

# Journal of the House

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**Tuesday, April 27, 2010**

At ten o'clock in the forenoon the Speaker called the House to order.

## **Devotional Exercises**

Devotional exercises were conducted by Rep. Tim Jerman of Essex, Vt.

## **Pledge of Allegiance**

**Page William Capitani of West Dover** led the House in the Pledge of Allegiance.

## **Message from Governor**

A message was received from His Excellency, the Governor, by Mr. David M. Coriell, Secretary of Civil and Military Affairs, as follows:

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-first day of April, 2010, he approved and signed bills originating in the House of the following titles:

**H. 539 An act relating to amending the charter of the town of Hartford ;**

**H. 658 An act relating to the issuance of certificates of need for home health agencies and addressing patient transportation services in certificate of need applications.**

## **Message from the Senate No. 41**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered bills originating in the House of the following titles:

**H. 507.** An act relating to fostering connections to success in guardianships.

**H. 590.** An act relating to mediation in foreclosure proceedings.

**H. 647.** An act relating to misclassification of employees to lower premiums for workers' compensation and unemployment compensation.

**H. 725.** An act relating to farmers' markets.

**H. 783.** An act relating to miscellaneous tax provisions.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

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

**H. 765.** An act relating to establishing the Vermont agricultural innovation authority.

And has concurred therein.

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

**H. 784.** An act relating to the state's transportation program.

The President announced the appointment as members of such Committee on the part of the Senate:

Senator Mazza  
Senator Kitchel  
Senator Scott

The Governor has informed the Senate that on April 21, 2010, he approved and signed a bill originating in the Senate of the following title:

**S. 28.** An act relating to the regulation of landscape architects.

The Senate has on its part adopted Senate concurrent resolution of the following title:

**S.C.R. 49.** Senate concurrent resolution honoring former Senator Rita Whalen McCaffrey on her career accomplishments at Dismas of Vermont, Inc.

### **House Bills Introduced**

#### **H. 794**

By Rep. Toll of Danville,

House bill, entitled

An act relating to approval of the merger of the town of Cabot and the village of Cabot;

To the committee on Government Operations.

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**Bill Referred to Committee on Ways and Means****S. 278**

Senate bill, entitled

An act relating to the department of banking, insurance, securities, and health care administration

Appearing on the Calendar, affecting the revenue of the state, under the rule, was referred to the committee on Ways and Means.

**Bill Called Up****S. 122**

**Rep. Hubert of Milton** called up House bill, entitled

An act relating to recounts in elections for statewide offices

Which had been ordered to lie. Thereupon, under the rule, the bill was ordered placed on the Calendar for action on the next legislative day.

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;  
Committee of Conference Requested and Appointed**

**H. 783**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Ancel of Calais**, the rules were suspended and House bill, entitled

An act relating to miscellaneous tax provisions

Was taken up for immediate consideration.

The Senate proposed to the House to amend the bill as follows:

First: By striking out Sec. 1 in its entirety (tax expenditure report).

Second: By striking out Sec. 9 in its entirety (VAST trails).

Third: By striking out Sec. 13 in its entirety and inserting in lieu thereof a new Sec. 13 to read as follows:

Sec. 13. 32 V.S.A. § 9605(a) is amended to read:

(a) The tax imposed by this chapter shall be paid to ~~a town clerk~~ the commissioner at the time of ~~the delivery to that clerk for recording of a deed evidencing~~ a transfer of title to property subject to the tax.

Fourth: By striking out Sec. 16 in its entirety and inserting in lieu thereof a new Sec. 16 to read as follows:

Sec. 16. 32 V.S.A. § 9608(a) is amended to read:

(a) Except as to transfers which are exempt pursuant to subdivision 9603(17) of this title, no town clerk shall record, or receive for recording, any deed to which ~~has not been affixed an acknowledgment of return and tax payment under section 9607 of this title~~ is not attached a properly executed transfer tax return, complete and regular on its face, and a certificate in the form prescribed by the land use panel of the natural resources board and the commissioner of the department of taxes signed under oath by the seller or the seller's legal representative, that the conveyance of the real property and any development thereon by the seller is in compliance with or exempt from the provisions of chapter 151 of Title 10. The certificate shall indicate whether or not the conveyance creates the partition or division of land. If the conveyance creates a partition or division of land, there shall be appended the current "Act 250 Disclosure Statement," required by 10 V.S.A. § 6007. A town clerk who violates this section shall be fined \$50.00 for the first such offense and \$100.00 for each subsequent offense. A person who purposely or knowingly falsifies any statement contained in the certificate required is punishable by fine of not more than \$500.00 or imprisonment for not more than one year, or both.

Fifth: By striking out Secs. 19–24 in their entirety and inserting in lieu thereof the following:

Sec. 19. 32 V.S.A. § 6061(5) is amended to read:

(5) "Modified adjusted gross income" means "federal adjusted gross income":

(A) before the deduction of any trade or business loss, loss from a partnership, loss from a small business or "subchapter S" corporation, loss from a rental property, or capital loss, except that in the case of a business which sells a business property with respect to which it is required, under the Internal Revenue Code, to report a capital gain, a business loss incurred in the same tax year with respect to the same business may be netted against such capital gain;

(B) with the addition of the following, to the extent not included in adjusted gross income: alimony, support money other than gifts, gifts received by the household in excess of a total of \$6,500.00 in cash or cash-equivalents, cash public assistance and relief (not including relief granted under this subchapter), cost of living allowances paid to federal employees, allowances received by dependents of servicemen and women, the portion of Roth IRA distributions representing investment earnings and not included in adjusted gross income, railroad retirement benefits, payments received under the federal Social Security Act, ~~and~~ all benefits under Veterans' Acts, ~~and~~ federal pension and annuity benefits not included in adjusted gross income; nontaxable interest

received from the state or federal government or any of its instrumentalities, workers' compensation, the gross amount of "loss of time" insurance, and the amount of capital gains excluded from adjusted gross income, less the net employment and self-employment taxes withheld from or paid by the individual (exclusive of any amounts deducted to arrive at adjusted gross income or deducted on account of excess payment of employment taxes) on account of income included under this section, less any amounts paid as child support money if substantiated by receipts or other evidence that the commissioner may require; ~~and~~

(C) without the inclusion of: any gifts from nongovernmental sources other than those described in subdivision (B) of this subdivision (5); surplus food or other relief in kind supplied by a governmental agency; or the first \$6,500.00 of income earned by a full-time student who qualifies as a dependent of the claimant under the federal Internal Revenue Code; the first \$6,500.00 of income received by a person who qualifies as a dependent of the claimant under the Internal Revenue Code and who is the claimant's parent or disabled adult child; or payments made by the state pursuant to chapters 49 and 55 of Title 33 for foster care, or payments made by the state or an agency designated in ~~section 18 V.S.A. § 8907 of Title 18~~ for adult foster care or to a family for the support of an eligible person with a developmental disability. If the commissioner determines, upon application by the claimant, that a person resides with a claimant who is disabled or was at least 62 years of age as of the end of the year preceding the claim, for the primary purpose of providing attendant care services (as defined in ~~section 33 V.S.A. § 6321 of Title 33~~) or homemaker or companionship services, with or without compensation, which allow the claimant to remain in his or her home or avoid institutionalization, the commissioner shall exclude that person's modified adjusted gross income from the claimant's household income. The commissioner may require that a certificate in a form satisfactory to the commissioner be submitted which supports the claim; and

(D) with the addition of an asset adjustment of two times the sum of interest and dividend income above \$5,000.00, regardless of whether that dividend or interest income is included in adjusted gross income.

Sec. 20. 32 V.S.A. § 6061(4), (5), and (7) are amended to read:

(4) "Household income" means modified adjusted gross income, but not less than zero, received in a calendar year by:

(5) "Modified adjusted gross income" means "federal adjusted gross income":

(A) before the deduction of any trade or business loss, loss from a partnership, loss from a small business or "subchapter S" corporation, loss from a rental property, or capital loss, except that in the case of a business which sells a business property with respect to which it is required, under the Internal Revenue Code, to report a capital gain, a business loss incurred in the same tax year with respect to the same business may be netted against such capital gain;

(B) with the addition of the following, to the extent not included in adjusted gross income: alimony, support money other than gifts, gifts received by the household in excess of a total of \$6,500.00 in cash or cash-equivalents, cash public assistance and relief (not including relief granted under this subchapter), cost of living allowances paid to federal employees, allowances received by dependents of servicemen and women, the portion of Roth IRA distributions representing investment earnings and not included in adjusted gross income, railroad retirement benefits, payments received under the federal Social Security Act, all benefits under Veterans' Acts, federal pension and annuity benefits not included in adjusted gross income; nontaxable interest received from the state or federal government or any of its instrumentalities, workers' compensation, the gross amount of "loss of time" insurance, amounts deducted pursuant to 26 U.S.C. § 199, and the amount of capital gains excluded from adjusted gross income, less the net employment and self-employment taxes withheld from or paid by the individual (exclusive of any amounts deducted to arrive at adjusted gross income or deducted on account of excess payment of employment taxes) on account of income included under this section, less any amounts paid as child support money if substantiated by receipts or other evidence that the commissioner may require; ~~and~~

\* \* \*

(7) ~~"Rent constituting property taxes"~~ "Allocable rent" means for any housesite and for any taxable year, ~~at the claimant's option, (A) 21 percent of the gross rent or (B) that portion of the gross rent which equals the property tax assessed for payment in the calendar year allocable to the claimant's rental unit for the period rented by the claimant.~~ "Gross rent" means the rent actually paid during the taxable year by the individual or other members of the household solely for the right of occupancy of the housesite during the taxable year. ~~If a claimant's rent is government subsidized, the property tax allocable to the claimant's rental unit shall be reduced in the same proportion as the rent is reduced by the subsidy.~~ "Rent constituting property taxes" "Allocable rent" shall not include payments made under a written homesharing agreement pursuant to a nonprofit homesharing program, or payments for a room in a

nursing home in any month for which Medicaid payments have been made on behalf of the claimant to the nursing home for room charges.

Sec. 21. 32 V.S.A. § 6066(a) is amended to read:

(a) An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to an adjustment amount determined as follows:

(1)(A) For a claimant with household income of \$90,000.00 or more:

(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;

(ii) minus (if less) the sum of:

\* \* \*

~~(D) A claimant whose household income does not exceed \$90,000.00 shall also be entitled to an additional adjustment amount under this section of \$10.00 per acre, up to a maximum of five acres, for each additional acre of homestead property in excess of the two acre housesite. The adjustment amount under this section shall be shown separately on the notice of property tax adjustment to the claimant.~~

\* \* \*

(4) Credit limitation. In no event shall the credit provided for in subdivision (3) of this subsection exceed the amount of the reduced property tax.

Sec. 22. 32 V.S.A. § 6069 is amended to read:

§ 6069. LANDLORD CERTIFICATE

~~(a) Upon written request by a tenant before January 1, the owner of the rental unit shall provide to that tenant, by January 31, a certificate of rent constituting property tax for the preceding calendar year, which shall include a certificate of property tax allocable to the rental unit indicating the proportion of total property tax on that unit or parcel which was assessed for municipal property tax, for local share property tax and for statewide property tax.~~

~~(b)~~(a) By January 31 of each year, the owner of land rented as a portion of a homestead in the prior calendar year shall furnish a certificate of rent to each claimant who owned a portion of the homestead and rented that land as a portion of a homestead in the prior calendar year. The certificate shall indicate the proportion of total property tax on that parcel which was assessed for municipal property tax, for local share property tax and for statewide property tax.

~~(e)~~(b) The owner of each rental property consisting of more than ~~four~~ one rented homestead shall, not later than January 31 of each year, furnish a certificate of rent to each person who rented a homestead from the owner at any time during the preceding calendar year. All other owners of rented homestead units shall furnish such certificate upon request of the renter. If a renter moves prior to December 31, the owner may either provide the certificate to the renter at the time of moving or mail the certificate to the forwarding address if one has been provided by the renter or in the absence of a forwarding address, to the last known address. ~~An owner is not required to furnish a certificate under this section to a tenant who, at the time he or she entered into the rental agreement, or any later date, signed a waiver of the right to receive the certificate. The waiver shall not be a part of any written lease, but shall be a separate document. The tenant may revoke the written waiver at any time by providing the owner with written notice of the revocation. An owner shall not demand or require a tenant to sign a waiver as a condition of entering into or continuing a rental agreement. An owner shall not charge a higher rent, change any other condition of a rental agreement, or terminate a rental agreement because a tenant has failed or refused to sign a waiver or has revoked a waiver previously signed.~~

~~(d)~~(c) A certificate under this section shall be in a form prescribed by the commissioner and shall include the name of the renter, the address and any property tax parcel identification number of the homestead, notice of the requirements for eligibility for the property tax adjustment provided by this chapter, and any additional information which the commissioner determines is appropriate.

~~(e)~~(d)(1) An owner who knowingly fails to furnish a certificate to a renter as required by this section shall be liable to the commissioner for a penalty of ~~\$100.00~~ \$200.00 for each failure to act. An owner shall be liable to the commissioner for a penalty equal to the greater of ~~\$100.00~~ \$200.00 or the excess amount reported who:

~~(1)~~(A) willfully furnishes a certificate that reports total ~~rent constituting property taxes~~ allocable rent in excess of the actual amount paid; or

~~(2)~~(B) reports a total amount of ~~rent constituting property taxes~~ allocable rent that exceeds by ten percent or more the actual amount paid.

(2) Penalties under this subsection shall be assessed and collected in the manner provided in chapter 151 for the assessment and collection of the income tax.

~~(f)~~(e) Failure to receive a rent certificate shall not disqualify a renter from the benefits provided by this chapter.

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Sec. 23. STATUTORY REVISION

The legislative council is directed to revise the Vermont Statutes Annotated to reflect the change from “rent constituting property taxes” to “allocable rent.”

Sec. 24. FISCAL YEAR 2011 EDUCATION PROPERTY TAX RATE

(a) For fiscal year 2011 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rate of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.36 per \$100.00; and

(2) the tax rate for homestead property shall be \$0.87 multiplied by the district spending adjustment for the municipality per \$100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2011 only, “applicable percentage” in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.8 percent multiplied by the fiscal year 2011 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.8 percent.

Sixth: By striking out Secs. 27 and 28 in their entirety (capital gains).

Seventh: By adding a new Sec. 31A after the heading “\* \* \* Petroleum Cleanup Fund \* \* \*” to read as follows:

Sec. 31A. 10 V.S.A. § 1941(b)(1)(A) is amended to read:

(A) an underground storage tank defined as a category one tank after the first \$10,000.00 of the cleanup costs have been borne by the owners or operators of tanks used for commercial purposes, or after the first \$250.00 of the cleanup costs have been borne by the owners or operators of tanks with capacities equal to or less than 1,100 gallons used for farms or residential purposes. Disbursements on any site shall not exceed ~~\$990,000.00~~ \$1,240,000.00. These disbursements shall be made from the motor fuel account;

Eighth: By striking out Secs. 34, 35, 36, and 37 in their entirety (state collection of education property tax; education finance study; tax on nonprescription dietary supplements).

Ninth: By striking out Secs. 41 and 42 in their entirety and inserting in lieu thereof new Secs. 41 and 42 to read as follows:

Sec. 41. 32 V.S.A. chapter 151, subchapter 11M is added to read:

Subchapter 11M. Machinery and Equipment Investment Tax Credit§ 5930ll. MACHINERY AND EQUIPMENT TAX CREDIT(a) Definitions.

(1) “Full-time job” has the same meaning as defined in subdivision 5930b(a)(9) of this title.

(2) “Investment period” means the period commencing January 1, 2010, and ending December 31, 2014.

(3) “Qualified capital expenditures” means expenditures properly chargeable to a capital account by a qualified taxpayer during the investment period, totaling at least \$20 million for machinery and equipment to be located and used in Vermont for creating, producing, or processing tangible personal property for sale.

(4) “Qualified taxpayer” means a taxpayer that:

(A) is an existing business on January 1, 2010 with an aggregate average annual employment, including all employees of its related business units with which it files a combined or consolidated return for Vermont income tax purposes, during the investment period of no fewer than 200 full-time jobs in Vermont;

(B) is a taxable corporation under Subchapter C of the Internal Revenue Code;

(C) is a business whose operations at the time of application to the Vermont economic progress council are located in a Rural Economic Area Partnership (REAP) zone designated by the United States Department of Agriculture Rural Development Authority, engaged primarily in the creation, production, or processing of tangible personal property for sale; and

(D) proposes to make qualified capital expenditures in a Vermont REAP zone and such expenditures will contribute substantially to the REAP zone’s economy.

(5) “Qualified taxpayer’s Vermont income tax liability” means the corporate income tax otherwise due on the qualified taxpayer’s Vermont net income after reduction for any Vermont net operating loss as provided for under section 5382 of this title. For a qualified taxpayer that is a member of an affiliated group and that is engaged in a unitary business with one or more other members of that affiliated group, its Vermont net income includes the allocable share of the combined net income of the group.

(b) Certification.

(1) A qualified taxpayer may apply to the Vermont economic progress council for a machinery and equipment investment tax credit certification for all qualified capital expenditures in the investment period on a form prescribed by the council for this purpose.

(2) The council shall issue a certification upon determining that the applicant meets the requirements set forth in subsection (a) of this section.

(c) Amount of credit. Except as limited by subsections (e) and (f) of this section, a qualified taxpayer shall be entitled to claim against its Vermont income tax a credit in an amount equal to ten percent of the total qualified capital expenditures.

(d) Availability of credit.

(1) The credit earned under this section with respect to qualified capital expenditures shall be available to reduce the qualified taxpayer's Vermont income tax liability for its tax year beginning on or after January 1, 2012, or, if later, the first tax year within which the qualified taxpayer's aggregate qualified capital expenditures exceed \$20,000,000.00. A taxpayer claiming a credit under this subchapter shall submit with the first return on which a credit is claimed a copy of the qualified taxpayer's certification from the Vermont economic progress council.

(2) The credit may be used in the year earned or carried forward to reduce the qualified taxpayer's Vermont income tax liability in succeeding tax years ending on or before December 31, 2026.

(e) Limitations.

(1) The credit earned under this section, either alone or in combination with any other credit allowed by this chapter, may not be applied to reduce the qualified taxpayer's Vermont income tax liability in any one year by more than 80 percent, and in no event shall the credit reduce the taxpayer's income tax liability below any minimum tax imposed by this chapter.

(2) The total amount of credit authorized under this section shall be \$8,000,000.00 and in no event shall the credit in any one tax year exceed \$1,000,000.00. The credit shall be available on a first-come first-served basis by certification of the Vermont economic progress council pursuant to subsection (b) of this section.

(f) Recapture.

(1) A qualified taxpayer who has earned credit under this section with respect to its qualified capital expenditures shall notify the Vermont economic progress council in writing within 60 days if the taxpayer's trade or business is substantially curtailed in any calendar year prior to December 31, 2023.

(2) A qualified taxpayer's business shall be considered to be substantially curtailed when the average number of the taxpayer's full-time jobs in Vermont for any calendar year prior to December 31, 2023, is less than 60 percent of the highest average number of its full-time jobs in Vermont for any calendar year in the investment period. For purposes of the preceding calculation, the qualified taxpayer's full-time jobs in Vermont shall include all full-time jobs in Vermont of its related business units with which it files a combined or consolidated return for Vermont income tax purposes. A business shall not be considered to be substantially curtailed when the assets of the business have been sold but the business continues to be located in Vermont provided that the employment test of this subdivision is met.

(3) In the event that a qualified taxpayer has substantially curtailed its trade or business, then:

(A) the credit certification for such tax year and all succeeding tax years of the taxpayer shall be terminated;

(B) any credit previously earned and carried forward shall be disallowed; and

(C) any credit which has been previously used by the taxpayer to reduce its Vermont income tax liability shall be subject to recapture in accordance with the following table:

<u>Years between the close of the tax year when credit was earned and year when business was substantially curtailed:</u>	<u>Percent of credits to be repaid (%):</u>
<u>2 or less</u>	<u>100</u>
<u>More than 2, up to 4</u>	<u>80</u>
<u>More than 4, up to 6</u>	<u>60</u>
<u>More than 6, up to 8</u>	<u>40</u>
<u>More than 8, up to 10</u>	<u>20</u>
<u>More than 10</u>	<u>0</u>

(4) The recapture shall be reported on the income tax return of the taxpayer who claimed the credit for the tax year in which the taxpayer's trade or business was substantially curtailed, or the commissioner may assess the

recapture in accordance with the assessment and appeal provisions provided for in subchapter 8 of this chapter.

