read Third Time and Passed

H. 281

House bill, entitled

An act relating to the removal of bodily remains

Was taken up and pending third reading of the bill, **Rep. Donahue of Northfield** moved to amend the bill as follows:

In Sec. 3, in 18 V.S.A. § 5217, by striking subsection (h) and inserting in lieu thereof the following:

(h) The permit shall require that all remains, markers, and relevant funeral-related materials associated with the burial site be removed, and the permit may require that the removal be conducted or supervised by a qualified professional archeologist in compliance with standard archeological process. All costs associated with the removal shall be paid by the applicant.

Which was agreed to to. Thereupon, the bill was read the third time and passed.

Third Reading; Bill Passed

H. 562

House bill, entitled

An act relating to the regulation of professions and occupations

Was taken up, read the third time and passed.

**Proposals of Amendment Agreed to; Bill Read Third Time and
Passed in Concurrence with Proposals of Amendment**

S. 117

Senate bill, entitled

An act relating to the date of the primary election

Was taken up and pending third reading of the bill, **Reps. Clark of Vergennes and Copeland-Hanzas of Bradford** moved to amend the House proposal of amendment as follows:

First: By striking Sec. 4 in its entirety and inserting in lieu thereof a new Sec. 4 to read:

Sec. 4. 17 V.S.A. § 2356 is amended to read:

§ 2356. TIME FOR FILING PETITIONS

Primary petitions and statements of nomination from minor party candidates and independent candidates shall be filed no sooner than the ~~first Monday in June~~ second Monday in May and not later than 5:00 p.m. on the ~~third Monday of July~~ second Thursday after the first Monday in June preceding the primary election prescribed by section 2351 of this title, and not later than 5:00 p.m. of the ~~42nd~~ 62nd day prior to the day of a special primary election.

Second: In Sec. 6, 17 V.S.A. § 2386, by striking subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read:

(a) Statements pursuant to this subchapter, except for vacancies created by the death or withdrawal of a candidate after the primary and statements for minor party candidates and independent candidates, shall be filed not ~~more than 60 days~~ earlier than the second Thursday after the first Monday in June before the day of the general election and not later than 5:00 p.m. on the ~~third day~~ Tuesday following the primary election.

Which was agreed to to. Thereupon, the bill was read the third time and passed in concurrence with proposals of amendment.

Bill Read Second Time; Third Reading Ordered

H. 763

Rep. Webb of Shelburne spoke for the committee on Fish, Wildlife & Water Resources.

House bill entitled

An act relating to establishment of an agency of natural resources' river corridor management program

Having appeared on the Calendar one day for notice, was taken up, and read the second time.

Thereupon, **Rep. Donahue of Northfield** moved to commit the bill to the committee on Appropriations.

Pending the question, Shall the bill be committed to the committee on Appropriations as recommended by the Rep. Donahue of Northfield? **Rep. Morrissey of Bennington** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be committed to the committee on Appropriations as recommended by the Rep. Donahue of Northfield? was decided in the negative. Yeas, 49. Nays, 95.

Those who voted in the affirmative are:

| | | |
|---------------------------------|---------------------------|-------------------------|
| Acinapura of Brandon | Howard of Cambridge | Myers of Essex |
| Ainsworth of Royalton | Hubert of Milton | O'Donnell of Vernon |
| Andrews of Rutland City | Johnson of Canaan | Olsen of Jamaica |
| Branagan of Georgia | Kilmartin of Newport City | Pearce of Richford |
| Brennan of Colchester | Koch of Barre Town | Peltz of Woodbury |
| Canfield of Fair Haven | Komline of Dorset | Perley of Enosburg |
| Clark of Vergennes | Krawczyk of Bennington | Reis of St. Johnsbury |
| Clerkin of Hartford | Larocque of Barnet | Rodgers of Glover |
| Crawford of Burke | Lawrence of Lyndon | Savage of Swanton |
| Devereux of Mount Holly | Lewis of Derby | Scheuermann of Stowe |
| Dickinson of St. Albans Town | Marcotte of Coventry | Shaw of Pittsford |
| Donaghy of Poultney | McAllister of Highgate | Townsend of Randolph |
| Donahue of Northfield | McDonald of Berlin | Turner of Milton |
| Fagan of Rutland City | McFaun of Barre Town | Wheeler of Derby |
| Helm of Castleton | McNeil of Rutland Town | Winters of Williamstown |
| Higley of Lowell | Morley of Barton | Wright of Burlington |
| | Morrissey of Bennington | |