(5) Within 60 days of the close of the qualified taxpayer's tax year in which the taxpayer's trade or business was substantially curtailed, the taxpayer may petition the commissioner for a reduction in the amount of the credit subject to recapture and the disallowance of credit previously earned and carried forward. The commissioner shall hold a hearing within 45 days of the receipt of the taxpayer's petition. The commissioner shall have the discretion to reduce the amount of the credit subject to recapture and disallowance upon a showing of circumstances that contributed to the substantial curtailment of the taxpayer's trade or business. The decision of the commissioner shall be final and shall not be subject to judicial review.

(g) Reporting.

(1) Any qualified taxpayer who has been certified under subsection (b) of this section shall file a report with the Vermont economic progress council on a form prescribed by the council for this purpose and provide a copy of the report to the commissioner of the department of taxes.

(2) The report shall be filed for each year following the certification until the year following the last year the taxpayer claims the credit to reduce its Vermont income tax liability, or 2027, whichever occurs first.

(3) The report shall be filed by February 28 each year for activity the previous calendar year and include, at a minimum:

(A) The number of full-time jobs in each quarter and the average number of hours worked per week.

(B) The level of qualifying capital investments made if reporting on a year within an investment period; and

(C) The amount of tax credit earned and applied during the previous calendar year.

Sec. 42. REPEAL

Subchapter 11M of chapter 151 of Title 32 is repealed July 1, 2026, and no credit under that section shall be available for any taxable year beginning after June 30, 2026; provided, however, that if no qualified capital expenditures are made during the investment period, both terms as defined in 32 V.S.A. § 5930ll(a) of this act, the subchapter shall be repealed effective January 1, 2015.

Tenth: By striking out Secs. 43, 44 and 45 in their entirety.

Eleventh: By striking out Sec. 47 in its entirety and inserting in lieu thereof a new Sec. 47 to read as follows:

Sec. 47. 20 V.S.A. § 1548 is added to read:

§ 1548. VERMONT VETERANS' FUND

(a) There is created a special fund to be known as the Vermont veterans' fund. This fund shall be administered by the state treasurer and shall be paid out in grants on the recommendations of a nine-member committee comprised of:

- (1) The adjutant general or designee;
- (2) The Vermont veterans home administrator or designee;
- (3) The commissioner of the department of labor or designee;
- (4) The secretary of the agency of human resources or designee;
- (5) The commissioner of buildings and general services or designee;
- (6) The director of the White River Junction VA medical center or designee;
- (7) The director of the White River Junction VA benefits office, or designee; and
- (8) two members of the governor's veterans' council to be appointed by that council.

(b) The purpose of this fund shall be to provide grants or other support to individuals and organizations:

- (1) For the long-term care of veterans.
- (2) To aid homeless veterans.
- (3) For transportation services for veterans.
- (4) To fund veterans' service programs.

(c) The Vermont veterans' fund shall consist of revenues paid into it from the Vermont veterans' fund checkoff established in 32 V.S.A. § 5862e and from any other source.

(d) For purposes of this section, "veteran" means a resident of Vermont who served on active duty in the United States armed forces or the Vermont national guard or Vermont air national guard and who received an honorable discharge.

Twelfth: By adding a new section to be numbered Sec. 47a to read as follows:

Sec. 47a. 32 V.S.A. § 6067 is amended to read:

§ 6067. CREDIT LIMITATIONS

(a) Only one individual per household per taxable year shall be entitled to a benefit under this chapter. An individual who received a homestead exemption or adjustment with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive an adjustment under this chapter. No taxpayer shall receive total adjustments under this chapter in excess of \$8,000.00 related to any one property tax year.

(b) To be eligible for an adjustment under this chapter a claimant shall verify on a form prescribed by the commissioner that the aggregate net worth of all members of the household does not exceed \$1,000,000.00. If the claim for adjustment is prepared by a professional tax preparer, the preparer shall affirm, after reasonable inquiry that, to the best of his or her knowledge, the claim regarding net worth is accurate and complete. For purposes of this subsection, "net worth" means the excess of total assets over total liabilities; provided, however, that in determining net worth, the claimant shall disregard the following:

(1) The value of and the liability, if any, on the claimant's primary residence; and

(2) The value of any non-revocable trust fund established for the benefit of a minor or a disabled adult.

Thirteenth: By adding a new section to be numbered Sec. 47b to read as follows:

Sec. 47b. 32 V.S.A. § 9743(3)(B) is amended to read:

(B) Amusement charges by, and sales to or uses by such organizations shall be exempt from the tax under this chapter; except performances jointly produced or presented by a qualified organization and another person shall not be exempt from amusement tax under this section unless the organization bears the entire risk of loss of the production; the other person does not share in the profits of, and is not a party to any contracts with the performers related to, the production; and the organization is solely responsible for collection of all receipts and payment of all expenses associated with the production and accounts for the receipts and expenses on its books and records. A performance shall not be considered to be jointly produced or presented with another person, nor will another person be considered to be sharing in the

profits of a production, solely by reason of the organization's payment of all or a portion of gross revenues realized from the production, directly to the performer who provides entertainment at the performance, including artists, dancers, actors, singers, comedians, musicians and other performance artists, or to a business entity on behalf of the performer, as compensation for the performance.

Fourteenth: By adding 11 new sections to be numbered Secs. 48A-48K to read as follows:

\* \* \* Campaign Finance Checkoff \* \* \*

Sec. 48A. REPEAL

32 V.S.A. § 5862c (providing for a checkoff on Vermont income tax returns for the Vermont campaign fund) is repealed effective for taxable years beginning on and after January 1, 2010.

\* \* \* Transferability of Downtown Tax Credits \* \* \*

Sec. 48B. 32 V.S.A. § 5930dd(f) is added to read:

(f) In lieu of using a tax credit to reduce its own tax liability, an applicant may request the credit in the form of an insurance credit certificate that an insurance company may accept in return for cash and for use in reducing its tax liability under subchapter 7 of chapter 211 of this title in the first tax year in which the qualified building is placed back in service after completion of the qualified project or in the subsequent nine years. The amount of the insurance credit certificate shall equal the unused portion of the credit allocated under this subchapter, and an applicant requesting an insurance credit certificate shall provide to the state board a copy of any returns on which any portion of the allocated credit under this section was claimed.

Sec. 48C. 32 V.S.A. § 5930ff is amended to read:

§ 5930ff. RECAPTURE

If, within five years after completion of the qualified project, either of the following events occurs, the applicant shall be liable for a recapture penalty in an amount equal to the total tax credit claimed plus an amount equal to any value received from a bank for a bank or insurance credit certificate; and any credit allocated but unclaimed shall be disallowed to the applicant:

\* \* \*

\* \* \* Rutland-Clarendon Municipal Agreement \* \* \*

Sec. 48D. REPEAL

No. M-4 of 1981 of the Acts of 1981 (relating to the agreement between Rutland City and Clarendon) is repealed effective upon passage of this act.

\* \* \* Property Tax Exemption for Certain Skating Rinks \* \* \*

Sec. 48E. Sec. 40 of No. 190 of the Acts of the 2007 Adj. Sess. (2008) is amended to read:

Sec. 40. EDUCATION PROPERTY TAX EXEMPTION FOR SKATING RINKS USED FOR PUBLIC SCHOOLS

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

\* \* \*Current Use Advisory Board \* \* \*

Sec. 48F. CURRENT USE ADVISORY BOARD USE VALUE CALCULATION

The current use advisory board established pursuant to 32 V.S.A. § 3753 has provided to the general assembly a document entitled Methodology and Criteria used in the Determination of Vermont's Use Values for the Current Use Program" and dated April 12, 2010. The general assembly hereby deems that said document shall have the force and effect of administrative rules adopted pursuant to chapter 25 of Title 3 of the Vermont Statutes Annotated.

Sec. 48G. 32 V.S.A. § 7702 is amended to read:

\* \* \*

(6) "Little cigars ~~cigar~~" means any rolls of tobacco wrapped in leaf tobacco or any substance containing tobacco (other than any roll of tobacco which is a cigarette within the meaning of subdivision (1) of this section) and as to which 1,000 units weigh not more than three pounds roll for smoking made wholly or in part of tobacco (other than any roll of tobacco which is a cigarette within the meaning of subdivision (1) of this section) which includes a cellulose acetate filter or other integrated filter, or as to which 1,000 units weigh not more than three pounds.

\* \* \*

(21) "Integrated filter" means a component attached to the mouth end of a roll of tobacco, typically consisting of cellulose acetate, but which may incorporate or consist of other materials, which filters smoke prior to the smoke's entering the mouth.

Sec. 48H. 32 V.S.A. § 7771 is amended to read:

§ 7771. RATE OF TAX

(a) A tax is imposed on all cigarettes, little cigars, and roll-your-own tobacco held in this state by any person for sale, unless such products shall be:

- (1) in the possession of a licensed wholesale dealer;
- (2) in the course of transit and consigned to a licensed wholesale dealer or retail dealer; or
- (3) in the possession of a retail dealer who has held the products for 24 hours or less.

(b) Payment of the tax on cigarettes under this ~~subsection~~ section shall be evidenced by the affixing of stamps to the packages containing the cigarettes. Where practicable, the commissioner may also require that stamps be affixed to packages containing little cigars or roll-your-own tobacco. Any cigarette, little cigar, or roll-your-own tobacco on which the tax imposed by this ~~subsection~~ section has been paid, such payment being evidenced by the affixing of such stamp or such evidence as the commissioner may require, shall not be subject to a further tax under this chapter. Nothing contained in this chapter shall be construed to impose a tax on any transaction the taxation of which by this state is prohibited by the constitution of the United States. The amount of taxes advanced and paid by a licensed wholesale dealer or a retail dealer as herein provided shall be added to and collected as part of the retail sale price on the cigarettes, little cigars, or roll-your-own tobacco.

~~(b)~~(c) A tax is also imposed on all cigarettes, little cigars, and roll-your-own tobacco possessed in this state by any person for any purpose other than sale, as follows:

- (1) This tax shall not apply to:
  - (A) products bearing a stamp affixed pursuant to this chapter; or
  - (B) products bearing a tax stamp affixed pursuant to the laws of another jurisdiction with a tax rate equal to or greater than the rate set forth in subsection (c) of this section; or
  - (C) products purchased outside the state by an individual in quantities of 400 or fewer cigarettes, little cigars, and ~~0.09~~ 0.0325 ounce units of roll-your-own tobacco, and brought into the state for that individual's own use or consumption. Products that are ordered from a source outside the state and delivered into this state are not "purchased outside the state" within the meaning of this subsection.

(2) There is allowed a credit against the tax under this subsection for cigarette, little cigars, or roll-your-own tobacco tax paid to another jurisdiction and evidenced by tax stamps affixed to the subject products pursuant to the laws of that jurisdiction.

(3) A person taxable under this ~~subsection~~ section shall, within 30 days of first possessing the products in this state, file a return with the commissioner, showing the quantity of products brought into the state. The return must be made in the form and manner prescribed by the commissioner and be accompanied by remittance of the tax due.

~~(e)~~(d) The tax imposed under this section shall be at the rate of 112 mills per cigarette or little cigar and for each ~~0.09~~ 0.0325 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. 48I. 32 V.S.A. § 7811 is amended to read:

#### § 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all tobacco products except roll-your-own tobacco and little cigars taxed under section 7771 of this title possessed in the state of Vermont by any person for sale on and after July 1, 1959 which were imported into the state or manufactured in the state after said date, except that no tax shall be imposed on tobacco products sold under such circumstances that this state is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the armed forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. Such tax is intended to be imposed only once upon the wholesale sale of any tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at ~~\$1.66~~ \$1.87 per ounce, or fractional part thereof, and new smokeless tobacco, which shall be taxed at the greater of ~~\$1.66~~ \$1.87 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of ~~\$1.99~~ \$2.24 per package. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all tobacco products within the state are subject to tax until the contrary is established and the burden of proof that any tobacco products are not taxable hereunder shall be upon the person in possession thereof. Wholesalers of tobacco products shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 48J. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff and new smokeless tobacco. A floor stock tax is hereby imposed upon every retailer of snuff or new smokeless tobacco in this state in the amount by which the new tax exceeds the amount of the tax already paid on the snuff or new smokeless tobacco. The tax shall apply to snuff and new smokeless tobacco in the possession or control of the retailer at 12:01 a.m. ~~on July 1, 2006,~~ following enactment of this act but shall not apply to retailers who hold less than \$500.00 in wholesale value of ~~such~~ snuff and new smokeless tobacco. Each retailer subject to the tax shall, on or before July 25, ~~2006~~ following enactment of this act file a report to the commissioner in such form as the commissioner may prescribe showing the snuff on hand at 12:01 a.m. ~~on July 1, 2006,~~ following enactment of this act and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before ~~August 25, 2006~~ July 25 following enactment of this act, and thereafter shall bear interest at the rate established under ~~section 32 V.S.A. § 3108 of this title.~~ In case of timely payment of the tax, the retailer may deduct from the tax due two percent of the tax. Any snuff or new smokeless tobacco with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

(b) ~~Cigarettes, little cigars, or roll~~ Roll-your-own tobacco. Notwithstanding the prohibition against further tax on ~~stamped cigarettes, little cigars, or roll-your-own tobacco~~ under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of ~~cigarettes, little cigars, or roll-your-own tobacco~~ in this state who is either a wholesaler, or a retailer who at 12:01 a.m. on July 1 following enactment of this act, has ~~more than 10,000 cigarettes or little cigars or who has~~ \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for ~~each cigarette, little cigar, or the~~ roll-your-own tobacco in the possession or control of the wholesaler or retailer at 12:01 a.m. on July 1 following enactment of this act, ~~and on which cigarette stamps have been affixed before July 1 following enactment of this act.~~ A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. on July 1 following enactment of this act, ~~and not yet affixed to a cigarette package, and the tax shall be at the rate of \$0.25 per stamp.~~ Each wholesaler and retailer subject to the tax shall, on or before July 25 following enactment of this act, file a report to the commissioner in such form as the commissioner may prescribe showing

the ~~cigarettes, little cigars, or roll-your-own tobacco and stamps~~ on hand at 12:01 a.m. on July 1 following enactment of this act, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25 following enactment of this act, and thereafter shall bear interest at the rate established under ~~section 32 V.S.A. § 3108 of this title~~. In case of timely payment of the tax, the wholesaler or retailer may deduct from the tax due two and three-tenths of one percent of the tax. Any ~~cigarettes, little cigars, or roll-your-own tobacco~~ with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

Sec. 48K. 32 V.S.A. § 5402b(b) is amended to read:

§ 5402B. STATEWIDE EDUCATION TAX RATE ADJUSTMENTS

(b) If the commissioner makes a recommendation to the general assembly to adjust the education tax rates under section 5402 of this title, the commissioner shall also recommend a proportional adjustment to the applicable percentage base and for homestead income-based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below 1.8 percent. The commissioner shall include in the recommendation specific information on the total amount of annual education property tax adjustments, the percentage of Vermont households that are provided an education property tax adjustment or renter rebate based on household income, and the dollar limitations that are used for each of the computations under this chapter. Based on the foregoing information, the commissioner shall make a recommendation regarding the dollar limitations provided for in statute and whether such limitations should be increased or decreased in order to maintain the same percentage level of households from the previous fiscal year that are eligible for an education property tax adjustment or renter rebate based on household income.

Sec. 48L. 32 V.S.A. § 5402b(b) is amended to read:

§ 5402B. STATEWIDE EDUCATION TAX RATE ADJUSTMENTS

(b) If the commissioner makes a recommendation to the general assembly to adjust the education tax rates under section 5402 of this title, the commissioner shall also recommend a proportional adjustment to the applicable percentage base and for homestead income-based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below 1.8 percent. ~~The commissioner shall include in the recommendation specific information on the total amount of annual education property tax adjustments, the percentage of Vermont households that are provided an education property tax adjustment or renter rebate based on~~

~~household income, and the dollar limitations that are used for each of the computations under this chapter. Based on the foregoing information, the commissioner shall make a recommendation regarding the dollar limitations provided for in statute and whether such limitations should be increased or decreased in order to maintain the same percentage level of households from the previous fiscal year that are eligible for an education property tax adjustment or renter rebate based on household income.~~

Fifteenth: By striking out Sec. 49 in its entirety and inserting in lieu thereof a new Sec. 49 to read as follows:

Sec. 49. EFFECTIVE DATES

This act shall take effect upon passage, except:

(1) Sec. 3 (collection assistance fees) shall apply to fees assessed on or after July 1, 2010.

(2) Sec. 5 (local option tax administration fee) shall apply to all returns filed with the department on or after July 1, 2010.

(3) Sec. 7 (Vermont economic growth incentive recapture) shall take effect retroactively on January 1, 2010.

(4) Secs. 11–15 (property transfer tax) shall apply to transfers occurring on or after January 1, 2011.

(5) Secs. 17 and 19 (definition of modified adjusted gross income; computation) shall apply to homestead property tax adjustments claims made in 2010 and after and shall apply to renter rebate claims made in 2011 and after.

(6) Secs. 18 and 20 (definitions of household income, modified adjusted gross income, and allocable rent; landlord certificate) shall apply to property tax adjustment and renter rebate claims made in 2011 and after.

(7) Sec. 23 (estate tax petition for refund) shall apply to decedents dying after December 31, 2009.

(8) Sec. 25 (link to Internal Revenue Code) shall apply to taxable years beginning on and after January 1, 2009.

(9) Sec. 27 (compensating use tax percentage) shall apply to taxable years beginning on and after January 1, 2010.

(10) Sec. 28 (increasing the per-site disbursement cap) shall apply to any remediation currently in progress and all future remediation.

(11) Sec. 29 (petroleum cleanup fund) shall take effect on July 1, 2010.

(12) Sec. 30 (fuel gross receipts tax) shall apply to sales of fuels on or after July 1, 2010.

(13) Sec. 31 (add-back of one-third of production activity deduction) shall apply to tax years beginning on and after January 1, 2010, and before January 1, 2012.

(14) Sec. 32 (full flow-through of production activity deduction) shall apply to tax years beginning on and after January 1, 2012.

(15) Sec. 34 (machinery and equipment investment tax credit) shall apply to taxable years beginning on and after January 1, 2012.

(16) Sec. 37 (income tax return checkoff for Vermont veterans' fund) shall apply to income tax returns for taxable years 2010 and after.

(17) Secs. 39 and 40 of this act (insurance credit certificates) shall take effect upon passage and shall apply to tax years beginning on or after January 1, 2010.

(18) Secs. 43–45 (tobacco taxes) shall take effect on July 1, 2010.

(19) Sec. 47b of this act (amusement tax exemption for 501(c)(3) organizations) shall take effect upon passage and apply to all related amusement charges on and after January 1, 2006.

(20) Sec. 48L shall take effect on April 15, 2011.

And by renumbering all sections and cross-references to be numerically correct.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Ancel of Calais** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

**Rep. Ancel of Calais**

**Rep. Obuchowski of Rockingham**

**Rep. Condon of Colchester**

**Third Reading; Bills Passed in Concurrence  
With Proposal of Amendment**

The following bills were severally taken up, read the third time and passed in concurrence with proposal of amendment.

**S. 165**

Senate bill, entitled

An act relating to eliminating the statute of limitations for felonies

**S. 268**

Senate bill, entitled

An act relating to the building bright futures council

**Third Reading; Bill Passed in Concurrence**

**S. 173**

Senate bill, entitled

An act relating to technical corrections to the trust laws

**Proposal of Amendment Agreed to; Third Reading Ordered**

**S. 97**

**Rep. Evans of Essex**, for the committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to a Vermont state employees' cost-savings incentive program

Reported in favor of its passage in concurrence with proposal of amendment as follows:

By striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 3 V.S.A. § 266 is added to read:

§ 266. VERMONT STATE AND JUDICIARY EMPLOYEES'  
COST-SAVINGS INCENTIVE PROGRAM

(a) For the purposes of this section:

(1) “State employee” means any classified, nonmanagement, state employee in the executive or judicial branch.

(2) “Suggestion” means a proposal by a state employee that has been submitted to an agency in which the employee is employed that may result in financial savings for that agency.

(b) There is established the Vermont state and judiciary employees' cost-savings incentive program. The program shall provide financial incentives to state and judiciary employees who make suggestions that are adopted and result in financial savings for any agency, department, board, bureau, commission, or other administrative unit of the state, or for the judiciary department.

(c) To be eligible for an award under this program, a state or judiciary employee or group of employees shall submit a suggestion to reduce expenditures on a form created by the department of human resources designated for this purpose. An employee shall have received at least a satisfactory rating in his or her last state performance evaluation to be eligible for any award. An employee who is otherwise eligible for an award under this section shall not receive the award until he or she has satisfied any and all state tax obligations.

(d) Within 60 days of the receipt of a suggestion, the agency, department, board, bureau, commission, or other administrative unit of the state, or the judiciary department receiving a suggestion shall determine whether:

(1) the suggestion is feasible and desirable;

(2) the suggestion is an idea that is not already under active study or has not been under continual review by the state;

(3) the suggestion is beyond the reasonable expectations of job performance, as informed by the employee's job specifications; and

(4) implementation of the suggestion will not negatively impact the quality of services presently provided by the state.

(e) An employee shall be entitled to an award only if his or her suggestion meets each of the criteria set forth in subsection (d) of this section and the suggestion is implemented.

(f) Any agency, department, board, bureau, commission, or other administrative unit of the state, or the judiciary department that receives a suggestion shall present its assessment of the criteria set forth in subsection (d) of this section on the form designated for this purpose and shall state whether it intends to implement the suggestion. A copy of this form shall be sent to the employee or employees making the suggestion, the department of human resources, and the department of finance and management if the employee making the suggestion is an executive branch employee and to the court administrator if the employee making the suggestion is a judiciary department employee.

(g) If the agency, department, board, bureau, commission, or other administrative unit of the state, or judiciary department that receives a suggestion rejects the suggestion, the employee may submit a copy of the form and the assessment to the secretary of administration, if the employee is an executive branch employee. The secretary may affirm or overrule the decision of the agency, department, board, bureau, commission, or other administrative unit of the state, and his or her decision shall be final. If the employee is a

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judiciary department employee, the employee shall submit the form and assessment to the court administrator, who may affirm or overrule the decision of the judiciary department. The decision of the court administrator is final.

(h) If each of the criteria set forth in subsections (d) and (e) of this section is met, the agency, department, board, bureau, commission, or other administrative unit of the state, or the judiciary department shall implement the suggestion. The employee or group of employees making the suggestion shall then be entitled to a total monetary award equal to 25 percent of the savings realized as a direct result of the suggestion in the first year of its implementation, but the maximum total monetary award shall not exceed \$20,000.00 under any circumstances. If the suggestion is simultaneously made by more than one employee, the award shall be divided equally among the employees who submitted the suggestion. The sum awarded shall be reportable as wages and subject to applicable state and federal taxes, as appropriate. The award shall be computed on the actual savings for a 12-month period, with the period to run from the time that the suggestion is fully implemented. An award made pursuant to this section shall be paid out of funds appropriated to the agency, department, board, bureau, commission, or other administrative unit of the state, or the judiciary department, that realizes the cost savings, and shall be paid to the employee within one year and 30 days of full implementation of the suggestion. An award shall not be included when calculating an employee's average final compensation for determining the employee's retirement allowance.

(i) If an employee who is eligible for an award under this section terminates state service prior to full implementation of his or her suggestion, the employee shall be entitled to receive an award equal to the savings calculated at the date of termination of service.

(j) If an employee believes that the agency, department, board, bureau, commission, or other administrative unit of the state, or the judiciary department has erroneously calculated or underestimated the savings realized by the suggestion, the employee may submit an objection to the amount awarded in writing, within 30 days of the award, to the secretary of administration or the court administrator, as appropriate. The secretary of administration or the court administrator, with the guidance of the commissioner of finance and management, shall review the amount awarded, and may increase the amount of an award or affirm the award. The decision of the secretary of administration or the court administrator shall be final.

(k) In the event an employee's suggestion is denied on the basis of the criteria set forth in subdivision (d)(1) or (4) of this section, and is subsequently

implemented within three years of the date the employee made the suggestion, the employee shall receive a monetary award in accordance with subsection (g) of this section.

(l) The secretary of administration and the court administrator shall file a report with the governor, the state auditor, and the general assembly for each fiscal year, beginning on January 1, 2012, summarizing the suggestions implemented and the savings realized. The secretary shall also identify the suggestions that were rejected and the rationale for these rejections. A copy of this report shall be provided to the director of the Vermont state employees' association.

(m) The joint legislative government accountability committee and the state auditor shall review the secretary of administration's and court administrator's reports on the program with the director of the Vermont state employees' association, or his or her designee, at least once during each fiscal year.

## Sec. 2. REPEAL

Sec. 1 (3 V.S.A. § 266) of this act shall be repealed on July 1, 2014.

**Rep. Crawford of Burke**, for the committee on Appropriations, recommended that the bill ought to pass in concurrence when amended as recommended by the committee on Government Operations.

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the report of the committees on Government Operations and Appropriations agreed to and third reading ordered.

### **Proposal of Amendment Agreed to; Third Reading Ordered**

#### **S. 295**

**Rep. Stevens of Shoreham**, for the committee on Agriculture, to which had been referred Senate bill, entitled

An act relating to the creation of an agricultural development director

Reported in favor of its passage in concurrence with proposal of amendment as follows:

By striking all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Agricultural Development \* \* \*

## Sec. 1. FINDINGS

The general assembly finds:

(1) Vermont agriculture is the most visible industry in Vermont. Farmers provide food, and they steward the land, which provides natural habitat and scenery that is central to Vermont's character and working landscape.

(2) Forestry is also central to Vermont's character and working landscape, and 75 percent of Vermont is forested.

(3) Agriculture and forestry are major drivers of the tourism industry and offer many other recreational values and benefits.

(4) Ninety-five percent of Vermont's visitors purchase locally produced food items while in the state, and two-thirds of these visitors report purchasing Vermont-made products while at home.

(5) The Vermont brand, which signals quality and value and reminds consumers of the rural beauty of Vermont, presents considerable opportunities for expanding out-of-state markets for value-added Vermont products.

(6) Vermont agricultural producers should play an important role in supplying the regional food system while enhancing and expanding the development of regional agriculturally related markets.

(7) Vermont agriculture's impact on the state's economy is significant. The total value of direct, indirect, and value-added Vermont agricultural products sold in 2008 was \$2.3 billion. The farm-gate revenue generated by Vermont agricultural products sold in 2008 was \$673.7 million. Agri-tourism and recreational services related to agriculture had a 2008 market value of \$1.5 million.

(8) Vermont's tourism industry is highly dependent on the pervasiveness of agriculture and forestry in the state and contributes \$2 billion to the state's economy each year.

(9) Ninety-seven percent of Vermonters also support the state's agriculture and working landscape, and support for the viability of agriculture, including innovative agriculture, is long recognized.

(A) Relationship-based food systems such as farm-to-school programs, community supported agriculture (CSA) programs, farmers' markets, and pick-your-own operations are increasingly popular and offer areas of opportunity for farmers.

(B) The Vermont council on rural development, the Vermont housing and conservation board, the sustainable agriculture council, and others have each issued detailed reports on how to enhance the sustainability of agriculture and forestry in this state.

(C) The general assembly enacted No. 38 of the Acts of 2007, an act relating to the viability of Vermont agriculture, with specific recommendations as to how to “support and develop a more robust and self-sustaining agricultural sector that also promotes agricultural industries.”

(D) The Farm-to-Plate Investment Program, approved at the end of the 2009 Vermont legislative session, directs the Vermont sustainable jobs fund, in consultation with the sustainable agriculture council and other stakeholders, to develop a 10-year strategic plan to strengthen Vermont’s farm and food sector.

(10) Over the years there have been many reports and plans produced by a variety of stakeholders, including the agency of agriculture, food and markets. While some of the resulting recommendations have been adopted, such as the buy local program, the small business development center, and the installation of electronic benefits transfer machines at farmers’ markets, the successful implementation of other recommendations could be enhanced through the sustained attention and actions of an entity such as the proposed agricultural development board.

(11) The agency of agriculture, food and markets has a broad range of expertise and experience that can contribute to the success of the agricultural development board.

(12) In order to provide continuity for the development and implementation of a comprehensive agricultural economic development policy, and to protect and promote Vermont’s agricultural and working landscape, a new body of state leaders and creative thinkers is needed to implement agricultural development strategies, including the Farm-to-Plate Investment Program’s strategic plan.

(13) In order to provide continuity of agricultural development work within the agency of agriculture, food, and markets, the leadership role within the agency’s agricultural development division should return to a classified position.

Sec. 2. ELIMINATION OF POSITION OF DEPUTY COMMISSIONER  
FOR AGRICULTURAL DEVELOPMENT AND CREATION OF  
POSITION OF AGRICULTURAL DEVELOPMENT  
DIRECTOR

(a) The general assembly authorizes and directs the elimination of the position of deputy commissioner for agricultural development within the agency of agriculture, food and markets.

(b) The general assembly authorizes and directs the creation of a position of agricultural development director within the agency of agriculture, food and markets. The position shall be a classified position. The director's responsibilities shall be those set forth in 6 V.S.A. § 2963(b) and those delegated by the secretary.

Sec. 3. 3 V.S.A. § 253(e) is amended to read:

\* \* \*

(e) The secretary of agriculture, food and markets, with the approval of the governor, shall appoint a deputy commissioner for administration and enforcement, ~~and a deputy commissioner for agricultural development.~~ The secretary of agriculture, food and markets may remove the deputy ~~commissioners~~ commissioner at pleasure, and he or she shall be responsible for ~~their~~ the deputy commissioner's acts. The agency of agriculture, food and markets shall be so organized that, subject to the supervision of the secretary of agriculture, food and markets, the functions and duties that relate to administration and enforcement shall be in the charge of the deputy commissioner of administration and enforcement, ~~and those that relate to agricultural development shall be in the charge of the deputy commissioner of agricultural development.~~

Sec. 4. 6 V.S.A. § 2966 is added to read:

§ 2966. AGRICULTURAL DEVELOPMENT BOARD; ORGANIZATION; DUTIES AND AUTHORITY

(a) Purpose. The purpose of this section is to create a permanent Vermont agricultural development board that is authorized and empowered as the state's primary agricultural development entity.

(1) The board is charged with:

(A) optimizing the agricultural use of Vermont lands and other agricultural resources;

(B) expanding existing markets and identifying and developing new profitable in-state and out-of-state markets for food, fiber, forest products, and value-added agricultural products, including farm-derived renewable energy; and

(C) identifying opportunities and challenges related to infrastructure, product development, marketing, training, research, and education;

(2) The board shall:

(A) review existing strategies and plans and develop, implement, and continually update a comprehensive statewide plan to guide and encourage agricultural development and new and expanded markets for agricultural and forest products;

(B) advise and make recommendations to the secretaries of relevant state agencies, the governor, the director of the state experiment station, the University of Vermont extension service, and the general assembly on the adoption and amendment of laws, regulations, and governmental policies that affect agricultural development, land use, access to capital, the economic opportunities provided by Vermont agriculture, and the well-being of the people of Vermont;

(C) monitor and report on Vermont's progress in achieving the agricultural economic development goals identified by the board; and

(D) balancing the needs of production methods with the opportunities to market products that enhance Vermont agriculture.

(b) Board created. The Vermont agricultural development board is hereby created. The exercise by the board of the powers conferred upon it in this section constitutes the performance of essential governmental functions.

(c) Powers and duties. The board shall have the authority and duty to:

(1) meet, at least quarterly, to conduct such business and take such action as is necessary to perform the duties set forth in this section;

(2) design and conduct an ongoing public engagement process, which may include taking testimony and receiving information from any party interested in the board's activities;

(3) gain information through the use of experts, consultants, and data to perform analysis as needed, and obtain necessary data and information from state economists, state administrative agencies, and programs such as the farm-to-plate initiative; and

(4) serve as a resource for and make recommendations to the administration and the general assembly on ways to improve Vermont's laws, regulations, and policies in order to attain the goals of the comprehensive agricultural economic development plan.

(5) develop an annual operating budget; and

(A) solicit any grants, gifts, or appropriations necessary to implement the budget.

(B) expend any monies necessary to carry out the purposes of this section.

(d) Comprehensive agricultural economic development plan.

(1) Using information available from previous and ongoing agricultural development planning efforts, such as the farm-to-plate investment program's strategic plan, and the board's own data and assumptions, the board shall develop and implement a comprehensive agricultural economic development plan for the state of Vermont. The plan shall include, at minimum, the following:

(A) an assessment of the current status of agriculture in Vermont;

(B) current and projected workforce composition and needs;

(C) a profile of emerging business and industry sectors projected to present future agricultural economic development opportunities, and a cost-benefit analysis of strategies and resources necessary to capitalize on these opportunities;

(D) a profile of current components of physical and social infrastructure affecting agricultural economic development;

(E) a profile of government-sponsored programs, agricultural economic development resources, and financial incentives designed to promote and support agricultural economic development, and a cost-benefit analysis of continued support, expansion, or abandonment of these programs, resources, and incentives;

(F) the use of the Vermont brand to further agricultural development;

(G) the enhancement and expansion of out-of-state marketing of Vermont products; and

(H) any additional issues as the board determines appropriate.

(2) Based on its research and analysis, the board shall establish in the plan a set of clear strategies with defined and measurable outcomes for agricultural economic development, the purpose of which shall be to guide long-term agricultural economic development policymaking and planning.

(3) Within one year of its first meeting, the board shall present the plan to the governor and the house committee on agriculture, the senate committee on agriculture, the house committee on commerce and economic development, and the senate committee on economic development, housing and general affairs as the Vermont comprehensive plan for agricultural economic development.

(4) The board shall conduct a periodic review and revision of the comprehensive agricultural economic development plan as often as is necessary in its discretion, but at minimum every five years, to ensure the plan remains current, relevant, and effective for guiding and evaluating agricultural economic development policy.

(5) The board shall within one year of adopting the plan develop benchmarking standards to measure progress in meeting the plan's goals and outcomes.

(e) Annual report. The board shall make available a report, at least annually, to the administration, the house committee on agriculture, the senate committee on agriculture, the house committee on commerce and economic development, the senate committee on economic development, housing and general affairs, and the people of Vermont on the state's progress toward attaining the goals and outcomes identified in the comprehensive agricultural economic development plan.

(f) Composition of board.

(1) The board shall be composed of 12 members. In making appointments to the board pursuant to this section, the governor, the speaker of the house, and the president pro tempore of the senate shall coordinate their selections to ensure, to the greatest extent possible, that the board members selected by them reflect the following qualities:

(A) proven leadership in a broad range of efforts and activities to promote and improve the Vermont agricultural economy and the quality of life of Vermonters;

(B) demonstrated innovation, creativity, collaboration, pragmatism, and willingness to make long-term commitments of time, energy, and effort;

(C) geographic, gender, ethnic, social, political, and economic diversity;

(D) diversity of agricultural enterprise location, size, and sector of the for-profit agricultural business community members; and

(E) diversity of interest of the nonprofit or nongovernmental organization community members.

(2) Members of the board shall include the following:

(A) four members appointed by the governor:

(i) a person with expertise in rural economic development issues;

(ii) an employee of a Vermont postsecondary institution experienced in researching issues related to agriculture;

(iii) a person familiar with the agricultural tourism industry; and

(iv) an agricultural lender.

(B) four members appointed by the speaker of the house of representatives:

(i) a person who produces an agricultural commodity other than dairy products;

(ii) a person who creates a value-added product using ingredients substantially produced on Vermont farms;

(iii) a person with expertise in sales and marketing; and

(iv) a person representing the feed, seed, fertilizer, or equipment enterprises.

(C) four members appointed by the committee on committees of the senate:

(i) a representative of Vermont's dairy industry who is also a dairy farmer;

(ii) a person with expertise in land planning and conservation efforts that support Vermont's working landscape;

(iii) a representative from a Vermont agricultural advocacy organization; and

(iv) a person with experience in providing youth with educational opportunities enhancing understanding of agriculture.

(3) The secretary of agriculture, food and markets, or his or her designee, shall serve the board as a member ex officio. The secretary shall attend meetings and provide staff support from the agency of agriculture, food and markets, but shall not have the right to vote.

(4) The secretary of commerce and community development, or his or her designee, shall serve as a member ex officio. The secretary shall attend meetings, but shall not have the right to vote.

(g) Governance.

(1) The board shall adopt rules of procedure not inconsistent with this section before conducting any further business.

(2) Unless a higher threshold is established by the board's rules, seven members of the board shall constitute a quorum, and an action of the board shall be taken by a majority of those members present and voting.

(3)(A) The board shall be led by a chair who shall be elected by the board from its membership at the first meeting.

(B) The chair shall serve for the duration of his or her member term, until his or her earlier resignation, or until his or her unanimous removal by the governor, the speaker of the house, and the president pro tempore of the senate.

(C) A chair may be reappointed, provided that no individual may serve more than two consecutive terms as chair.

(4) Each member of the board shall serve a three-year term, except:

(A) the governor initially shall appoint one member to a one-year term, one member to a two-year term, and two members to a three-year term;

(B) the speaker of the house initially shall appoint two members to a one-year term, one member to a two-year term, and one member to a three-year term; and

(C) the committee on committees initially shall appoint one member to a one-year term, two members to a two-year term, and one member to a three-year term.

(5) Any vacancy occurring among the members shall be filled by the respective appointing authority pursuant to this subsection, and shall be filled for the balance of the unexpired term. A member may be reappointed, provided that no individual may serve more than two consecutive three-year terms.

(h) Compensation. Members who are not state employees or whose membership is not supported by their employer or association may receive per diem and reimbursement for travel to the extent funding is available.

\* \* \* livestock care standards advisory council \* \* \*

Sec. 5. 6 V.S.A. chapter 64 is added to read:

#### CHAPTER 64. LIVESTOCK CARE STANDARDS

##### ADVISORY COUNCIL

##### § 791. DEFINITIONS

As used in this chapter:

(1) "Agency" means the agency of agriculture, food and markets.

(2) "Council" means the livestock care standards advisory council.

(3) "Livestock" means cattle, calves, sheep, swine, horses, mules, goats, fallow deer, American bison, poultry, and any other animal that can or may be used in and for the preparation of meat, fiber, or poultry products.

(4) "Secretary means the secretary of agriculture, food and markets.

§ 792. ESTABLISHMENT OF LIVESTOCK CARE STANDARDS

ADVISORY COUNCIL

(a) There is established a livestock care standards advisory council for the purposes of evaluating the laws of the state and of providing policy recommendations regarding the care, handling, and well-being of livestock in the state. The livestock care standards advisory council shall be composed of the following members, all of whom shall be residents of Vermont:

(1) The secretary of agriculture, food and markets, who shall serve as the chair of the council.

(2) The state veterinarian.

(3) The following seven members appointed by the governor:

(A) A person with knowledge of food safety and food safety regulation in the state.

(B) Two persons from statewide organizations that represent farmers.

(C) A Vermont licensed livestock or poultry veterinarian.

(D) A representative of an agricultural department of a Vermont college or university.

(E) A representative of the Vermont slaughter industry.

(F) A representative of the Vermont livestock dealer, hauler, or auction industry.

(4) The following two members appointed by the committee on committees:

(A) A producer of species other than bovidae.

(B) An operator of a medium farm or large farm permitted by the agency.