Those who voted in the negative are:

| | | |
|-------------------------|--------------------------------|---------------------------|
| Adams of Hartland | Consejo of Sheldon | French of Shrewsbury |
| Ancel of Calais | Copeland-Hanzas of Bradford | French of Randolph |
| Atkins of Winooski | Corcoran of Bennington | Geier of South Burlington |
| Bissonnette of Winooski | Courcelle of Rutland City | Gilbert of Fairfax |
| Bohi of Hartford | Davis of Washington | Grad of Moretown |
| Botzow of Pownal | Deen of Westminster | Greshin of Warren |
| Bray of New Haven | Donovan of Burlington | Haas of Rochester |
| Browning of Arlington | Edwards of Brattleboro | Head of South Burlington |
| Burke of Brattleboro | Emmons of Springfield | Heath of Westford |
| Cheney of Norwich | Evans of Essex | Hooper of Montpelier |
| Clarkson of Woodstock | Fisher of Lincoln | Howard of Rutland City |
| Condon of Colchester | Frank of Underhill | Howrigan of Fairfield |
| Conquest of Newbury | | Jerman of Essex |

| | | |
|---------------------------|--------------------------|--------------------------|
| Jewett of Ripton | Masland of Thetford | Shand of Weathersfield |
| Johnson of South Hero | McCullough of Williston | Sharpe of Bristol |
| Keenan of St. Albans City | Miller of Shaftsbury | Smith of Mendon |
| Kitzmiller of Montpelier | Minter of Waterbury | South of St. Johnsbury |
| Klein of East Montpelier | Mitchell of Barnard | Spengler of Colchester |
| Krebs of South Hero | Mook of Bennington | Stevens of Waterbury |
| Lanpher of Vergennes | Moran of Wardsboro | Stevens of Shoreham |
| Larson of Burlington | Mrowicki of Putney | Sweaney of Windsor |
| Lenes of Shelburne | Nease of Johnson | Taylor of Barre City |
| Leriche of Hardwick | Nuovo of Middlebury | Till of Jericho |
| Lippert of Hinesburg | O'Brien of Richmond | Toll of Danville |
| Lorber of Burlington | Obuchowski of Rockingham | Waite-Simpson of Essex |
| Macaig of Williston | Orr of Charlotte | Webb of Shelburne |
| Maier of Middlebury | Partridge of Windham | Weston of Burlington |
| Malcolm of Pawlet | Pellett of Chester | Wilson of Manchester |
| Manwaring of Wilmington | Poirier of Barre City | Wizowaty of Burlington |
| Marek of Newfane | Potter of Clarendon | Young of St. Albans City |
| Martin of Springfield | Pugh of South Burlington | Zenie of Colchester |
| Martin of Wolcott | Ram of Burlington | Zuckerman of Burlington |

Those members absent with leave of the House and not voting are:

| | | |
|-----------------------------|-----------------------|----------------------|
| Aswad of Burlington | Baker of West Rutland | Peaslee of Guildhall |
| Audette of South Burlington | Milkey of Brattleboro | |

Pending the question, Shall the bill be read a third time? **Rep. Rodgers of Glover** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the bill be read a third time? was decided in the affirmative. Yeas, 92. Nays, 49.

Those who voted in the affirmative are:

| | | |
|-----------------------------|---------------------------|---------------------------|
| Ancel of Calais | Donaghy of Poultney | Howard of Rutland City |
| Bissonnette of Winooski | Donovan of Burlington | Jerman of Essex |
| Bohi of Hartford | Edwards of Brattleboro | Jewett of Ripton |
| Botzow of Pownal | Emmons of Springfield | Johnson of South Hero |
| Bray of New Haven | Evans of Essex | Keenan of St. Albans City |
| Browning of Arlington | Fisher of Lincoln | Kitzmiller of Montpelier |
| Burke of Brattleboro | Frank of Underhill | Klein of East Montpelier |
| Cheney of Norwich | French of Shrewsbury | Krebs of South Hero |
| Clarkson of Woodstock | French of Randolph | Lanpher of Vergennes |
| Condon of Colchester | Geier of South Burlington | Larson of Burlington |
| Conquest of Newbury | Gilbert of Fairfax | Lenes of Shelburne |
| Consejo of Sheldon | Grad of Moretown | Leriche of Hardwick |
| Copeland-Hanzas of Bradford | Greshin of Warren | Lippert of Hinesburg |
| Corcoran of Bennington | Haas of Rochester | Lorber of Burlington |
| Courcelle of Rutland City | Head of South Burlington | Macaig of Williston |
| Deen of Westminster | Heath of Westford | Maier of Middlebury |
| | Hooper of Montpelier | Malcolm of Pawlet |

| | | |
|-------------------------|--------------------------|--------------------------|
| Marek of Newfane | Obuchowski of Rockingham | Stevens of Shoreham |
| Martin of Springfield | Orr of Charlotte | Sweaney of Windsor |
| Martin of Wolcott | Partridge of Windham | Taylor of Barre City |
| Masland of Thetford | Pellett of Chester | Till of Jericho |
| McCullough of Williston | Poirier of Barre City | Toll of Danville |
| McFaun of Barre Town | Potter of Clarendon | Townsend of Randolph |
| Minter of Waterbury | Pugh of South Burlington | Waite-Simpson of Essex |
| Mitchell of Barnard | Ram of Burlington | Webb of Shelburne |
| Mook of Bennington | Shand of Weathersfield | Weston of Burlington |
| Moran of Wardsboro * | Sharpe of Bristol | Wilson of Manchester |
| Mrowicki of Putney | Smith of Mendon | Wizowaty of Burlington |
| Nease of Johnson | South of St. Johnsbury | Young of St. Albans City |
| Nuovo of Middlebury | Spengler of Colchester | Zenie of Colchester |
| O'Brien of Richmond | Stevens of Waterbury | Zuckerman of Burlington |

Those who voted in the negative are:

| | | |
|-------------------------|---------------------------|-------------------------|
| Acinapura of Brandon | Higley of Lowell | Morrissey of Bennington |
| Adams of Hartland * | Howard of Cambridge | Myers of Essex |
| Ainsworth of Royalton | Howrigan of Fairfield | O'Donnell of Vernon |
| Andrews of Rutland City | Hubert of Milton | Olsen of Jamaica |
| Branagan of Georgia | Johnson of Canaan | Pearce of Richford |
| Brennan of Colchester | Kilmartin of Newport City | Peltz of Woodbury |
| Canfield of Fair Haven | Koch of Barre Town | Perley of Enosburg |
| Clark of Vergennes | Komline of Dorset | Reis of St. Johnsbury |
| Clerkin of Hartford | Krawczyk of Bennington | Rodgers of Glover |
| Crawford of Burke | Larocque of Barnet | Savage of Swanton |
| Davis of Washington | Lawrence of Lyndon | Scheuermann of Stowe |
| Devereux of Mount Holly | Lewis of Derby | Shaw of Pittsford |
| Dickinson of St. Albans | Marcotte of Coventry | Turner of Milton |
| Town | McAllister of Highgate | Wheeler of Derby |
| Donahue of Northfield | McDonald of Berlin | Winters of Williamstown |
| Fagan of Rutland City | McNeil of Rutland Town | Wright of Burlington |
| Helm of Castleton | Morley of Barton | |