(5) The following two members appointed by the speaker of the house:

(A) An operator of a small Vermont dairy farm.

(B) A representative of a local humane society or organization from Vermont registered with the agency and organized under state law.

(b) Members of the board shall be appointed for staggered terms of three years. Except for the chair, the state veterinarian, and the representative of the agricultural department of a Vermont college, no member of the council may serve for more than six consecutive years. Seven members of the council shall constitute a quorum.

(c) With the concurrence of the chair, the council may use the services and staff of the agency in the performance of its duties.

(d) Members who are not state employees or whose membership is not supported by their employer or association may receive per diem and reimbursement for travel to the extent funding is available.

#### § 793. POWERS AND DUTIES OF LIVESTOCK CARE STANDARDS

##### ADVISORY COUNCIL

(a) The council shall:

(1) Review and evaluate the laws and rules of the state applicable to the care and handling of livestock. In conducting the evaluation required by this section, the council shall consider the following:

(A) the overall health and welfare of livestock species;

(B) agricultural best management practices;

(C) biosecurity and disease prevention;

(D) animal morbidity and mortality data;

(E) food safety practices; and

(F) the protection of local and affordable food supplies for consumers.

(2) Submit policy recommendations to the secretary on any of the subject matter set forth under subdivision (1) of this subsection. A copy of the policy recommendations submitted to the secretary shall be provided to the house and senate committees on agriculture. Recommendations may be in the form of proposed legislation.

(3) Meet at least annually and at such other times as the chair determines to be necessary.

(4) Submit minutes of the council annually, on or before January 15, to the house and senate committees on agriculture.

(b) The council may engage in education and outreach activities related to the laws and regulations for the care and handling of livestock. The council may accept funds from public or private sources in compliance with 32 V.S.A. § 5.

Sec. 6. EFFECTIVE DATES

(a) Secs. 1, 2, 3, and 4 of this act shall take effect on July 1, 2010.

(b) Sec. 5 shall take effect upon passage.

and that the title of the bill be amended to read: “An act relating to miscellaneous agriculture”

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

**Proposal of Amendment Agreed to; Third Reading Ordered**

**J.R.S. 54**

**Rep. Ainsworth of Royalton**, for the committee on Agriculture, to which had been referred Joint resolution, entitled

Joint resolution related to the payment of dairy hauling costs

Reported in favor of its passage in concurrence with proposal of amendment as follows:

By striking all after the title and inserting in lieu thereof the following:

*Whereas*, in the past three years, the Vermont General Assembly has carefully considered the issue of dairy hauling costs and the impact upon Vermont dairy farmers, and

*Whereas*, New England dairy farmers typically are responsible for the majority of the costs of hauling milk from the farm to a buyer’s processing plant or similar facility, and

*Whereas*, dairy hauling costs are incurred by dairy farmers, regardless of the price of milk, and

*Whereas*, dairy hauling costs for a Vermont farm milking 200 cows can exceed \$20,000.00 per year, and

*Whereas*, according to a recent New York study of dairy hauling costs, hauling charges paid by dairy producers range from an annual average of \$0.50 to \$0.57 per hundredweight of milk for all size farms, and the average hauling

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charge, including transportation credits, ranges from 3.1 to 4.4 percent of the gross value of the farm milk, and

*Whereas*, pursuant to Vermont's Act 50 (2007), the Vermont Milk Commission carefully considered the potential economic impacts of shifting responsibility for dairy hauling costs from the producer to the purchaser of milk, and

*Whereas*, the Vermont Milk Commission has concluded, and legislative testimony received from the Vermont agency of agriculture, food and markets, industry representatives, and dairy farmers has confirmed that shifting the payment of dairy hauling costs from producer to purchaser will increase the price of Vermont milk, making Vermont milk more expensive and less competitive than milk produced in neighboring states, and

*Whereas*, Vermont, or any other state which unilaterally mandates a shift in the cost of dairy hauling from producer to purchaser, will suffer a competitive disadvantage relative to neighboring producer states due to the increased cost of its milk, and

*Whereas*, given this reality and the economic crisis facing dairy farmers throughout New England, it is extremely unlikely that any state will elect to be the first to mandate this shift in dairy hauling costs, therefore requiring a solution that is national in scope, and

*Whereas*, in November 2009, United States Representatives Michael Arcuri and Chris Lee of New York introduced federal legislation (H.R. 4117) to eliminate all hauling costs for milk producers, and

*Whereas*, United States Secretary of Agriculture Thomas Vilsack has convened a 17-member United States Department of Agriculture Dairy Industry Advisory Committee to review the issues of farm milk price volatility and dairy farmer profitability, and to offer suggestions and ideas on how the United States Department of Agriculture can best address these issues to meet the dairy industry's needs, *now therefore be it*

***Resolved by the Senate and House of Representatives:***

That the Vermont General Assembly urges United States Secretary of Agriculture Thomas Vilsack and the United States Department of Agriculture Dairy Industry Advisory Committee to pursue a national policy requiring that dairy hauling costs be borne by the marketplace rather than dairy producers as a means to address dairy farmer profitability, *and be it further*

***Resolved:*** That the Secretary of State be directed to send a copy of this resolution to United States Secretary of Agriculture Thomas Vilsack, the

Vermont Congressional Delegation, and the members of the United States Department of Agriculture Dairy Industry Advisory Committee.

The resolution, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

### **Action on Bill Postponed**

#### **H. 524**

House bill, entitled

An act relating to interference with or cruelty to a guide dog

Was taken up and pending the the question, Shall the House concur in the Senate proposal of amendment? on motion of **Rep. Lippert of Hinesburg**, action on the bill was postponed until the next legislative day.

### **Senate Proposal of Amendment Not Concurred in; Committee of Conference Requested and Appointed**

#### **H. 790**

The Senate proposed to the House to amend House bill, entitled

An act relating to capital construction and state bonding;

By striking all after the enacting clause and inserting in lieu thereof the following:

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

#### Sec. 1. STATE BUILDINGS

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

<u>(1) Statewide, asbestos and lead abatement:</u>	<u>300,000</u>
<u>(2) Statewide, Americans with Disabilities Act (ADA):</u>	<u>100,000</u>
<u>(3) Statewide, building reuse and planning:</u>	<u>125,000</u>
<u>(4) Statewide, contingency:</u>	<u>500,000</u>
<u>(5) Statewide elevator repairs and upgrades:</u>	<u>350,000</u>

<u>(6) Statewide, major maintenance:</u>	<u>8,003,826</u>
<u>(7) Statewide, major maintenance, VT information centers:</u>	<u>100,000</u>
<u>(8) Statewide: BGS engineering and architectural project costs:</u>	<u>2,465,785</u>
<u>(9) Statewide physical security enhancements:</u>	<u>100,000</u>
<u>(10) Montpelier, 116 State St., restore building envelope:</u>	<u>750,000</u>
<u>(11) Montpelier, 133 State St., infrastructure repair:</u>	<u>1,250,000</u>
<u>(12) Montpelier, 120 State St., replace heating system</u>	<u>750,000</u>
<u>(13) Waterbury, steamline extension:</u>	<u>700,000</u>
<u>(14) Waterbury, state office complex fire alarm panels and door holders:</u>	<u>250,000</u>
<u>(15) Springfield, state office building, HVAC upgrade:</u>	<u>500,000</u>
<u>(16) Bennington, courthouse and state office building:</u>	<u>6,958,340</u>
<u>(17) Burlington, 32 Cherry St., HVAC upgrades:</u>	<u>500,000</u>
<u>(18) Burlington, 108 Cherry St., HVAC upgrades. The commissioner may reallocate funds between this subdivision and subdivision (17) of this section as the commissioner finds to be in the best interests of the state:</u>	<u>500,000</u>
<u>(19) Bennington, state office building, geothermal energy project:</u>	<u>2,000,000</u>
<u>(20) Montpelier, rehabilitation of 128 State Street for the secretary of state:</u>	<u>250,000</u>
<u>(21) Montpelier, state house, renovations to restore room 41 for a house committee room and to return the Ethan Allen room for use as a conference room for general use. Any remaining funds shall be used to renovate room 33:</u>	<u>25,000</u>
<u>Total Appropriation – Section 1</u>	<u>\$26,477,951</u>

Sec. 2. ADMINISTRATION; VERMONT TELECOMMUNICATIONS AUTHORITY; VERMONT CENTER FOR GEOGRAPHIC INFORMATION

(a) The sum of \$100,000 is appropriated to the department of taxes for the Vermont Center for Geographic Information for an ongoing project to update statewide quadrangle maps through digital orthophotographic quadrangle mapping.

(b) The sum of \$5,000,000 is appropriated to the Vermont telecommunications authority (VTA) to build infrastructure to meet the cellular and broadband needs of unserved Vermonters. To the extent possible, the VTA shall use the funds to leverage drawdown of ARRA funds and to build infrastructure that can be used as a revenue stream to enable use of up to \$40,000,000 in moral obligation bonding allocated to the VTA. These funds shall be spent in accordance with the provisions of Sec. 4 and Sec. 11 of No. 78 of the Acts of the 2009 Adj. Sess. (2010).

Total Appropriation – Section 2 \$5,100,000

#### Sec. 3. HUMAN SERVICES

(a) The following sums are appropriated in total to the department of buildings and general services for the agency of human services for the projects described in this section.

(1) Health laboratory design. Site acquisition, permitting, and construction documents for co-location of department of health laboratory with the UVM Colchester research facility: 4,700,000

(2) Vermont state hospital, ongoing safety renovations: 100,000

(3) Corrections, continuation of suicide abatement project: 100,000

(4) Corrections, security upgrades: 200,000

(5) Corrections, grease trap for the Chittenden regional correctional facility: 335,000

(b) The sum of \$10,000 is appropriated to the department of corrections for the study conducted pursuant to Sec. 31 of this act.

Total Appropriation – Section 3 \$5,445,000

#### Sec. 4. JUDICIARY

The sum of \$750,000 is appropriated to the department of buildings and general services to design and replace the electric boiler and upgrade to a solar energy or biomass system in the Barre district court and office building.

Total Appropriation – Section 4 \$750,000

#### Sec. 5. COMMERCE AND COMMUNITY DEVELOPMENT

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

(1) Major maintenance at historic sites statewide; provided such

maintenance shall be under the supervision of the department of buildings and general services: 250,000

(2) Plymouth Visitors' Center, exhibits and furnishings: 250,000

(b) The following sums are appropriated in total to the agency of commerce and community development for the following projects:

(1) Underwater preserves: 50,000

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

Total Appropriation – Section 5 \$565,000

#### Sec. 6. BUILDING COMMUNITIES GRANTS

The following sums are appropriated for building communities grants established in chapter 137 of Title 24:

(1) To the agency of commerce and community development, division for historic preservation, for the historic preservation grant program: 180,000

(2) To the agency of commerce and community development, division for historic preservation, for the historic barns preservation grant program: 180,000

(3) To the Vermont council on the arts for the cultural facilities grant program: 180,000

(4) To the department of buildings and general services for the recreational facilities grant program: 180,000

(5) To the department of buildings and general services for the human services and educational facilities competitive grant program: 180,000

(6) For the agricultural fairs capital projects competitive grant program. No single entity shall be awarded more than ten percent of this appropriation: 180,000

Total Appropriation – Section 6 \$1,080,000

#### Sec. 7. EDUCATION

The following is appropriated in total to the department of education for:

(1) State aid for emergency school construction projects pursuant to 16 V.S.A. § 3448(a)(3)(A): 600,000

(2) Emergency shelters in schools: 44,889

(3) The Burlington International airport to continue the process of planning and designing a new aviation technical training center: 150,000

(4) Alternate energy projects pursuant to 16 V.S.A. § 3448(a)(7)(B) which were prioritized for funding by the state board of education for fiscal year 2011. Each project shall receive an equal percentage of the amount owed by the state: 1,157,676

(5) Remaining state aid for school construction projects pursuant to 16 V.S.A. § 3448 which were prioritized for funding by the state board of education for fiscal year 2011, excluding asset renewal projects. Each project shall receive an equal percentage of the amount owed by the state: 5,197,435

Total Appropriation – Section 7 \$7,150,000

#### Sec. 8. AUSTINE SCHOOL

The sum of \$540,104 is appropriated to the department of buildings and general services for the renovation of Holton Hall at the Austine School.

Total Appropriation – Section 8 \$540,104

#### Sec. 9. UNIVERSITY OF VERMONT

The sum of \$2,000,000 is appropriated to the University of Vermont for construction, renovation, and maintenance.

Total Appropriation – Section 9 \$2,000,000

#### Sec. 10. VERMONT STATE COLLEGES

The sum of \$2,000,000 is appropriated to the Vermont State Colleges for major facility maintenance.

Total Appropriation – Section 10 \$2,000,000

#### Sec. 11. VERMONT INTERACTIVE TELEVISION

The sum of \$290,085 is appropriated to Vermont Interactive Television to purchase equipment, including video upgrades and monitor replacement.

Total Appropriation – Section 11 \$290,085

#### Sec. 12. NATURAL RESOURCES

(a) The following is appropriated in total to the agency of natural resources for water pollution control projects:

(1) For grants to municipalities pursuant to chapter 55 of Title 10 (aid to municipalities for water supply, pollution abatement, and sewer separations) and chapter 120 of Title 24 (special environmental revolving fund), the Springfield loan conversion, and administrative support under chapter 120 of Title 24. Of this amount and the amount in subdivision (2) of this subsection, up to \$50,000 may be used to provide municipalities with grants or loans for a

study of the feasibility and planning of site-appropriate potable water supply and wastewater systems, including innovative decentralized systems, for historic village and existing settled areas. Systems shall be designed to comply with the adopted municipal plan. The agency of natural resources shall have the discretion to determine eligibility for and amounts of funds provided to municipalities for feasibility studies and planning, and shall report to the senate committees on institutions and on natural resources and energy, and the house committees on corrections and institutions and on fish, wildlife and water resources on or before January 15, 2011, regarding how the municipal grant program is working, the demand for the grants, what projects were funded, and anticipated future construction costs of those projects: 2,375,400

(2) For combined sewer overflow projects receiving ARRA funding:

<u>(A) Burlington, Gazo Avenue:</u>	<u>100,000</u>
<u>(B) Burlington, Manhattan Drive:</u>	<u>200,000</u>
<u>(C) Middlebury, pump station work:</u>	<u>450,000</u>
<u>(D) Montpelier, several areas of the city:</u>	<u>138,500</u>
<u>(E) Proctor sewer system rehabilitation:</u>	<u>32,500</u>
<u>(F) Springfield, several areas:</u>	<u>374,000</u>

(3) Interest on short-term borrowing associated with delayed grant funding for the Pownal project: 85,000

(b) The following sum is appropriated to the agency of natural resources for the drinking water state revolving fund. Of this amount, up to \$50,000 may be used to provide municipalities with grants or loans for a study of the feasibility and planning of site-appropriate potable water supply and wastewater systems, including innovative decentralized systems, for historic village and existing settled areas. Systems shall be designed to comply with the adopted municipal plan. The agency of natural resources shall have the discretion to determine eligibility for and amounts of funds provided to municipalities for feasibility studies and planning, and shall report to the senate committees on institutions and on natural resources and energy, and the house committees on corrections and institutions and on fish, wildlife and water resources on or before January 15, 2011, regarding how the municipal grant program is working, the demand for the grants, what projects were funded, and anticipated future construction costs of those projects: 2,175,660

(c) The following sum is appropriated to the agency of natural resources for the clean and clear program for ecosystem restoration and protection. The agency shall use at least \$250,000 of this appropriation to work with the

Vermont youth conservation corps on appropriate ecosystem restoration and protection projects: 1,700,000

(d) The following sum is appropriated to the agency of natural resources for the state's year-three share of the federal match to conduct a three-year study of flood-control measures in the city of Montpelier. However, the state shall not enter into any commitment to pay for construction of flood control improvements without legislative approval: 177,000

(e) The following sums are appropriated to the agency of natural resources for the department of forests, parks and recreation:

(1) rehabilitation of small and large infrastructure in the state forests and parks, including wastewater repairs, upgrades of restrooms and bathhouses, rehabilitation of CCC structures, and road restoration: 2,500,000

(2) energy conservation and alternative energy projects at Vermont state parks: 1,000,000

(f) The following sums are appropriated to the agency of natural resources for department of fish and wildlife projects described in this subsection:

(1) to match federal funding for a lamprey control project: 157,500

(2) Safety improvements at the Salisbury, Bennington, and Bald Hill fish hatcheries: 78,300

(3) Bald Hill fish hatchery, fish production improvements: 120,000

(4) Bald Hill emergency dam repair: 70,000

(5) For the Lake Champlain Walleye Association, Inc. to upgrade and repair the walleye rearing, restoration, and stocking infrastructure. The association shall enter into an agreement with any private landowner whose pond is upgraded, maintained, or built in whole or in part using state funds. The agreement shall provide for a lease of at least 10 years, with the option for renewal, and for mutually agreeable maintenance, repair, and use of the pond. In addition, the Walleye Association shall report in January 2011 to the house committee on corrections and institutions and the senate committee on institutions on use of the funds appropriated in this subdivision: 25,000

(6) For improvement and expansion of existing fishing accesses: 250,000

Total Appropriation – Section 12 \$12,008,860

### Sec. 13. MILITARY

The sum of \$850,000 is appropriated to the department of the military for

maintenance and renovation at state armories. To the extent feasible, these funds shall be used to draw down federal funds.

Total Appropriation – Section 13 \$850,000

Sec. 14. PUBLIC SAFETY

The following is appropriated in total to the department of buildings and general services for the department of public safety for:

(1) Renovations to the public safety headquarters building in Waterbury: 3,215,000

(2) Purchase of equipment for the fire service training center in Pittsford: 100,000

(3) Conversion to narrowband frequencies for SOV two-way radio systems: 45,000

Total Appropriation – Section 14 \$3,360,000

Sec. 15. CRIMINAL JUSTICE TRAINING COUNCIL

The sum of \$1,000,000 is appropriated to the department of buildings and general services for the Vermont Criminal Justice Training Council to complete improvements and repairs to the firing range in Pittsford.

Total Appropriation – Section 15 \$1,000,000

Sec. 16. AGRICULTURE, FOOD AND MARKETS

The following is appropriated in total to the agency of agriculture, food and markets for the purposes described in this section:

(1) For the best management practice implementation cost share program, to continue to reduce nonpoint source pollution in Vermont. For projects paid from this appropriation, cost share funds may be increased to 90 percent of a project: 1,500,000

(2) For the agricultural buffer program, to install water quality conservation buffers: 175,000

Total Appropriation – Section 16 \$1,675,000

Sec. 17. VERMONT PUBLIC TELEVISION

The sum of \$500,000 is appropriated to Vermont Public Television for the state match for the federally mandated conversion of Vermont Public Television's transmission sites to digital broadcasting format.

Total Appropriation – Section 17 \$500,000

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 Sec. 18. VERMONT RURAL FIRE PROTECTION

The sum of \$100,000 is appropriated to the department of public safety, division of fire safety for the Vermont rural fire protection task force to continue the dry hydrant program.

Total Appropriation – Section 18 \$100,000

## Sec. 19. VERMONT VETERANS' HOME

The following sums are appropriated in total to the department of buildings and general services for the Vermont Veterans' Home for the purposes described in this section:

(1) Relocate and replace the transformer: 150,000

(2) Replace gas lines: 170,000

Total Appropriation – Section 19 \$320,000

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

The sum of \$50,000 is appropriated to the Vermont Center for Crime Victim Services for Americans with Disabilities Act improvements at domestic violence shelters. Annually, on or before December 1, the Vermont Center for Crime Victim Services shall file with the commissioner of buildings and general services a report which details the status of the improvements funded in whole or in part by state capital appropriations.

Total Appropriation – Section 20 \$50,000

## Sec. 21. VERMONT HISTORICAL SOCIETY

The sum of \$150,000 is appropriated to the department of buildings and general services for a one-to-one matching grant to the Vermont historical society to reduce debt at the Vermont history center in Barre. The department may release the funds to the historical society upon receiving certification that the funds have been matched.

Total Appropriation – Section 21 \$150,000

## Sec. 22. HOUSING AND CONSERVATION BOARD

The amount of \$5,000,000 is appropriated to the Vermont housing and conservation board (VHCB) for building and preservation of affordable housing, and for conservation projects. The board shall:

(1) give priority consideration to affordable housing preservation and infill projects in or near downtowns or village centers as well as consider applications to build or renovate housing for elders, supportive housing for

persons with disabilities, including chronic mental illness, and individuals and families who might otherwise be homeless;

(2) allocate up to 20 percent of this appropriation for conservation grant awards that will maximize drawdown of federal and private matching funds, particularly federal farmland protection funds allocated to Vermont by the Natural Resources Conservation Service. If less than \$4,000,000 of the state's private activity bond cap is made available to the VHCB for eligible affordable housing investments, VHCB may increase the amount it allocates to conservation grant awards from its capital appropriation, notwithstanding the percentage provided for in this section, provided that VHCB increases its affordable housing investments by the same amount from funds appropriated to VHCB in the FY 2011 Appropriations Act;

(3) allocate \$100,000 of this appropriation for the construction of single room occupancy (SRO) housing for at-risk youth. The board shall give priority to SRO housing that requires as a condition of residency participation in educational, life-skills, and job training and programming and for which rental subsidies will support ongoing operational costs;

(4) leverage federal and private funds to the maximum extent feasible; and

(5) on or before January 15, 2011, report to the senate committee on institutions and the house committee on corrections and institutions on how the funds appropriated in this section were spent or obligated.

Total Appropriation – Section 22 \$5,000,000

\* \* \* Financing this Act \* \* \*

Sec. 23. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

The following sums are reallocated to the department of buildings and general services to defray expenditures authorized in Sec. 1 of this act:

(1) of proceeds from sale of space in the Emory A. Hebard State Office Building in Newport pursuant to Sec. 37 of No. 62 of the Acts of 1997: 53,478.68

(2) of the amount realized from the sale of land on Swift Street in Burlington pursuant to Sec. 27 of No. 43 of the Acts of 2005: 30,000.00

(3) of the amount appropriated by Sec. 5(a)(1) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (Lamoille County courthouse): 61,508.11

(4) of the amount appropriated by Sec. 5(d) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (Grand Isle County courthouse): 8,476.40

- 
- (5) of the amount realized from a nonrefundable deposit for purchase of land pursuant to Sec. 25(2) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) (Comfort Hill Road, Vergennes): 3,010.00
- (6) of the amount appropriated for dam inspection and repair at the Southeast State Correctional Facility in Windsor pursuant to Sec. 4(4) of No. 52 of the Acts of 2007: 68,868.00
- (7) of the amount appropriated by Sec. 4(6) of No. 52 of the Acts of 2007 for security at the Chittenden Regional Correctional Facility: 422.49
- (8) of the amount appropriated by Sec. 8(2) of No. 149 of the Acts of the 2001 Adj. Sess. (2002) for a sludge storage facility in Bradford: 42,521.92
- (9) of the amount appropriated by Sec. 11(e)(3) of No. 256 of the Acts of the 1991 Adj. Sess. (1992) for grants and loans for solid waste management facilities: 2,704.23
- (10) of the amount appropriated by Sec. 19(d)(1) of No. 233 of the Acts of the 1993 Adj. Sess. (1994) for municipal grants and loans for landfill closings: 2,000.00
- (11) of the amount appropriated by Sec. 13(b)(4)(B) of No. 62 of the Acts of 1995 for assistance to municipalities for recycling: 25,143.58
- (12) of the amount appropriated by Sec. 19(d)(3) of No. 233 of the Acts of the 1993 Adj. Sess. (1994) for municipal grants and loans for solid waste management facilities: 23,424.00
- (13) of the amount appropriated by Sec. 10(b)(3) of No. 185 of the Acts of the 1995 Adj. Sess. (1996) for municipal assistance for solid waste management facilities: 9,120.46
- (14) of the amount appropriated by Sec. 10(k) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) to purchase mechanical harvesting equipment: 2,479.03
- (15) of the amount appropriated by Sec. 10(d) of No. 121 of the Acts of the 2003 Adj. Sess. (2004) for a forest plan for the Green Mountain National Forest: 11,921.57
- (16) of the amount appropriated by Sec. 10(o) of No. 121 of the Acts of the 2003 Adj. Sess. (2004) for an engineering study of the state dock in St. Albans: 7,373.00
- (17) of the amount appropriated by Sec. 3(3) of No. 43 of the Acts of 2009 for consideration of how to replace acute intensive psychiatric inpatient services provided at the current Vermont state hospital with services to be

<u>provided at the Rutland Regional Medical Center:</u>	<u>250,000.00</u>
<u>(18) of the amount appropriated by Sec. 10(d) of No. 121 of the Acts of the 2003 Adj. Sess. (2004) for forestry planning:</u>	<u>11,922.00</u>
<u>(19) of the amount appropriated by Sec. 12(f)(4) of No. 200 of the Acts of the 2007 Adj. Sess. (2008) for the Salisbury fish station generator:</u>	<u>13,119.00</u>
<u>(20) of the amount appropriated by Sec. 9 of No. 29 of the Acts of 1999 for the Vermont historical society:</u>	<u>29,116.00</u>
<u>(21) of the amount appropriated by Sec. 3(c)(1) of No. 43 of the Acts of 2005 for a dormitory-style work camp:</u>	<u>41,163.00</u>
<u>(22) of the amount appropriated by Sec. 9(a)(1) of No. 43 of the Acts of 2009 for water pollution control:</u>	<u>88,879.00</u>
<u>(23) of the amount appropriated by Sec.12 (a)(1) of No. 200 of the Acts of the 2007 Adj. Sess. (2008) for water pollution control:</u>	<u>431,538.00</u>
<u>(24) of the amount appropriated by Sec 4(f) of No. 147 of the Acts of the 2005 Adj. Sess. (2006) for heating and ventilation system for the Northern State Correctional Facility:</u>	<u>6,196.00</u>
<u>(25) of the amount appropriated by Sec.1(7) of No. 147 of the Acts of 2005 adj. session (2006) for repairs to Vermont Veterans Home Heat Distribution System:</u>	<u>\$7,374.00</u>
<u>(26) of the amount appropriated by Sec. 23 of No. 148 of the Acts of the 1999 Adj. Sess. (2000) for non-point pollution reduction:</u>	<u>25,947.37</u>
<u>(27) of the amount appropriated by Sec. 5 of No.61 of the Acts of 2001 for non-point source pollution reduction:</u>	<u>87,558.69</u>
<u>(28) of the amount appropriated by Sec. 13 of No. 149 of the Acts of the 2001 Adj. Sess. (2002) for non-point pollution reduction:</u>	<u>13,313.08</u>
<u>(29) of the amount appropriated by Sec.14(a) of No. 63 of the Acts of 2003 for non-point source pollution reduction:</u>	<u>57,885.15</u>
<u>(30) of the amount appropriated by Sec.15 of No.121 of the Acts of the 2003 Adj. Sess. (2004) for non-point source pollution reduction:</u>	<u>170,537.39</u>
<u>Total Reallocations and Transfers – Section 23</u>	<u>\$1,587,000.15</u>

#### Sec. 24. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

(a) The state treasurer is authorized to issue general obligation bonds in the amount of \$71,825,000 for the purpose of funding the appropriations of this

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

(b) The sum of \$2,000,000 is transferred from the Vermont clean energy development fund established in 10 V.S.A. § 6523 to the department of buildings and general services for the purpose of funding statewide energy efficiencies and renewable projects pursuant to Sec. 1(19) of this act.

(c) The sum of \$1,000,000 is transferred from the Vermont clean energy development fund established in 10 V.S.A. § 6523 to the agency of natural resources for the purpose of energy conservation and alternative energy projects at state parks pursuant to Sec. 11(e)(2) of this act.

Total Revenues – Section 24

\$74,825,000

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

#### Sec. 25. PROPERTY TRANSACTIONS; MISCELLANEOUS

(a) Pursuant to 29 V.S.A. § 152(3), the commissioner of buildings and general services is authorized to purchase the land and existing building located at 245 South Park Drive in Colchester.

(b) Notwithstanding 10 V.S.A. § 6524, \$2,000,000 of the American Recovery and Reinvestment funds described in 10 V.S.A. § 6523(h) shall be under the authority of the commissioner of buildings and general services and shall be for statewide energy efficiencies and renewable projects pursuant to Sec. 1(19) of this act.

(c) Notwithstanding 10 V.S.A. § 6524, \$1,000,000 of the American Recovery and Reinvestment funds described in 10 V.S.A. § 6523(h) shall be under the authority of the secretary of natural resources and shall be for energy conservation and alternative energy projects at state parks pursuant to Sec. 12(e)(2) of this act.

(d) Notwithstanding 29 V.S.A. §§ 165 and 166, the commissioner of buildings and general services is authorized to sell to the city of Rutland the former armory building at 62 Pierpoint Avenue in Rutland at the 2010 appraised value. The sale may be a lease purchase agreement that would enable the city to lease the building for up to ten years and that would grant the city the right to purchase the property any time during the ten-year lease for fair market value with all lease payments and improvements to the property, at

depreciated value, made by the city to the state being deducted from the purchase price. The lease-to-own agreement shall include a provision that the city shall pay all expenses, including major maintenance. If the commissioner is unable to negotiate a mutually acceptable agreement with the city of Rutland, the commissioner is authorized to sell the building pursuant to 29 V.S.A. § 166. Proceeds of the lease purchase under this subsection shall be paid into a capital fund account pursuant to 29 V.S.A. § 166(d).

(e) Following consultation with the state advisory council on historic preservation as required by 22 V.S.A. § 742(7) and pursuant to 29 V.S.A. § 166, the commissioner of buildings and general services is authorized to subdivide and sell the house, barn, and up to 10 acres of land at 3469 Lower Newton Road in St. Albans.

#### Sec. 26. USE AND DEVELOPMENT OF STATE FACILITIES AND LANDS

(a) The commissioner of buildings and general services shall work with the town of Windsor to develop a plan for use of state lands adjacent to the southeast state correctional facility in Windsor, and shall consult with the commissioner of forests parks and recreation, the secretary of agriculture, food and markets, the commissioner of corrections, local wildlife conservation groups, and trails and recreation organizations as they develop the plan. The plan shall describe a mixed use of the area which will result in benefits to the town of Windsor, the region, and the state on a sustainable basis. Proposed uses shall be based on the natural attributes of the area so that for example, agricultural uses may be proposed in sections of prime agricultural soils, forestry uses may be proposed in areas suitable for sustainable tree growth, wildlife habitat is maintained and improved especially for Vermont species of greatest conservation need, and housing may be proposed to be clustered near recreational uses. On or before January 15, 2011, the commissioner of buildings and general services and the town of Windsor shall jointly present the plan to the house and senate committees on natural resources and energy, the senate committee on institutions and the house committee on corrections and institutions.

(b) The commissioner of buildings and general services shall work with the city of Montpelier to determine whether the state's steam plant could generate electricity and provide heat and water to both state buildings and a portion of the city. If needed, the commissioner is authorized to sign a letter of intent which would support the city of Montpelier's commencement of necessary environmental reviews, if appropriate. However, any letter of intent shall be approved by the chairs of the senate committee on institutions and the house

committee on corrections and institutions prior to signature, and no lease transfer or construction shall take place without the authorization of the general assembly.

(c) It is the intent of the general assembly that, as appropriate and feasible, all programs and services of the secretary of state shall be consolidated within the capital complex.

(d) The commissioner of buildings and general services may use up to \$400,000 of unexpended FY10 funds allocated for major maintenance and \$200,000 of funds allocated for major maintenance in FY11 for:

(1) repair of the generator and switchgear of the cogeneration system at the state correctional facility in Springfield; and

(2) up to \$ 200,000 for improvements and upgrades to the municipal water system serving the Springfield correctional facility, provided that the town of Springfield contributes an equal amount of funds for the upgrades and provided that the town of Springfield agrees to accept ownership of the system in accordance with provision #9 of the correctional facility agreement executed between the state and the town on March 30, 1999. However, funds shall be expended under this subdivision only for the remainder of the project after the town has received federal funds for upgrade of the water system.

(e) Notwithstanding 29 V.S.A. § 166, the secretary of the agency of commerce and community development is authorized to enter into a lease with the Calvin Coolidge Memorial Foundation for a portion of the Calvin Coolidge state historic site in Plymouth Notch for use as an educational center for a term of years he or she deems to be in the best interests of the state.

Sec. 27. Sec. 1(8) and (11) of No. 43 of the Acts of 2009 are amended to read:

(8) BGS engineering and architectural project costs. It is the intent of the general assembly that labor and operating costs, such as engineering and architectural costs, shall not be paid for from bonded funds in the future:

<del>1,950,000</del>	<u>2,408,340</u>
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(11) Bennington, 200 Veterans Drive. Demolish and design the rebuilding of the older section of the state office building, ~~excluding and a portion~~ of the courthouse space; ~~renovate the newer section of the building to house programs and services previously located in the building to address water infiltration and indoor air quality issues, consolidate all courthouse functions in an expanded building, enhance energy opportunities, and allow geothermal equipment to be installed under the new space;~~ and build four holding cells, a sally port, and two additional courtrooms without jury facilities for a total of four courtrooms:

<del>8,000,000</del>	<u>7,541,660</u>
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Sec. 28. 3 V.S.A. § 2291(e) amended to read:

(e) The commissioner of buildings and general services shall develop life cycle cost guidelines for use in all state buildings. These guidelines shall require all new construction and major renovations to meet or exceed the document titled ~~“The Vermont Guidelines for Energy Efficient Commercial Construction” as published in its most recent edition by the department of public service as that document may be amended~~ current “Vermont Commercial Building Energy Standards.” Where practicable the goal shall be attaining an EPA ENERGY STAR<sup>®</sup> rating of at least seventy-five.

\* \* \* Building Communities Grants \* \* \*

Sec. 29. 24 V.S.A. § 5603 is amended to read:

§ 5603. HISTORIC BARN PRESERVATION GRANT PROGRAM

There is established an historic barns preservation grant program which shall be administered by the division for historic preservation in the agency of commerce and community development. Grants shall be made available to ~~municipalities and nonprofit tax exempt organizations~~ barn owners on a one-for-one matching basis for restoring historic barns.

\* \* \* Commerce and Community Development \* \* \*

Sec. 30. 23 V.S.A. § 3311(d) is amended to read:

(d) Underwater historic preserve area. A vessel shall not be operated in an “underwater historic preserve area” except as provided in this subsection. These areas are historic and archaeological sites located on the bottomlands of the waters of the state and are designated as public recreational areas. The division for historic preservation may designate underwater historic preserve areas and they shall be identified by a floating special purpose yellow buoy marked “State of Vermont Underwater Historic Preserve.” The following requirements shall govern the operation of vessels at the preserves:

(1) a vessel may secure to a yellow buoy only when diving or remotely operated vehicle diving at the preserve. In this subsection, “remotely operated vehicle diving” means using an unstaffed underwater robot to view a preserve site;

(2) ~~only~~ vessels 35 feet in length or less, ~~and only those engaged in diving,~~ may secure to a buoy;

(3) vessels 50 feet in length or less and piloted by a U.S. Coast Guard-licensed captain may secure to a buoy for the purpose of remotely operated vehicle diving;

(4) a divers-down flag shall be displayed whenever a vessel is secured to a buoy;

(4)(5) on sites with multiple buoys, one vessel may be secured to each buoy;

(5)(6) when a vessel is secured to the buoy, all other vessels shall remain at least 200 feet from the buoy; and

(6)(7) anchoring is not permitted within 200 feet of the buoy.

Sec. 31. 10 V.S.A. § 6654(f) is amended to read:

(f) The Vermont economic development authority, VEDA, is authorized to make loans on behalf of the state pursuant to this section. Annually, the secretary of commerce and community development with the approval of the secretary of natural resources in consultation with the VEDA manager shall determine an amount from the brownfield revitalization program that will be available to VEDA for loans. Proceeds from repayment of loans shall be deposited in the brownfield revitalization fund and shall be available for future grants and loans under this section. Loans under this subsection shall be issued and administered by VEDA, provided:

\* \* \*

(2) A loan to an applicant for characterization or assessment may not exceed \$250,000.00 ~~and may be used for characterization, assessment, or remediation.~~ Remediation loans shall not be capped. All loans shall be subject to all the following conditions:

\* \* \*

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

Sec. 32. VERMONT TELECOMMUNICATIONS AUTHORITY; USE OF PRIVATE ACTIVITY BONDING AUTHORITY; REPORT

On or before January 15, 2011, the executive director of the Vermont telecommunications authority shall report to the senate committee on institutions, the senate committee on finance, and the house committee on corrections and institutions on revenues realized from infrastructure built with general obligation bond funds, private activity bonds issued pursuant to 30 V.S.A. § 8064, revenues realized from infrastructure built with private activity bonds, and what is needed to maximize use of the authority's private activity bonding authority.

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

Sec. 33. 10 V.S.A. § 1974(4), (5), and (6) are added to read:

(4) The installation or use of a water treatment system for a potable water supply where the treatment system is designed to:

(A) reduce or eliminate water hardness;

(B) reduce or eliminate properties or constituents on the list of secondary standards in the Vermont water supply rules;

(C) reduce or eliminate radon, lead, arsenic, or a combination of these; or

(D) eliminate bacteria or pathogenic organisms, provided that the treatment system treats all of the water used for drinking, washing, bathing, the preparation of food, and laundering.

(5) The installation or use of a water treatment device, provided that the installation or use is overseen by the secretary as a part of a response action due to contamination or the threat of contamination of a potable water supply by a release or threat of release of a hazardous material or any other source of contamination.

(6) The increase in flow to an existing wastewater system as a result of the use of an exempt water treatment system under subdivisions (4) and (5) of this section.

Sec. 34. CLEAN WATER STATE REVOLVING FUND; INTENDED USE PLAN; AMENDMENTS

(a) The agency of natural resources has written and submitted a clean water intended use plan for submission to the U.S. Environmental Protection Agency (EPA) as part of its annual application for a Clean Water Capitalization Grant. Upon acceptance by the EPA, Vermont expects to be awarded \$12,905,000 which it will distribute through the clean water state revolving fund. The intended use plan describes how these funds will be distributed to municipal projects.

(b) If any of the municipalities allocated a share of the federal funds in the intended use plan are unable to use the funds due to unanticipated delays, or is eligible for other funds which could be used for the project instead of the federal funds, the agency is hereby directed to submit a plan amendment which will enable it to reallocate those funds to a project on the priority list which will cost more than \$4 million, does not readily qualify for other sources of funding, serves over 2,500 users, is in the economic growth center of the region, and will result in jobs and economic growth.

Sec. 35. POLLUTION CONTROL REVOLVING LOAN FUND; DRINKING WATER REVOLVING FUND; LOAN FORGIVENESS

(a) Upon awarding a loan from the Vermont environmental protection agency pollution control revolving fund or the Vermont environmental protection agency drinking water state revolving fund, the secretary of the agency of natural resources may forgive up to 50 percent of the loan if the award is made from funds appropriated from the Federal Fiscal Year 2010 Clean Water State Revolving Fund or Drinking Water State Revolving Fund Grants (FFY2010 CWSRF and FFY2010 DWSRF).

(b) Notwithstanding 10 V.S.A. § 1624a(b), the assistance provided by a loan from the Vermont environmental protection agency pollution control revolving fund made from FFY2010 CWSRF funds may be for up to 100 percent of the eligible project cost.

(c) The secretary shall establish standards, policies, and procedures as necessary for implementing the provisions of this section, for allocating the funds among projects, and for revising standard priority lists in order to comply with requirements associated with the federal FY2010 CWSRF and DWSRF capitalization grants.