Those members absent with leave of the House and not voting are:

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| Aswad of Burlington | Baker of West Rutland | Miller of Shaftsbury |
| Atkins of Winooski | Manwaring of Wilmington | Peaslee of Guildhall |
| Audette of South Burlington | Milkey of Brattleboro | |

Rep. Adams of Hartland explained his vote as follows:

“Mr. Speaker:

I voted “yes” in committee to bring this bill to the floor for debate. I made it clear at that time my floor vote would be “no” because I feel it unnecessary to codify what is currently an active program at the Agency of Natural Resources.”

Rep. Moran of Wardsboro explained his vote as follows:

“Mr. Speaker:

This legislation further offers assistance to Stamford and other Vermont towns which are constantly threatened by flooding and unpredictable river course changes. Through cooperation between town and state we are reaching out to our fellow Vermonters to audit future property damage and loss.”

Bill Amended; Third Reading Ordered

H. 524

Rep. French of Shrewsbury, for the committee on Judiciary, to which had been referred House bill, entitled

An act relating to interference with or cruelty to a service animal

Reported in favor of its passage when amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 13 V.S.A. § 355 is added to read:

§ 355. INTERFERENCE WITH OR CRUELTY TO A GUIDE DOG

(a) As used in this section:

(1) “Custody” means the care, control and maintenance of a dog.

(2) “Guide dog” means a dog individually trained to do work or perform tasks for the benefit of an individual with a disability for purposes of guiding an individual with impaired vision, alerting an individual with impaired hearing to the presence of people or sounds, assisting an individual during a seizure, pulling a wheelchair, retrieving items, providing physical support and assistance with balance and stability, and assisting with navigation.

(3) “Notice” means a verbal or otherwise communicated warning regarding the behavior of another person and a request that the person stop the behavior.

(b) No person shall recklessly injure or cause the death of a guide dog, or permit a dog he or she owns or has custody of to injure or cause the death of a guide dog. A person who violates this subsection shall be imprisoned not more than two years or fined not more than \$3,000.00, or both.

(c) No person who has received notice or has knowledge that his or her behavior, or the behavior of a dog he or she owns or has custody of, is interfering with the use of a guide dog shall recklessly continue to interfere with the use of a guide dog, or allow the dog he or she owns or has custody of to continue to interfere with the use of a guide dog, by obstructing, intimidating, or otherwise jeopardizing the safety of the guide dog user or his

or her guide dog. A person who violates this subsection shall be imprisoned not more than one year or fined not more than \$1,000.00, or both.

(d) No person shall interfere with the use of a guide dog, or permit a dog he or she owns or has custody of to interfere with a guide dog, by obstructing, intimidating, or otherwise jeopardizing the safety of the guide dog user or his or her guide dog. A person who violates this subsection commits a civil offense and shall be:

(1) for a first offense, fined not more than \$100.00.

(2) for a second or subsequent offense, fined not more than \$250.00.

(e) As provided in section 7043 of this title, restitution shall be considered by the court in any sentencing under this section if the victim has suffered any material loss. Material loss for purposes of this section means uninsured:

(1) veterinary medical expenses;

(2) costs of temporary replacement assistance services, whether provided by a person or guide dog;

(3) replacement value of an equally trained guide dog without any differentiation for the age or experience of the dog;

(4) loss of wages; and

(5) costs and expenses incurred by the person as a result of the injury to the guide dog.

Sec. 2. 4 V.S.A. § 1102 is amended to read:

§ 1102. JUDICIAL BUREAU; JURISDICTION

* * *

(b) The judicial bureau shall have jurisdiction of the following matters:

* * *

(12) Violations of 13 V.S.A. § 352(3), (4), and (9), relating to cruelty to animals, and 13 V.S.A. § 355(e)(1) and (2), relating to interference with a guide dog.

and that after passage, the title of the bill be amended to read: “An act relating to interference with or cruelty to a guide dog”

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time.