Sec. 36. Sec. 8(a)(3) of No. 149 of the Acts of the 2001 Adj. Sess. (2002) is amended to read:

(3) Dams, maintenance and reconstruction; provided \$35,000 of this appropriation shall be made to supplement the \$55,000 federal Land and Water Conservation Fund grant for Harvey's Lake dam to replace the existing dam with an electronically-controlled rubber bladder dam; and provided ~~\$30,000~~ \$58,591 of this appropriation shall be made to enable engineering and design of repairs to abate the imminent hazard posed by the Curtis Pond dam in Calais, with the further provision that the state shall not be liable for any claims that may arise from the work performed at that dam: 300,000

\* \* \* Vermont State Hospital \* \* \*

Sec. 37. VERMONT STATE HOSPITAL; REPLACEMENT

(a) The department of mental health is directed to continue to develop plans for the replacement of state hospital functions consistent with state public policy and the terms of the conceptual certificate of need, including acute specialized and intensive care inpatient hospital beds and any other incomplete elements of the plan.

(b) The department of mental health shall proceed with further inpatient Phase II certificate of need applications only if the general assembly has identified an acceptable financing plan.

(c) The commissioner of buildings and general services and the

commissioner of mental health shall continue to plan, design, and work to obtain permits for a secure residential recovery facility in Waterbury. Notwithstanding Sec. 31(b) of No. 43 of the Acts of 2009, simultaneous with the certificate of need process and prior to applying for a local permit for a new appropriately designed 15-bed secure residential program and facility in Waterbury, the commissioners shall further review all potential building sites within the Waterbury complex and shall consult with the Waterbury village and town officials, and report on the final site to the chairs and vice chairs of the senate committee on institutions and house committee on corrections and institutions on or before July 1, 2010. The facility design shall incorporate the components necessary for the facility to function as a freestanding program that does not rely on support space currently serving patient needs in the existing Vermont state hospital.

(d) The commissioner of mental health shall plan for the replacement of Vermont state hospital inpatient beds in consultation with the following: Brattleboro Retreat, Rutland Regional Medical Center, and Dartmouth Medical School. The commissioner of buildings and general services shall engage in the design of the required space. The commissioner of buildings and general services shall make funds necessary for this work available from funds allocated in the past for planning and replacement of beds at a secure residential facility.

Sec. 38. Sec. 31(d) of No. 43 of the Acts of 2009 is amended to read:

(d) DAIL shall amend by rule pursuant to chapter 25 of Title 3 the licensing requirements for ~~therapeutic community residences~~ residential care homes to provide for the operation of secure residential recovery programs.

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

Sec. 39. 16 V.S.A. § 3448(a)(7)(C) is amended to read:

(C) The amount of an award shall be 50 percent of the approved cost of a project or applicable portion of a project which results in consolidation of two or more school buildings and which will serve the educational needs of students in a more cost-effective and educationally appropriate manner as compared to individual projects constructed separately. A decision of the commissioner as to eligibility for aid under this subdivision (C) shall be final. This subdivision (C) shall apply only to a project which has received preliminary approval by June 30, ~~2010~~ 2011.

Sec. 40. SALE OR LEASE OF THE JOHN H. BOYLAN STATE AIRPORT

(a) Pursuant to the provisions of 5 V.S.A. § 204(3), the secretary of transportation is authorized to sell or lease the John H. Boylan state airport to

the town of Brighton or to the Vermont Renewable Energy Company, LLC, d/b/a Vermont Biomass Energy (or its assignee) at fair market value.

(b) The state shall retain an ownership interest in the area which may be used as a helipad on the property that is accessible for authorized uses.

(c) The property shall be conveyed subject to a condition that the property will revert to the state of Vermont on terms and conditions negotiated by the parties.

(d) Any purchaser or lessor shall agree to accept assignment of the state of Vermont's interest in current leases on the property.

(e) In the event that the town of Brighton or Vermont Biomass Energy (or its assignee) does not purchase or lease the entire parcel, the secretary of transportation is authorized to sell the residence and up to an acre of associated land on the airport property to the highest bidder, provided that the residence and land shall not be sold for less than fair market value.

(f) Proceeds from the state of Vermont's sales or leases authorized by this section shall be deposited into the transportation fund, except for up to \$5,000.00 which may be used by the agency of transportation to create a memorial park at a location mutually agreed upon by the town of Brighton and by the agency to commemorate the contributions to the state of Vermont of the late Senator John H. Boylan and the late Essex District Probate Court Judge Lena Boylan.

Sec. 41. 30 V.S.A. § 8079 is amended to read:

§ 8079. BROADBAND INFRASTRUCTURE; INVESTMENT

(a) To achieve the goals established in subsection 8060(b) of this title, the authority is authorized to invest in broadband infrastructure or contract with retail providers for the purpose of making services available to at least 10,000 households or businesses in target communities where such services are currently unavailable or to upgrade services in underserved business districts, as determined by the authority. For the purposes of this section, target communities shall not be considered unserved if a broadband provider has a legally binding commitment to provide service to those locations or a provider has received a broadband stimulus grant to provide service to those locations.

(b) To accomplish the purpose of this section, the authority shall publish a request for proposals for ~~any or~~ all of the following options for the purpose of providing broadband coverage to 100 percent of Vermont households and businesses within target communities: (1) the construction of physical broadband infrastructure, to be owned by the authority; (2) initiatives by

public-private partnerships or retail vendors; or (3) programs that provide financial incentives to consumers, in the form of rebates for up to 18 months, for example, to ensure that providers have a sufficient number of subscribers. ~~Before publication, a copy of all requests for proposals shall be provided to the senate committee on finance and the house committee on commerce and economic development, and shall be approved by the joint fiscal committee~~ The authority shall select proposals for target communities that best achieve the objective stated in subsection (a) of this section, consistent with the criteria listed in subsections (c) and (d) of this section.

(c) ~~Criteria. In developing the criteria which will govern the requests for proposals regarding the expenditure of the appropriations contained in S.288 and H. 790 as enacted in the 2010 legislative session, and to the extent consistent with the objectives set forth in subsection (a) of this section, the authority shall strive to achieve~~ Any request for proposals developed under this section shall include the following requirements:

(1) ~~Require the use of current generation infrastructure, such as fiber optic cable where cable is used, or otherwise appropriate, and technology which is considered state of the art by the telecommunications industry~~ The technology and infrastructure used by a telecommunications provider participating in a project pursuant to this section shall support the delivery of services with download speeds equal to or greater than three megabits per second and upload speeds equal to or greater than two megabits per second.

(2) ~~Require that any infrastructure~~ Infrastructure owned and leased by the authority shall be available for use by as many telecommunication providers as the technology will permit to avoid the state from establishing a monopoly service territory for one provider.

(d) The authority shall review proposals and award contracts based upon the price, quality of services offered, positive experience with infrastructure maintenance, retail service delivery, and other factors determined to be in the public interest by the authority. In selecting target communities, the authority shall consider to the extent possible:

(1) the proportion of homes and businesses in those communities without access to broadband service and without access to broadband service meeting the minimum technical service characteristic objectives established under section 8077 of this title;

(2) the level of adoption of broadband service by residential and business users within the community;

(3) opportunities to leverage or support other sources of federal, state, or local funding for the expansion or adoption of broadband service;

(4) the number of potential new subscribers in each community and the total level of funding available for the program; and

(5) the geographic location of selected communities and whether new target communities would further the goal of bringing broadband service to all regions of the state.

(6) Pending grant and loan applications for the expansion of broadband service filed with the U.S. Department of Commerce and with the broadband initiatives program under the Rural Utilities Service of the U.S. Department of Agriculture, which will be awarded no later than October 1, 2010.

(e) To the extent any funds appropriated by the general assembly are rendered unnecessary for the purpose of reaching unserved Vermonters due to a successful application to the broadband initiatives program under the Rural Utilities Service of the U.S. Department of Agriculture, such funds shall be placed in reserve by the authority to be used first to achieve 100-percent coverage pursuant to chapter 91 of Title 30 and, once that is achieved, to then deliver fiber-quality service to Vermont's public facilities, regional business hubs, and anchor businesses and institutions.

(f) Beginning July 1, 2010, the authority may invest up to \$500,000.00 for upgrades in broadband services in underserved business districts, as defined by the authority.

Sec. 42. No. 78 of the Acts of 2010, Sec. 4, subsection (b), is amended to read:

(b) No portion of the appropriation made in subsection (a) of this section shall be encumbered or disbursed until a detailed itemization of the specific manner in which the funds shall be spent is ~~presented to and approved by the joint fiscal committee, after obtaining input from~~ submitted to the senate committee on finance, the senate committee on economic development, housing and general affairs, and the house committee on commerce and economic development.

Sec. 43. REPEALS

The following are repealed:

(1) 32 V.S.A. § 309(d), relating to emergency operation centers.

(2) Sec. 13(b)(2)(B) of No. 148 of the Acts of the 1997 Adj. Sess. (1998), relating to deed covenants on land which may be conveyed by the state of Vermont to Rutland.

## Sec. 44. EFFECTIVE DATE

This act shall take effect on passage.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Emmons of Springfield** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

**Rep. Emmons of Springfield**

**Rep. Myers of Essex**

**Rep. Rodgers of Glover**

**Action on Bill Postponed****S. 58**

House bill, entitled

An act relating to electronic payment of wages

Was taken up and pending the reading of the report of the committee on General, Housing and Military Affairs, on motion of **Rep. Moran of Wardsboro**, action on the bill was postponed until the next legislative day.

**Rules Suspended; Bills Messaged to Senate Forthwith**

On motion of **Rep. Nease of Johnson**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith:

**H. 783**

House bill, entitled

An act relating to miscellaneous tax provisions

**H. 790**

House bill, entitled

An act relating to capital construction and state bonding

**S. 165**

Senate bill, entitled

An act relating to eliminating the statute of limitations for felonies

**S. 173**

Senate bill, entitled

An act relating to technical corrections to the trust laws

**S. 268**

Senate bill, entitled

An act relating to the building bright futures council

**Recess**

At eleven o'clock in the forenoon, the Speaker declared a recess until four o'clock in the afternoon.

At four o'clock and twenty minutes in the afternoon, the Speaker called the House to order.

**Message from the Senate No. 42**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has on its part adopted joint resolution of the following title:

**J.R.S. 63.** Joint resolution relating to weekend adjournment.

In the adoption of which the concurrence of the House is requested.

The President pro tempore announced a change by the Committee on Committees in the members on the part of the Senate of the Committee of Conference upon the disagreeing votes of the two Houses on House bill of the following title:

**H. 540.** An act relating to motor vehicles passing vulnerable users on the highway and to bicycle operation.

**Rules Suspended; Senate Proposal of Amendment Concurred in****H. 725**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Komline of Dorset**, the rules were suspended and House bill, entitled

An act relating to farmers' markets

Was taken up for immediate consideration.

The Senate proposed to the House to amend the bill by striking Sec. 2 in its entirety and inserting in lieu thereof a new Sec. 2 to read as follows:

Sec. 2. EFFECTIVE DATE

This act shall take effect upon passage.

Which proposal of amendment was considered and concurred in.

### **Recess**

At four o'clock and twenty-five minutes in the afternoon, the Speaker declared a recess until the fall of the gavel.

At five o'clock and fifteen minutes in the afternoon, the Speaker called the House to order.

### **Message from the Senate No. 43**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered bills originating in the House of the following titles:

**H. 772.** An act relating to alcoholic beverage tastings and other liquor licensing issues.

**H. 789.** An act making appropriations for the support of government.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

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

**S. 239.** An act relating to retiring outdoor wood-fired boilers that do not meet the 2008 emission standard for particulate matter.

And has concurred therein.

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on Senate bill entitled:

**S. 264.** An act relating to stop and hauling charges.

The President pro tempore announced the appointment as members of such Committee on the part of the Senate:

Senator Kittell  
Senator Starr  
Senator Giard

Pursuant to the request of the House for Committees of Conference on the disagreeing votes of the two Houses on the following House bills the President

pro tempore announced the appointment as members of such Committees on the part of the Senate:

**H. 759.** An act relating to executive branch fees.

Senator Carris  
Senator Ayer  
Senator McCormack

**H. 790.** An act relating to capital construction and state bonding.

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;  
Committee of Conference Requested and Appointed**

**H. 789**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Komline of Dorset**, the rules were suspended and House bill, entitled

An act making appropriations for the support of government

Was taken up for immediate consideration.

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

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL - Fiscal Year 2011 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of state government during fiscal year 2011. It is the express intent of the legislature that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2010. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2011 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the general assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the general assembly that this act serve as the primary source and reference for appropriations for fiscal year 2011.

(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the appropriations are to continue, the appropriations are

single-year appropriations, and only for the purpose indicated, and shall be paid from funds shown as the source of funds. If, in this act, there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the commissioner of finance and management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending June 30, 2011.

#### Sec. A.103 DEFINITIONS

(a) For the purposes of this act:

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

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

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

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

#### Sec. A.104 RELATIONSHIP TO EXISTING LAWS

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

#### Sec. A.105 OFFSETTING APPROPRIATIONS

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

#### Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2011, the governor, with the approval of the legislature, or the joint fiscal committee if the legislature is not in session, may accept federal funds available to the state of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The governor, with the

approval of the legislature or the joint fiscal committee if the legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2011, federal funds available to the state of Vermont and designated as federal in this and other acts of the 2010 session of the Vermont general assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The governor may spend such funds for such purposes for no more than 45 days prior to legislative or joint fiscal committee approval. Notice shall be given to the joint fiscal committee without delay if the governor intends to use the authority granted by this section, and the joint fiscal committee shall meet in an expedited manner to review the governor's request for approval.

#### Sec. A.107 DEPARTMENTAL RECEIPTS

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

Connecticut river flood control

Public service department - sale of power

Tax department - unorganized towns and gores

(b) Notwithstanding any other provision of law, departmental indirect cost recoveries (32 V.S.A. § 6) receipts are authorized, subject to the approval of the secretary of administration, to be retained by the department. All recoveries not so authorized shall be credited to the general fund or, for agency of transportation recoveries, the transportation fund.

#### Sec. A.108 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized state positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2011 except for new positions authorized by the 2010 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

#### Sec. A.109 LEGEND

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

<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>
<u>B.1100–B.1199 and E.1100–E.1199</u>	<u>One-time and other appropriation actions</u>

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

Personal services	779,981
Operating expenses	<u>73,832</u>
Total	853,813
Source of funds	
General fund	658,760
Global Commitment fund	<u>195,053</u>
Total	853,813

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

Personal services	6,842,098
Operating expenses	2,505,878
Grants	<u>700,000</u>
Total	10,047,976
Source of funds	
General fund	20,911
Internal service funds	<u>10,027,065</u>
Total	10,047,976

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

Personal services	880,871
Operating expenses	<u>234,515</u>
Total	1,115,386
Source of funds	
General fund	882,783
Interdepartmental transfers	<u>232,603</u>
Total	1,115,386

## Sec. B.103 Finance and management - financial operations

Personal services	2,474,557
Operating expenses	<u>552,210</u>
Total	3,026,767
Source of funds	
Internal service funds	<u>3,026,767</u>
Total	3,026,767

## Sec. B.104 Human resources - operations

Personal services	2,543,406
Operating expenses	<u>414,786</u>
Total	2,958,192
Source of funds	
General fund	1,689,278
Special funds	280,835
Interdepartmental transfers	<u>988,079</u>
Total	2,958,192

## Sec. B.105 Human resources - employee benefits &amp; wellness

Personal services	1,152,032
Operating expenses	<u>647,868</u>
Total	1,799,900
Source of funds	
Internal service funds	1,760,047
Interdepartmental transfers	<u>39,853</u>
Total	1,799,900

## Sec. B.106 Libraries

Personal services	1,857,236
Operating expenses	1,804,985
Grants	<u>62,500</u>
Total	3,724,721

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Source of funds	
General fund	2,534,917
Special funds	132,656
Federal funds	955,372
Interdepartmental transfers	<u>101,776</u>
Total	3,724,721
Sec. B.107 Tax - administration/collection	
Personal services	12,536,124
Operating expenses	<u>3,138,092</u>
Total	15,674,216
Source of funds	
Tobacco fund	58,000
General fund	14,379,315
Special funds	1,039,901
Interdepartmental transfers	<u>197,000</u>
Total	15,674,216
Sec. B.108 Buildings and general services - administration	
Personal services	1,487,119
Operating expenses	<u>153,311</u>
Total	1,640,430
Source of funds	
Interdepartmental transfers	<u>1,640,430</u>
Total	1,640,430
Sec. B.109 Buildings and general services - engineering	
Personal services	2,124,181
Operating expenses	<u>341,604</u>
Total	2,465,785
Source of funds	
Interdepartmental transfers	<u>2,465,785</u>
Total	2,465,785
Sec. B.110 Buildings and general services - information centers	
Personal services	3,060,509
Operating expenses	1,324,371
Grants	<u>45,000</u>
Total	4,429,880
Source of funds	
General fund	4,379,880
Special funds	<u>50,000</u>

Total	4,429,880
Sec. B.111 Buildings and general services - purchasing	
Personal services	642,843
Operating expenses	<u>149,518</u>
Total	792,361
Source of funds	
General fund	<u>792,361</u>
Total	792,361
Sec. B.112 Buildings and general services - postal services	
Personal services	636,412
Operating expenses	<u>148,967</u>
Total	785,379
Source of funds	
General fund	35,716
Internal service funds	<u>749,663</u>
Total	785,379
Sec. B.113 Buildings and general services - copy center	
Personal services	715,491
Operating expenses	<u>122,107</u>
Total	837,598
Source of funds	
Internal service funds	<u>837,598</u>
Total	837,598
Sec. B.114 Buildings and general services - fleet management services	
Personal services	473,550
Operating expenses	<u>119,974</u>
Total	593,524
Source of funds	
Internal service funds	<u>593,524</u>
Total	593,524
Sec. B.115 Buildings and general services - federal surplus property	
Personal services	91,690
Operating expenses	<u>44,687</u>
Total	136,377
Source of funds	
Enterprise funds	<u>136,377</u>
Total	136,377

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Sec. B.116 Buildings and general services - state surplus property

Personal services	66,974
Operating expenses	<u>99,806</u>
Total	166,780
Source of funds	
Internal service funds	<u>166,780</u>
Total	166,780

Sec. B.117 Buildings and general services - property management

Personal services	1,120,071
Operating expenses	<u>1,457,881</u>
Total	2,577,952
Source of funds	
Internal service funds	<u>2,577,952</u>
Total	2,577,952

Sec. B.118 Buildings and general services - workers' compensation insurance

Personal services	1,295,161
Operating expenses	<u>271,331</u>
Total	1,566,492
Source of funds	
Internal service funds	<u>1,566,492</u>
Total	1,566,492

Sec. B.119 Buildings and general services - general liability insurance

Personal services	304,042
Operating expenses	<u>76,203</u>
Total	380,245
Source of funds	
Internal service funds	<u>380,245</u>
Total	380,245

Sec. B.120 Buildings and general services - all other insurance

Personal services	39,531
Operating expenses	<u>30,469</u>
Total	70,000
Source of funds	
Internal service funds	<u>70,000</u>
Total	70,000

Sec. B.121 Buildings and general services - fee for space

Personal services	13,357,546
Operating expenses	<u>13,886,975</u>
Total	27,244,521
Source of funds	
Internal service funds	<u>27,244,521</u>
Total	27,244,521
Sec. B.122 Geographic information system	
Grants	<u>408,700</u>
Total	408,700
Source of funds	
Special funds	<u>408,700</u>
Total	408,700
Sec. B.123 Executive office - governor's office	
Personal services	1,169,079
Operating expenses	<u>391,275</u>
Total	1,560,354
Source of funds	
General fund	1,366,854
Interdepartmental transfers	<u>193,500</u>
Total	1,560,354
Sec. B.124 Legislative council	
Personal services	2,090,029
Operating expenses	<u>192,964</u>
Total	2,282,993
Source of funds	
General fund	<u>2,282,993</u>
Total	2,282,993
Sec. B.125 Legislature	
Personal services	3,608,557
Operating expenses	<u>3,329,011</u>
Total	6,937,568
Source of funds	
General fund	<u>6,937,568</u>
Total	6,937,568
Sec. B.126 Legislative information technology	
Personal services	376,107
Operating expenses	<u>504,480</u>