Pending the question, Shall the House amend the bill as recommended by the committee on Judiciary? **Rep. French of Shrewsbury** moved to amend the report of the committee on Judiciary as follows:

In Sec. 2 by striking “13 V.S.A. § 355(e)(1) and (2)” and inserting in lieu thereof “13 V.S.A. § 355(d)”

Which was agreed to and the report of the committee on Judiciary, as amended, was agreed to and third reading ordered.

**Proposal of Amendment Agreed to; Third Reading Ordered;
Rules Suspended; Bill Read Third Time and Passed in Concurrence
With Proposal of Amendment; Rules Suspended and Bill Ordered
Messaged to the Senate Forthwith**

S. 286

Rep. Manwaring of Wilmington, for the committee on Appropriations, to which had been referred Senate bill, entitled

An act relating to challenges for change

The committee on Appropriations recommended that the House propose to the Senate to amend the bill by striking all after the enacting clause and inserting in lieu thereof the following:

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 the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

Sec. 3. PERFORMANCE CONTRACTING AND GRANT-MAKING
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. This challenge is directed to areas of government other than human services, which are addressed in Sec. 4 of this act.

(b) Outcomes for performance contracting and grants:

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

(2) 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 the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate

committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

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 be governed by the general outcomes in subdivision (1) of this subsection, while achieving the specific outcomes in subdivision (2):

(1) General outcomes.

(A) Children, families, and individuals are engaged in and contribute to their community's decisions and activities.

(B) Pregnant women and children thrive.

(C) Children are ready for school.

(D) Children succeed in school.

(E) Children live in safe, nurturing, stable, supported families.

(F) Youths choose healthy behaviors.

(G) Youths successfully transition to adulthood.

(H) Elders, people with disabilities, and individuals with mental health conditions live with dignity and independence in settings they prefer.

(I) Families and individuals live in safe and supportive communities.

(J) Adults lead healthy and productive lives.

(K) Vermonters receive affordable and appropriate health care at the appropriate time, and health care costs are contained over time.

(L) Families and individuals move out of poverty through education and advancement in employment.

(2) Specific outcomes.

(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 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 this subsection (b).

(v) The agency and service providers will involve employees and consumers of services in developing the strategies to meet these outcomes.

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

(i) All service providers will have performance measures or indicators based on the outcomes in this subsection (b).

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

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

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

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

(i) The administrative and reporting burden for nongovernmental service providers will be reduced.

(ii) Each nongovernmental service provider will have performance measures or indicators based on the outcomes provided for in this subsection (b).

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

(i) The administrative and reporting burden for the designated agencies will be reduced.

(ii) The designated agencies will have performance measures or indicators based on the outcomes provided for in this subsection (b).

(iii) 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.

(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 the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

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:

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

(2) The number of people coming into the corrections system shall decrease.

(3) The number of nonviolent offenders diverted from prison into the community while ensuring public safety and providing effective consequences for criminal behavior shall increase.

(4) Recidivism shall decrease.

(5) A unified crime prevention and justice system shall be established.

(6) Revenues realized within the corrections system from programs designed to develop skills of offenders shall increase.

(7) Short-term lodgings in department of corrections facilities shall decrease.

(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 the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

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 education spending savings of \$13.3 million in fiscal year 2011, and education spending savings of \$40 million in fiscal year 2012. 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, each of which outcomes are equally important, are:

(1) Increase electronic and distance learning opportunities that enhance learning, increase productivity, and promote creativity.

(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) Increase administrative efficiencies within education governance in a manner that promotes student achievement.

(5) Increase cost effectiveness in delivery of support services for students with individualized education plans.

(6) Increase the use of early intervention strategies that enable students to be successful in the general education environment and help avoid the later need for more expensive interventions.

(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 the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

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 processes achieve environmental standards, and are clear, timely, predictable, and coordinated between agencies and municipalities.