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Total	880,587
Source of funds	
General fund	<u>880,587</u>
Total	880,587
Sec. B.127 Joint fiscal committee	
Personal services	1,391,465
Operating expenses	<u>113,201</u>
Total	1,504,666
Source of funds	
General fund	<u>1,504,666</u>
Total	1,504,666
Sec. B.128 Sergeant at arms	
Personal services	477,005
Operating expenses	<u>82,428</u>
Total	559,433
Source of funds	
General fund	<u>559,433</u>
Total	559,433
Sec. B.129 Lieutenant governor	
Personal services	150,836
Operating expenses	<u>16,376</u>
Total	167,212
Source of funds	
General fund	<u>167,212</u>
Total	167,212
Sec. B.130 Auditor of accounts	
Personal services	2,900,631
Operating expenses	<u>139,445</u>
Total	3,040,076
Source of funds	
General fund	399,951
Special funds	53,099
Internal service funds	<u>2,587,026</u>
Total	3,040,076
Sec. B.131 State treasurer	
Personal services	2,522,619
Operating expenses	331,089

Grants	<u>16,484</u>
Total	2,870,192
Source of funds	
General fund	1,130,500
Special funds	1,636,099
Interdepartmental transfers	<u>103,593</u>
Total	2,870,192
Sec. B.132 State treasurer - unclaimed property	
Personal services	670,521
Operating expenses	<u>243,474</u>
Total	913,995
Source of funds	
Private purpose trust funds	<u>913,995</u>
Total	913,995
Sec. B.133 Vermont state retirement system	
Personal services	6,370,747
Operating expenses	<u>27,934,748</u>
Total	34,305,495
Source of funds	
Pension trust funds	<u>34,305,495</u>
Total	34,305,495
Sec. B.134 Municipal employees' retirement system	
Personal services	2,002,388
Operating expenses	<u>451,355</u>
Total	2,453,743
Source of funds	
Pension trust funds	<u>2,453,743</u>
Total	2,453,743
Sec. B.135 State labor relations board	
Personal services	161,823
Operating expenses	<u>38,452</u>
Total	200,275
Source of funds	
General fund	194,699
Special funds	2,788
Interdepartmental transfers	<u>2,788</u>
Total	200,275

## Sec. B.136 VOSHA review board

Personal services	42,635
Operating expenses	<u>10,531</u>
Total	53,166
Source of funds	
General fund	26,583
Interdepartmental transfers	<u>26,583</u>
Total	53,166

## Sec. B.137 Homeowner rebate

Grants	<u>16,320,000</u>
Total	16,320,000
Source of funds	
General fund	<u>16,320,000</u>
Total	16,320,000

## Sec. B.138 Renter rebate

Grants	<u>8,300,000</u>
Total	8,300,000
Source of funds	
General fund	2,500,000
Education fund	<u>5,800,000</u>
Total	8,300,000

## Sec. B.139 Tax department - reappraisal and listing payments

Grants	<u>3,243,196</u>
Total	3,243,196
Source of funds	
Education fund	<u>3,243,196</u>
Total	3,243,196

## Sec. B.140 Municipal current use

Grants	<u>11,700,000</u>
Total	11,700,000
Source of funds	
General fund	<u>11,700,000</u>
Total	11,700,000

## Sec. B.141 Lottery commission

Personal services	1,658,986
Operating expenses	<u>1,096,215</u>

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Total	2,755,201
Source of funds	
Enterprise funds	<u>2,755,201</u>
Total	2,755,201
Sec. B.142 Payments in lieu of taxes	
Grants	<u>5,650,000</u>
Total	5,650,000
Source of funds	
Special funds	<u>5,650,000</u>
Total	5,650,000
Sec. B.143 Payments in lieu of taxes - Montpelier	
Grants	<u>184,000</u>
Total	184,000
Source of funds	
Special funds	<u>184,000</u>
Total	184,000
Sec. B.144 Payments in lieu of taxes - correctional facilities	
Grants	<u>40,000</u>
Total	40,000
Source of funds	
Special funds	<u>40,000</u>
Total	40,000
Sec. B.145 Total General government	189,219,147
Source of funds	
General fund	71,344,967
Education fund	9,043,196
Special funds	9,478,078
Tobacco fund	58,000
Global Commitment fund	195,053
Federal funds	955,372
Enterprise funds	2,891,578
Internal service funds	51,587,680
Pension trust funds	36,759,238
Private purpose trust funds	913,995
Interdepartmental transfers	<u>5,991,990</u>
Total	189,219,147
Sec. B.200 Attorney general	

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Personal services	6,942,359
Operating expenses	<u>1,095,205</u>
Total	8,037,564
Source of funds	
Tobacco fund	625,000
General fund	3,785,911
Special funds	990,000
Federal funds	707,526
Interdepartmental transfers	<u>1,929,127</u>
Total	8,037,564
Sec. B.201 Vermont court diversion	
Grants	<u>1,724,773</u>
Total	1,724,773
Source of funds	
General fund	1,204,776
Special funds	<u>519,997</u>
Total	1,724,773
Sec. B.202 Defender general - public defense	
Personal services	7,631,450
Operating expenses	<u>890,945</u>
Total	8,522,395
Source of funds	
General fund	8,009,107
Special funds	<u>513,288</u>
Total	8,522,395
Sec. B.203 Defender general - assigned counsel	
Personal services	3,414,589
Operating expenses	<u>41,909</u>
Total	3,456,498
Source of funds	
General fund	3,331,234
Special funds	<u>125,264</u>
Total	3,456,498
Sec. B.204 Judiciary	
Personal services	27,254,775
Operating expenses	10,118,692
Grants	<u>70,000</u>
Total	37,443,467

Source of funds	
Tobacco fund	39,871
General fund	30,784,588
Special funds	3,105,455
Federal funds	1,435,418
Interdepartmental transfers	<u>2,078,135</u>
Total	37,443,467
Sec. B.205 State's attorneys	
Personal services	9,398,345
Operating expenses	<u>1,137,233</u>
Total	10,535,578
Source of funds	
General fund	8,329,655
Special funds	32,775
Federal funds	31,000
Interdepartmental transfers	<u>2,142,148</u>
Total	10,535,578
Sec. B.206 Special investigative unit	
Grants	<u>1,060,950</u>
Total	1,060,950
Source of funds	
General fund	<u>1,060,950</u>
Total	1,060,950
Sec. B.207 Sheriffs	
Personal services	3,261,904
Operating expenses	<u>283,826</u>
Total	3,545,730
Source of funds	
General fund	<u>3,545,730</u>
Total	3,545,730
Sec. B.208 Public safety - administration	
Personal services	1,619,185
Operating expenses	<u>197,234</u>
Total	1,816,419
Source of funds	
General fund	1,776,694
Federal funds	<u>39,725</u>
Total	1,816,419

## Sec. B.209 Public safety - state police

Personal services	45,090,220
Operating expenses	8,211,814
Grants	<u>854,866</u>
Total	54,156,900
Source of funds	
ARRA funds	969,703
General fund	19,301,332
Transportation fund	27,635,057
Special funds	2,116,262
Federal funds	2,826,886
Interdepartmental transfers	<u>1,307,660</u>
Total	54,156,900

## Sec. B.210 Public safety - criminal justice services

Personal services	6,625,882
Operating expenses	3,291,327
Grants	<u>5,977,000</u>
Total	15,894,209
Source of funds	
ARRA funds	640,956
General fund	5,546,732
Special funds	1,972,320
Federal funds	7,645,784
Interdepartmental transfers	<u>88,417</u>
Total	15,894,209

## Sec. B.211 Public safety - emergency management

Personal services	2,716,202
Operating expenses	879,113
Grants	<u>1,602,000</u>
Total	5,197,315
Source of funds	
General fund	63,969
Special funds	224,014
Federal funds	4,889,332
Interdepartmental transfers	<u>20,000</u>
Total	5,197,315

## Sec. B.212 Public safety - fire safety

Personal services	4,953,243
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Operating expenses	1,281,790
Grants	<u>55,000</u>
Total	6,290,033
Source of funds	
General fund	714,083
Special funds	5,275,683
Federal funds	255,267
Interdepartmental transfers	<u>45,000</u>
Total	6,290,033
Sec. B.213 Public safety - homeland security	
Personal services	9,213,757
Operating expenses	718,374
Grants	<u>2,380,000</u>
Total	12,312,131
Source of funds	
ARRA funds	295,267
General fund	430,545
Federal funds	<u>11,586,319</u>
Total	12,312,131
Sec. B.214 Radiological emergency response plan	
Personal services	657,163
Operating expenses	215,438
Grants	<u>876,975</u>
Total	1,749,576
Source of funds	
Special funds	<u>1,749,576</u>
Total	1,749,576
Sec. B.215 Military - administration	
Personal services	548,148
Operating expenses	198,427
Grants	<u>100,000</u>
Total	846,575
Source of funds	
General fund	<u>846,575</u>
Total	846,575
Sec. B.216 Military - air service contract	
Personal services	4,618,657
Operating expenses	<u>1,214,629</u>

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Total	5,833,286
Source of funds	
General fund	468,392
Federal funds	<u>5,364,894</u>
Total	5,833,286
Sec. B.217 Military - army service contract	
Personal services	3,729,599
Operating expenses	<u>9,185,720</u>
Total	12,915,319
Source of funds	
General fund	112,380
Federal funds	<u>12,802,939</u>
Total	12,915,319
Sec. B.218 Military - building maintenance	
Personal services	983,598
Operating expenses	<u>386,580</u>
Total	1,370,178
Source of funds	
General fund	<u>1,370,178</u>
Total	1,370,178
Sec. B.219 Military - veterans' affairs	
Personal services	467,788
Operating expenses	132,754
Grants	<u>163,815</u>
Total	764,357
Source of funds	
General fund	605,099
Special funds	83,529
Federal funds	<u>75,729</u>
Total	764,357
Sec. B.220 Center for crime victims' services	
Personal services	1,314,211
Operating expenses	302,306
Grants	<u>9,634,587</u>
Total	11,251,104
Source of funds	
ARRA funds	571,809
General fund	1,118,448

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Special funds	5,550,448
Federal funds	<u>4,010,399</u>
Total	11,251,104
Sec. B.221 Criminal justice training council	
Personal services	1,222,580
Operating expenses	<u>1,265,675</u>
Total	2,488,255
Source of funds	
General fund	1,592,462
Special funds	531,285
Interdepartmental transfers	<u>364,508</u>
Total	2,488,255
Sec. B.222 Agriculture, food and markets - administration	
Personal services	764,915
Operating expenses	323,363
Grants	<u>538,351</u>
Total	1,626,629
Source of funds	
General fund	1,097,260
Special funds	377,465
Federal funds	109,904
Interdepartmental transfers	<u>42,000</u>
Total	1,626,629
Sec. B.223 Agriculture, food and markets - food safety and consumer protection	
Personal services	2,717,103
Operating expenses	635,855
Grants	<u>2,400,000</u>
Total	5,752,958
Source of funds	
General fund	2,147,861
Special funds	3,095,426
Federal funds	502,671
Interdepartmental transfers	<u>7,000</u>
Total	5,752,958
Sec. B.224 Agriculture, food and markets - agricultural development	
Personal services	1,062,108
Operating expenses	398,437

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Grants	<u>1,718,200</u>
Total	3,178,745
Source of funds	
General fund	319,093
Special funds	1,536,567
Federal funds	1,023,085
Interdepartmental transfers	<u>300,000</u>
Total	3,178,745

Sec. B.225 Agriculture, food and markets - laboratories, agricultural resource management and environmental stewardship

Personal services	2,877,085
Operating expenses	857,259
Grants	<u>880,952</u>
Total	4,615,296
Source of funds	
General fund	1,764,182
Special funds	2,148,284
Federal funds	518,072
Interdepartmental transfers	<u>184,758</u>
Total	4,615,296

Sec. B.226 Banking, insurance, securities, and health care administration - administration

Personal services	2,094,388
Operating expenses	<u>110,601</u>
Total	2,204,989
Source of funds	
Special funds	<u>2,204,989</u>
Total	2,204,989

Sec. B.227 Banking, insurance, securities, and health care administration - banking

Personal services	1,338,504
Operating expenses	<u>243,041</u>
Total	1,581,545
Source of funds	
Special funds	<u>1,581,545</u>
Total	1,581,545

Sec. B.228 Banking, insurance, securities, and health care administration - insurance

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Personal services	2,768,091
Operating expenses	<u>433,803</u>
Total	3,201,894
Source of funds	
Special funds	<u>3,201,894</u>
Total	3,201,894
Sec. B.229 Banking, insurance, securities, and health care administration - captive	
Personal services	3,237,368
Operating expenses	<u>439,405</u>
Total	3,676,773
Source of funds	
Special funds	<u>3,676,773</u>
Total	3,676,773
Sec. B.230 Banking, insurance, securities, and health care administration - securities	
Personal services	447,065
Operating expenses	<u>140,714</u>
Total	587,779
Source of funds	
Special funds	<u>587,779</u>
Total	587,779
Sec. B.231 Banking, insurance, securities, and health care administration - health care administration	
Personal services	4,421,102
Operating expenses	<u>320,805</u>
Total	4,741,907
Source of funds	
Special funds	2,843,083
Global Commitment fund	<u>1,898,824</u>
Total	4,741,907
Sec. B.232 Secretary of state	
Personal services	5,639,766
Operating expenses	2,010,915
Grants	<u>1,000,000</u>
Total	8,650,681
Source of funds	
General fund	1,741,157

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Special funds	4,834,524
Federal funds	2,000,000
Interdepartmental transfers	<u>75,000</u>
Total	8,650,681
Sec. B.233 Public service - regulation and energy	
Personal services	7,227,506
Operating expenses	703,315
Grants	<u>21,203,466</u>
Total	29,134,287
Source of funds	
ARRA funds	15,796,250
Special funds	12,180,237
Federal funds	<u>1,157,800</u>
Total	29,134,287
Sec. B.234 Public service board	
Personal services	2,716,697
Operating expenses	<u>364,000</u>
Total	3,080,697
Source of funds	
ARRA funds	265,834
Special funds	<u>2,814,863</u>
Total	3,080,697
Sec. B.235 Enhanced 9-1-1 Board	
Personal services	2,441,508
Operating expenses	1,252,574
Grants	<u>911,721</u>
Total	4,605,803
Source of funds	
Special funds	<u>4,605,803</u>
Total	4,605,803
Sec. B.236 Human rights commission	
Personal services	402,730
Operating expenses	<u>86,264</u>
Total	488,994
Source of funds	
General fund	318,255
Federal funds	<u>170,739</u>
Total	488,994

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 Sec. B.237 Liquor control - administration

Personal services	1,442,422
Operating expenses	<u>625,578</u>
Total	2,068,000
Source of funds	
Tobacco fund	6,661
Enterprise funds	1,811,339
Interdepartmental transfers	<u>250,000</u>
Total	2,068,000

## Sec. B.238 Liquor control - enforcement and licensing

Personal services	1,930,027
Operating expenses	<u>377,524</u>
Total	2,307,551
Source of funds	
Tobacco fund	289,645
Enterprise funds	<u>2,017,906</u>
Total	2,307,551

## Sec. B.239 Liquor control - warehousing and distribution

Personal services	813,769
Operating expenses	<u>329,615</u>
Total	1,143,384
Source of funds	
Enterprise funds	<u>1,143,384</u>
Total	1,143,384

## Sec. B.240 Total Protection to persons and property 289,860,524

Source of funds	
General fund	101,386,648
Transportation fund	27,635,057
Special funds	68,479,128
Tobacco fund	961,177
Global Commitment fund	1,898,824
Federal funds	57,153,489
ARRA funds	18,539,819
Enterprise funds	4,972,629
Interdepartmental transfers	<u>8,833,753</u>
Total	289,860,524

## Sec. B.300 Human services - agency of human services - secretary's office

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Personal services	8,997,483
Operating expenses	2,427,168
Grants	<u>5,095,241</u>
Total	16,519,892
Source of funds	
Tobacco fund	423,330
General fund	4,811,040
Special funds	7,517
Global Commitment fund	415,000
Federal funds	7,444,102
Interdepartmental transfers	<u>3,418,903</u>
Total	16,519,892

## Sec. B.301 Secretary's office - global commitment

Grants	<u>1,069,889,436</u>
Total	1,069,889,436
Source of funds	
ARRA funds	114,839,217
Tobacco fund	35,848,873
General fund	67,263,134
Special funds	11,398,028
State health care resources fund	175,395,700
Catamount fund	18,978,195
Federal funds	645,808,622
Interdepartmental transfers	<u>357,667</u>
Total	1,069,889,436

## Sec. B.302 Rate setting

Personal services	858,339
Operating expenses	<u>70,029</u>
Total	928,368
Source of funds	
Global Commitment fund	<u>928,368</u>
Total	928,368

## Sec. B.303 Developmental disabilities council

Personal services	269,694
Operating expenses	51,991
Grants	<u>220,000</u>
Total	541,685
Source of funds	
Federal funds	<u>541,685</u>

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Total	541,685
Sec. B.304 Human services board	
Personal services	282,894
Operating expenses	<u>67,804</u>
Total	350,698
Source of funds	
General fund	49,713
Federal funds	150,493
Interdepartmental transfers	<u>150,492</u>
Total	350,698
Sec. B.305 AHS - administrative fund	
Personal services	250,000
Operating expenses	<u>4,750,000</u>
Total	5,000,000
Source of funds	
Interdepartmental transfers	<u>5,000,000</u>
Total	5,000,000
Sec. B.306 Department of Vermont health access - administration	
Personal services	43,922,367
Operating expenses	2,397,618
Grants	<u>3,973,674</u>
Total	50,293,659
Source of funds	
General fund	1,549,943
Special funds	3,016,174
Global Commitment fund	32,844,084
Federal funds	<u>12,883,458</u>
Total	50,293,659
Sec. B.307 Department of Vermont health access - Medicaid program - global commitment	
Grants	<u>632,041,657</u>
Total	632,041,657
Source of funds	
Global Commitment fund	<u>632,041,657</u>
Total	632,041,657
Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver	

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Grants	<u>206,518,359</u>
Total	206,518,359
Source of funds	
ARRA funds	22,351,327
General fund	62,909,625
Federal funds	<u>121,257,407</u>
Total	206,518,359

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

Grants	<u>18,026,949</u>
Total	18,026,949
Source of funds	
General fund	16,296,293
Global Commitment fund	<u>1,730,656</u>
Total	18,026,949

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

Grants	<u>48,367,662</u>
Total	48,367,662
Source of funds	
General fund	17,328,535
Federal funds	<u>31,039,127</u>
Total	48,367,662

Sec. B.311 Health - administration and support

Personal services	5,741,814
Operating expenses	2,182,153
Grants	<u>2,612,000</u>
Total	10,535,967
Source of funds	
General fund	1,070,058
Special funds	232,148
Global Commitment fund	3,400,011
Federal funds	<u>5,833,750</u>
Total	10,535,967

Sec. B.312 Health - public health

Personal services	32,322,118
Operating expenses	7,193,132
Grants	<u>34,113,459</u>

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Total	73,628,709
Source of funds	
Tobacco fund	1,166,803
General fund	7,737,787
Special funds	4,783,956
Global Commitment fund	26,019,847
Catamount fund	2,510,319
Federal funds	30,795,573
Permanent trust funds	10,000
Interdepartmental transfers	<u>604,424</u>
Total	73,628,709
Sec. B.313 Health - alcohol and drug abuse programs	
Personal services	2,931,722
Operating expenses	709,845
Grants	<u>27,987,483</u>
Total	31,629,050
Source of funds	
Tobacco fund	2,382,834
General fund	3,019,387
Special funds	232,084
Global Commitment fund	17,503,430
Federal funds	8,341,315
Interdepartmental transfers	<u>150,000</u>
Total	31,629,050
Sec. B.314 Mental health - mental health	
Personal services	5,363,774
Operating expenses	904,685
Grants	<u>128,312,179</u>
Total	134,580,638
Source of funds	
General fund	792,412
Special funds	6,836
Global Commitment fund	127,939,561
Federal funds	5,821,829
Interdepartmental transfers	<u>20,000</u>
Total	134,580,638
Sec. B.315 Mental health - Vermont state hospital	
Personal services	20,934,634
Operating expenses	2,234,840