(2) The permitting process enables applicants to readily determine what permits and licenses are needed and what information must be submitted to apply for those permits and licenses.

(3) 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.

(4) Permitting, licensing, and environmental protective services are cost-effective and user friendly.

(5) The decision-making process is transparent, and citizens understand and participate in the process.

(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 the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

(d) The proposal for a system of accountability measures described in subdivision (c)(3) of this section shall also include 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 the following:

(1) A progress report on the plan of implementation.

(2) A request for any changes to or exemptions from existing law, rules, and regulations, or additional authority necessary to meet these challenges and achieve these outcomes.

(3) A proposal for a system of accountability to measure success in meeting the challenges and achieving the outcomes. The proposed system shall include measures that are simple, objective, consistent, and based on data that are currently collected or could easily be collected. The proposed system shall also include a schedule for accountability in meeting these challenges and achieving these outcomes, and shall identify milestones, include assessments of effectiveness, and provide for quarterly meetings with the house and senate committees of jurisdiction. The proposed system shall be submitted for approval as provided in Sec. 10 of this act.

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, appointed by the joint government accountability committee, 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 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 shall reduce general fund appropriations or make transfers to the general fund, or both, by a total of at least \$2,600,000.00; and to achieve this reduction, the secretary may reduce total appropriations up to \$7,000,000.00. The secretary may invest in performance contracting up to \$500,000.00 at any time during fiscal year 2011, so long as the general fund appropriation reductions under this subsection, by the end of fiscal year 2011, after this investment, equals or exceeds \$2,600,000.00.

(3) Human Services. In fiscal year 2011, the secretary shall reduce human services general fund appropriations or make transfers to the general fund, or both, by a total of at least \$16,816,000.00; and to achieve this reduction, the secretary may reduce total appropriations up to \$46,040,000.00. The secretary may invest up to \$4,000,000.00 as needed to accomplish this challenge at any time during fiscal year 2011, so long as the general fund appropriation reductions under this subsection, by the end of fiscal year 2011, after this investment, equals or exceeds \$16,816,000.00.

(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 up to \$10,000,000.00 and may reinvest up to \$3,000,000.00 to accomplish this challenge; but shall reduce general fund appropriations by at least \$7,000,000.00 plus the amount of reinvestment.

(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 from the 2009 estimates of fiscal year 2011 education spending used to determine property tax rate adjustments under 32 V.S.A. § 5402b; and up to \$2,000,000.00 of education funds may be allocated for reinvestment to meet this challenge, and savings in excess \$3,966,375.00 plus the amount of the reinvested funds 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 \$7,000,000.00, and of this total, \$1,000,000.00 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 shall reduce total general fund appropriations in the agencies of natural resources and agriculture by \$360,000.00, and to achieve this reduction, the secretary may reduce total appropriations to these agencies by up to \$1,720,000.00, and may reinvest up to \$400,000.00 to accomplish this challenge, so long as the general fund reductions under this subsection, by the end of fiscal year 2011, equals or exceeds \$360,000.00.

(8) Implement an Economic Development Strategy. In fiscal year 2011, the secretary shall reduce total general fund appropriations related to economic development by \$3,030,000.00, and to achieve this reduction, the secretary may reduce total appropriations related to economic development by up to \$3,430,000.00, and may reinvest up to \$400,000.00 to accomplish this challenge, so long as the general fund reductions under this subsection, by the end of fiscal year 2011, equals or exceeds \$3,030,000.00.

(d) In fiscal year 2010, up to \$4,000,000.00 of general funds are appropriated to the secretary of administration for one-time investments authorized in this act to meet the challenges. These funds shall be subject to requirements of subsection (b) of this section. The investments made in each challenge with the general funds appropriated in this subsection shall be offset within each challenge by a like amount of appropriation reductions or transfer of other funds to the general fund in fiscal year 2011, and reduction by a like

amount of the investment identified in subsection (c) of this section for that challenge.

Sec. 10. ADDITIONAL LEGISLATIVE STEPS TO IMPLEMENT THE CHALLENGES FOR CHANGE

(a) Within two weeks after submission of the proposed systems of accountability to the committees of jurisdiction, including all committees which participated in the design of the outcomes, those committees shall consider the proposed systems and make their recommendations to the joint government accountability committee (GAC) on whether the proposed systems will provide sufficient information for legislative oversight of progress toward the outcomes.

(b) GAC, upon recommendation from the committees, shall vote whether the proposed systems are sufficient and should be accepted, in whole or in part. For any portion of the proposed systems not accepted, GAC shall request the secretary of administration to revise and resubmit new proposed systems to the committees for their review and recommendation to GAC, followed by GAC's vote for acceptance or further request to the secretary of administration for revision and resubmission.

Sec. 11. EFFECTIVE DATE

This act shall take effect upon passage.

The bill, having appeared on the Calendar one day for notice, was taken up and read the second time.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the committee on Appropriations? **Rep. Manwaring of Wilmington** moved to amend the recommendation of proposal of amendment as follows:

First: In Sec. 3(a) by striking out the words "This challenge is directed to areas of government other than human services, which are addressed in Sec. 4 of this act." and inserting in lieu thereof "This challenge is directed to areas of government other than programmatic service grants and contracts in human services which are addressed in Sec. 4 of this act. It does apply to administrative and operational vendor contracts in human services, including such items as Medicaid claims, out-of-state beds, and prisoner health care.

Second: In Sec. 9(c)(5), by striking out the words "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 inserting in lieu thereof the words "It is expected that as part of the

implementation plan developed in this act, total local education spending related to administration, which includes expenditures related to general administration, school administration, and other support services as defined in the Summary of Annual Statistical Report of Schools (SASRS) as determined by the commissioner of education in consultation with the secretary of administration, will be reduced by \$13,332,500.00”

Which was agreed to.

Pending the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Appropriations? **Rep. Sweaney of Windsor** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House propose to the Senate to amend the bill as recommended by the Committee on Appropriations? was decided in the affirmative. Yeas, 122. Nays, 3.

Those who voted in the affirmative are:

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| Acinapura of Brandon | Fisher of Lincoln | Leriche of Hardwick |
| Adams of Hartland | Frank of Underhill | Lewis of Derby |
| Ainsworth of Royalton | French of Shrewsbury | Lippert of Hinesburg |
| Ancel of Calais | French of Randolph | Lorber of Burlington |
| Andrews of Rutland City | Geier of South Burlington | Macaig of Williston |
| Baker of West Rutland | Gilbert of Fairfax | Maier of Middlebury |
| Bissonnette of Winooski | Grad of Moretown | Malcolm of Pawlet |
| Bohi of Hartford | Greshin of Warren | Manwaring of Wilmington |
| Botzow of Pownal | Haas of Rochester | Marcotte of Coventry |
| Branagan of Georgia | Head of South Burlington | Marek of Newfane |
| Browning of Arlington | Heath of Westford | Martin of Springfield |
| Burke of Brattleboro | Helm of Castleton | Martin of Wolcott |
| Canfield of Fair Haven | Hooper of Montpelier | Masland of Thetford |
| Cheney of Norwich | Howard of Cambridge | McAllister of Highgate |
| Clarkson of Woodstock | Howard of Rutland City | McCullough of Williston |
| Clerkin of Hartford | Howrigan of Fairfield | McDonald of Berlin |
| Condon of Colchester | Hubert of Milton | McFaun of Barre Town |
| Conquest of Newbury | Jerman of Essex | McNeil of Rutland Town |
| Consejo of Sheldon | Jewett of Ripton | Miller of Shaftsbury |
| Corcoran of Bennington | Johnson of South Hero | Minter of Waterbury |
| Courcelle of Rutland City | Johnson of Canaan | Mitchell of Barnard |
| Crawford of Burke | Keenan of St. Albans City | Mook of Bennington |
| Davis of Washington | Kitzmiller of Montpelier | Moran of Wardsboro |
| Deen of Westminster | Klein of East Montpelier | Morley of Barton |
| Dickinson of St. Albans Town | Koch of Barre Town | Morrissey of Bennington |
| Donaghy of Poultney | Komline of Dorset | Mrowicki of Putney |
| Donovan of Burlington | Krebs of South Hero | Myers of Essex |
| Emmons of Springfield | Lanpher of Vergennes | Nease of Johnson |
| Evans of Essex | Larocque of Barnet | Nuovo of Middlebury |
| Fagan of Rutland City | Lawrence of Lyndon | O'Brien of Richmond |
| | Lenes of Shelburne | Obuchowski of Rockingham |

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| Olsen of Jamaica | Rodgers of Glover | Townsend of Randolph |
| Orr of Charlotte | Savage of Swanton | Waite-Simpson of Essex |
| Partridge of Windham | Scheuermann of Stowe | Webb of Shelburne |
| Pearce of Richford | Shand of Weathersfield | Weston of Burlington |
| Pellett of Chester | Sharpe of Bristol | Wilson of Manchester |
| Perley of Enosburg | Shaw of Pittsford | Winters of Williamstown |
| Poirier of Barre City | Smith of Mendon | Wizowaty of Burlington |
| Potter of Clarendon | Spengler of Colchester | Young of St. Albans City |
| Pugh of South Burlington | Stevens of Shoreham | Zenie of Colchester |
| Ram of Burlington | Sweaney of Windsor | Zuckerman of Burlington * |

Those who voted in the negative are:

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| Donahue of Northfield | O'Donnell of Vernon | Turner of Milton |
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Those members absent with leave of the House and not voting are:

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| Aswad of Burlington | Edwards of Brattleboro | South of St. Johnsbury |
| Atkins of Winooski | Higley of Lowell | Stevens of Waterbury |
| Audette of South Burlington | Kilmartin of Newport City | Taylor of Barre City |
| Bray of New Haven | Krawczyk of Bennington | Till of Jericho |
| Brennan of Colchester | Larson of Burlington | Toll of Danville |
| Clark of Vergennes | Milkey of Brattleboro | Wheeler of Derby |
| Copeland-Hanzas of Bradford | Peaslee of Guildhall | Wright of Burlington |
| Devereux of Mount Holly | Peltz of Woodbury | |
| | Reis of St. Johnsbury | |

Rep. Zuckerman of Burlington explained his vote as follows:

“Mr. Speaker:

I vote yes because this version is better than the underlying bill. However, I will be voting no to read the bill a third time. I explain my vote to save you the time of my requesting another roll call vote.

This bill avoids our obligation to Vermonters. We cede the budget process to the administrative branch which has not yet managed government with any of the efficiencies sought.

This is good long-term planning, but it should not be how we balance a budget. We should be more clear. Either cut services or raise revenues or both but we cannot waive a magic wand and have 38 million dollars just disappear without there being unforeseen and unfortunate consequences.”

On motion of **Rep. Komline of Dorset**, the rules were suspended and the bill placed on all remaining stages of passage in concurrence with proposal of amendment. The bill was read the third time and passed in concurrence with

proposal of amendment and, on motion of **Rep. Komline of Dorset**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

House Resolution Adopted

H.R. 28

House resolution, entitled

House resolution urging Vermonters to support relief efforts in Haiti

Was taken up and adopted on the part of the House.

House Resolution Adopted

H.R. 29

House resolution, entitled

House resolution urging Congress to support a fiscal year 2011 federal appropriation for the Northeast Great Waters

Was taken up and adopted on the part of the House.

Adjournment

At six o'clock and five minutes in the evening, on motion of **Rep. Komline of Dorset**, the House adjourned until tomorrow at nine o'clock and thirty minutes in the forenoon.