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Grants	<u>82,335</u>
Total	23,251,809
Source of funds	
General fund	22,687,045
Special funds	50,000
Global Commitment fund	1,200
Federal funds	213,564
Interdepartmental transfers	<u>300,000</u>
Total	23,251,809

Sec. B.316 Department for children and families - administration & support services

Personal services	37,767,592
Operating expenses	7,451,074
Grants	<u>852,829</u>
Total	46,071,495
Source of funds	
General fund	15,054,158
Global Commitment fund	17,233,385
Federal funds	<u>13,783,952</u>
Total	46,071,495

Sec. B.317 Department for children and families - family services

Personal services	22,899,710
Operating expenses	3,344,491
Grants	<u>63,337,675</u>
Total	89,581,876
Source of funds	
ARRA funds	705,724
Tobacco fund	275,000
General fund	21,435,381
Special funds	1,691,637
Global Commitment fund	37,870,954
Federal funds	27,503,180
Interdepartmental transfers	<u>100,000</u>
Total	89,581,876

Sec. B.318 Department for children and families - child development

Personal services	3,265,859
Operating expenses	498,925
Grants	<u>56,136,434</u>
Total	59,901,218

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Source of funds	
ARRA funds	2,282,687
General fund	23,198,997
Special funds	1,820,000
Global Commitment fund	5,448,940
Federal funds	27,011,087
Interdepartmental transfers	<u>139,507</u>
Total	59,901,218
Sec. B.319 Department for children and families - office of child support	
Personal services	9,071,791
Operating expenses	<u>4,122,248</u>
Total	13,194,039
Source of funds	
ARRA funds	431,230
General fund	2,690,672
Special funds	455,718
Federal funds	9,228,819
Interdepartmental transfers	<u>387,600</u>
Total	13,194,039
Sec. B.320 Department for children and families - aid to aged, blind and disabled	
Personal services	1,801,009
Grants	<u>10,738,080</u>
Total	12,539,089
Source of funds	
General fund	8,789,089
Global Commitment fund	<u>3,750,000</u>
Total	12,539,089
Sec. B.321 Department for children and families - general assistance	
Grants	<u>5,850,928</u>
Total	5,850,928
Source of funds	
ARRA funds	1,699,412
General fund	2,700,196
Global Commitment fund	340,000
Federal funds	<u>1,111,320</u>
Total	5,850,928
Sec. B.322 Department for children and families - food stamp cash out	

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Grants	<u>22,610,178</u>
Total	22,610,178
Source of funds	
ARRA funds	575,000
Federal funds	<u>22,035,178</u>
Total	22,610,178

Sec. B.323 Department for children and families - reach up

Grants	<u>49,229,159</u>
Total	49,229,159
Source of funds	
ARRA funds	1,127,346
General fund	19,927,750
Special funds	19,916,856
Global Commitment fund	374,400
Federal funds	<u>7,882,807</u>
Total	49,229,159

Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP

Personal services	20,000
Operating expenses	90,000
Grants	<u>11,502,664</u>
Total	11,612,664
Source of funds	
Federal funds	<u>11,612,664</u>
Total	11,612,664

Sec. B.325 Department for children and families - office of economic opportunity

Personal services	266,289
Operating expenses	78,339
Grants	<u>4,747,762</u>
Total	5,092,390
Source of funds	
General fund	1,241,285
Special funds	57,990
Federal funds	<u>3,793,115</u>
Total	5,092,390

Sec. B.326 Department for children and families - OEO - weatherization assistance

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Personal services	183,254
Operating expenses	130,762
Grants	<u>14,959,936</u>
Total	15,273,952
Source of funds	
ARRA funds	8,421,288
Special funds	4,602,998
Federal funds	<u>2,249,666</u>
Total	15,273,952

Sec. B.327 Department for children and families - Woodside rehabilitation center

Personal services	3,453,113
Operating expenses	<u>578,399</u>
Total	4,031,512
Source of funds	
General fund	3,976,620
Interdepartmental transfers	<u>54,892</u>
Total	4,031,512

Sec. B.328 Department for children and families - disability determination services

Personal services	4,353,948
Operating expenses	<u>1,133,361</u>
Total	5,487,309
Source of funds	
Global Commitment fund	246,517
Federal funds	<u>5,240,792</u>
Total	5,487,309

Sec. B.329 Disabilities, aging and independent living - administration & support

Personal services	24,109,012
Operating expenses	<u>3,661,592</u>
Total	27,770,604
Source of funds	
General fund	7,131,010
Special funds	889,246
Global Commitment fund	6,014,470
Federal funds	11,246,096
Interdepartmental transfers	<u>2,489,782</u>
Total	27,770,604

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Sec. B.330 Disabilities, aging and independent living - advocacy and independent living grants

Grants	<u>22,233,616</u>
Total	22,233,616
Source of funds	
ARRA funds	404,000
General fund	9,908,037
Global Commitment fund	3,638,762
Federal funds	7,645,317
Interdepartmental transfers	<u>637,500</u>
Total	22,233,616

Sec. B.331 Disabilities, aging and independent living - blind and visually impaired

Grants	<u>1,481,457</u>
Total	1,481,457
Source of funds	
General fund	364,064
Special funds	223,450
Global Commitment fund	245,000
Federal funds	<u>648,943</u>
Total	1,481,457

Sec. B.332 Disabilities, aging and independent living - vocational rehabilitation

Grants	<u>7,302,971</u>
Total	7,302,971
Source of funds	
ARRA funds	1,334,000
General fund	1,535,695
Global Commitment fund	7,500
Federal funds	4,132,389
Interdepartmental transfers	<u>293,387</u>
Total	7,302,971

Sec. B.333 Disabilities, aging and independent living - developmental services

Grants	<u>149,922,473</u>
Total	149,922,473
Source of funds	
General fund	155,125
Special funds	15,463

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Global Commitment fund	149,392,028
Federal funds	<u>359,857</u>
Total	149,922,473
Sec. B.334 Disabilities, aging and independent living -TBI home and community based waiver	
Grants	<u>4,044,899</u>
Total	4,044,899
Source of funds	
Global Commitment fund	<u>4,044,899</u>
Total	4,044,899
Sec. B.335 Corrections - administration	
Personal services	1,984,192
Operating expenses	<u>215,304</u>
Total	2,199,496
Source of funds	
General fund	<u>2,199,496</u>
Total	2,199,496
Sec. B.336 Corrections - parole board	
Personal services	328,861
Operating expenses	<u>60,198</u>
Total	389,059
Source of funds	
General fund	<u>389,059</u>
Total	389,059
Sec. B.337 Corrections - correctional education	
Personal services	4,419,709
Operating expenses	<u>306,274</u>
Total	4,725,983
Source of funds	
General fund	368,863
Special funds	696,991
Interdepartmental transfers	<u>3,660,129</u>
Total	4,725,983
Sec. B.338 Corrections - correctional services	
Personal services	80,054,352
Operating expenses	33,761,401
Grants	<u>3,722,953</u>

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Total	117,538,706
Source of funds	
Tobacco fund	87,500
General fund	113,305,822
Special funds	483,963
Global Commitment fund	3,094,144
Federal funds	170,962
Interdepartmental transfers	<u>396,315</u>
Total	117,538,706
Sec. B.339 Correctional services-out of state beds	
Personal services	<u>17,008,240</u>
Total	17,008,240
Source of funds	
General fund	<u>17,008,240</u>
Total	17,008,240
Sec. B.340 Corrections - correctional facilities - recreation	
Personal services	475,506
Operating expenses	<u>342,362</u>
Total	817,868
Source of funds	
General fund	125,000
Special funds	<u>692,868</u>
Total	817,868
Sec. B.341 Corrections - Vermont offender work program	
Personal services	986,255
Operating expenses	<u>554,103</u>
Total	1,540,358
Source of funds	
Internal service funds	<u>1,540,358</u>
Total	1,540,358
Sec. B.342 Vermont veterans' home - care and support services	
Personal services	15,385,424
Operating expenses	<u>3,673,019</u>
Total	19,058,443
Source of funds	
Special funds	11,615,802
Global Commitment fund	1,410,956
Federal funds	<u>6,031,685</u>

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Total	19,058,443
Sec. B.343 Commission on women	
Personal services	235,132
Operating expenses	<u>66,690</u>
Total	301,822
Source of funds	
General fund	296,822
Special funds	<u>5,000</u>
Total	301,822
Sec. B.344 Retired senior volunteer program	
Grants	<u>131,096</u>
Total	131,096
Source of funds	
General fund	<u>131,096</u>
Total	131,096
Sec. B.345 Total Human services	3,039,047,438
Source of funds	
General fund	457,447,449
Special funds	62,894,725
Tobacco fund	40,184,340
Global Commitment fund	1,075,935,769
State health care resources fund	175,395,700
Catamount fund	21,488,514
Federal funds	1,031,818,754
ARRA funds	154,171,231
Permanent trust funds	10,000
Internal service funds	1,540,358
Interdepartmental transfers	<u>18,160,598</u>
Total	3,039,047,438
Sec. B.400 Labor - administration	
Personal services	2,746,693
Operating expenses	577,547
Grants	<u>30,000</u>
Total	3,354,240
Source of funds	
ARRA funds	348,824
General fund	272,756
Special funds	459,031

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Catamount fund	76,844
Federal funds	2,001,785
Interdepartmental transfers	<u>195,000</u>
Total	3,354,240
Sec. B.401 Labor - programs	
Personal services	23,010,309
Operating expenses	5,488,024
Grants	<u>3,719,147</u>
Total	32,217,480
Source of funds	
ARRA funds	4,222,948
General fund	2,288,674
Special funds	2,912,759
Catamount fund	317,228
Federal funds	21,170,870
Interdepartmental transfers	<u>1,305,001</u>
Total	32,217,480
Sec. B.402 Total Labor	35,571,720
Source of funds	
General fund	2,561,430
Special funds	3,371,790
Catamount fund	394,072
Federal funds	23,172,655
ARRA funds	4,571,772
Interdepartmental transfers	<u>1,500,001</u>
Total	35,571,720
Sec. B.500 Education - finance and administration	
Personal services	5,666,454
Operating expenses	1,715,341
Grants	<u>11,384,730</u>
Total	18,766,525
Source of funds	
General fund	3,103,135
Education fund	427,526
Special funds	12,395,755
Global Commitment fund	823,092
Federal funds	2,012,287
Interdepartmental transfers	<u>4,730</u>
Total	18,766,525

## Sec. B.501 Education - education services

Personal services	12,293,389
Operating expenses	1,598,645
Grants	<u>166,683,243</u>
Total	180,575,277
Source of funds	
ARRA funds	46,719,169
General fund	4,805,426
Education fund	1,131,751
Special funds	2,061,526
Federal funds	125,832,574
Interdepartmental transfers	<u>24,831</u>
Total	180,575,277

## Sec. B.502 Education - special education: formula grants

Grants	<u>142,687,975</u>
Total	142,687,975
Source of funds	
Education fund	142,457,975
Global Commitment fund	<u>230,000</u>
Total	142,687,975

## Sec. B.503 Education - state-placed students

Grants	<u>16,400,000</u>
Total	16,400,000
Source of funds	
Education fund	<u>16,400,000</u>
Total	16,400,000

## Sec. B.504 Education - adult education and literacy

Grants	<u>6,463,656</u>
Total	6,463,656
Source of funds	
General fund	787,995
Education fund	4,800,000
Federal funds	<u>875,661</u>
Total	6,463,656

## Sec. B.505 Education - adjusted education payment

Grants	<u>1,137,155,536</u>
Total	1,137,155,536

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Source of funds	
ARRA interdepartmental transfer	38,575,036
Education fund	<u>1,098,580,500</u>
Total	1,137,155,536
Sec. B.506 Education - transportation	
Grants	<u>15,782,031</u>
Total	15,782,031
Source of funds	
Education fund	<u>15,782,031</u>
Total	15,782,031
Sec. B.507 Education - small school grants	
Grants	<u>7,000,000</u>
Total	7,000,000
Source of funds	
Education fund	<u>7,000,000</u>
Total	7,000,000
Sec. B.508 Education - capital debt service aid	
Grants	<u>180,000</u>
Total	180,000
Source of funds	
Education fund	<u>180,000</u>
Total	180,000
Sec. B.509 Education - tobacco litigation	
Personal services	129,931
Operating expenses	46,222
Grants	<u>812,764</u>
Total	988,917
Source of funds	
Tobacco fund	<u>988,917</u>
Total	988,917
Sec. B.510 Education - essential early education grant	
Grants	<u>5,679,216</u>
Total	5,679,216
Source of funds	
Education fund	<u>5,679,216</u>
Total	5,679,216

## Sec. B.511 Education - technical education

Grants	<u>12,784,382</u>
Total	12,784,382
Source of funds	
Education fund	<u>12,784,382</u>
Total	12,784,382

## Sec. B.512 Education - Act 117 cost containment

Personal services	1,059,820
Operating expenses	131,887
Grants	<u>91,000</u>
Total	1,282,707
Source of funds	
Special funds	<u>1,282,707</u>
Total	1,282,707

## Sec. B.513 Appropriation and transfer to education fund

Grants	<u>240,803,945</u>
Total	240,803,945
Source of funds	
General fund	<u>240,803,945</u>
Total	240,803,945

## Sec. B.514 State teachers' retirement system

Personal services	7,269,278
Operating expenses	20,964,109
Grants	<u>46,913,381</u>
Total	75,146,768
Source of funds	
General fund	46,913,381
Pension trust funds	<u>28,233,387</u>
Total	75,146,768

## Sec. B.515 Total General education 1,861,696,935

Source of funds	
General fund	296,413,882
Education fund	1,305,223,381
Special funds	15,739,988
Tobacco fund	988,917
Global Commitment fund	1,053,092
Federal funds	128,720,522

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ARRA funds	46,719,169
Pension trust funds	28,233,387
Interdepartmental transfers	29,561
ARRA interdepartmental transfer	<u>38,575,036</u>
Total	1,861,696,935
Sec. B.600 University of Vermont	
Grants	<u>40,746,633</u>
Total	40,746,633
Source of funds	
General fund	36,740,477
Global Commitment fund	<u>4,006,156</u>
Total	40,746,633
Sec. B.601 Vermont Public Television	
Grants	<u>547,683</u>
Total	547,683
Source of funds	
General fund	<u>547,683</u>
Total	547,683
Sec. B.602 Vermont state colleges	
Grants	<u>23,107,247</u>
Total	23,107,247
Source of funds	
General fund	<u>23,107,247</u>
Total	23,107,247
Sec. B.603 Vermont state colleges - allied health	
Grants	<u>1,116,503</u>
Total	1,116,503
Source of funds	
General fund	711,096
Global Commitment fund	<u>405,407</u>
Total	1,116,503
Sec. B.604 Vermont interactive television	
Grants	<u>785,679</u>
Total	785,679
Source of funds	
General fund	<u>785,679</u>
Total	785,679

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 Sec. B.605 Vermont student assistance corporation

Grants	<u>18,363,607</u>
Total	18,363,607
Source of funds	
General fund	<u>18,363,607</u>
Total	18,363,607

## Sec. B.606 New England higher education compact

Grants	<u>84,000</u>
Total	84,000
Source of funds	
General fund	<u>84,000</u>
Total	84,000

## Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	<u>1</u>
Total	1
Source of funds	
General fund	<u>1</u>
Total	1

## Sec. B.608 Total Higher education 84,751,353

Source of funds	
General fund	80,339,790
Global Commitment fund	<u>4,411,563</u>
Total	84,751,353

## Sec. B.700 Natural resources - agency of natural resources - administration

Personal services	3,496,740
Operating expenses	1,107,048
Grants	<u>70,510</u>
Total	4,674,298
Source of funds	
General fund	4,269,265
Special funds	17,797
Federal funds	174,332
Interdepartmental transfers	<u>212,904</u>
Total	4,674,298

## Sec. B.701 Natural resources - state land local property tax assessment

Operating expenses	<u>2,128,733</u>
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Total	2,128,733
Source of funds	
General fund	1,707,233
Interdepartmental transfers	<u>421,500</u>
Total	2,128,733
Sec. B.702 Fish and wildlife - support and field services	
Personal services	12,803,506
Operating expenses	4,897,176
Grants	<u>904,333</u>
Total	18,605,015
Source of funds	
General fund	1,157,253
Fish and wildlife fund	17,113,525
Interdepartmental transfers	<u>334,237</u>
Total	18,605,015
Sec. B.703 Forests, parks and recreation - administration	
Personal services	918,024
Operating expenses	621,179
Grants	<u>1,815,491</u>
Total	3,354,694
Source of funds	
ARRA funds	50,000
General fund	1,033,816
Special funds	1,307,878
Federal funds	<u>963,000</u>
Total	3,354,694
Sec. B.704 Forests, parks and recreation - forestry	
Personal services	4,511,199
Operating expenses	531,567
Grants	<u>501,000</u>
Total	5,543,766
Source of funds	
ARRA funds	252,750
General fund	3,221,738
Special funds	679,372
Federal funds	1,259,906
Interdepartmental transfers	<u>130,000</u>
Total	5,543,766

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 Sec. B.705 Forests, parks and recreation - state parks

Personal services	5,503,357
Operating expenses	<u>1,984,815</u>
Total	7,488,172
Source of funds	
ARRA funds	70,000
General fund	532,197
Special funds	6,751,451
Interdepartmental transfers	<u>134,524</u>
Total	7,488,172

## Sec. B.706 Forests, parks and recreation - lands administration

Personal services	450,413
Operating expenses	<u>1,209,166</u>
Total	1,659,579
Source of funds	
General fund	385,374
Special funds	179,205
Federal funds	1,050,000
Interdepartmental transfers	<u>45,000</u>
Total	1,659,579

## Sec. B.707 Forests, parks and recreation - youth conservation corps

Grants	<u>670,541</u>
Total	670,541
Source of funds	
General fund	42,320
Special funds	284,221
Federal funds	94,000
Interdepartmental transfers	<u>250,000</u>
Total	670,541

## Sec. B.708 Forests, parks and recreation - forest highway maintenance

Personal services	20,000
Operating expenses	<u>134,925</u>
Total	154,925
Source of funds	
General fund	<u>154,925</u>
Total	154,925

## Sec. B.709 Environmental conservation - management and support services

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Personal services	3,745,984
Operating expenses	1,119,601
Grants	<u>100,000</u>
Total	4,965,585
Source of funds	
General fund	691,248
Special funds	2,366,427
Federal funds	1,397,800
Interdepartmental transfers	<u>510,110</u>
Total	4,965,585

## Sec. B.710 Environmental conservation - air and waste management

Personal services	7,715,537
Operating expenses	6,426,547
Grants	<u>1,756,800</u>
Total	15,898,884
Source of funds	
ARRA funds	540,966
General fund	560,448
Special funds	10,909,314
Federal funds	3,583,156
Interdepartmental transfers	<u>305,000</u>
Total	15,898,884

## Sec. B.711 Environmental conservation - office of water programs

Personal services	13,400,525
Operating expenses	1,967,669
Grants	<u>2,246,681</u>
Total	17,614,875
Source of funds	
ARRA funds	553,471
General fund	5,708,472
Special funds	4,705,975
Federal funds	6,136,957
Interdepartmental transfers	<u>510,000</u>
Total	17,614,875

## Sec. B.712 Environmental conservation - tax-loss-Connecticut river flood control

Operating expenses	<u>34,700</u>
Total	34,700
Source of funds	

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General fund	3,470
Special funds	<u>31,230</u>
Total	34,700
Sec. B.713 Natural resources board	
Personal services	2,375,663
Operating expenses	<u>356,939</u>
Total	2,732,602
Source of funds	
General fund	766,716
Special funds	<u>1,965,886</u>
Total	2,732,602
Sec. B.714 Total Natural resources	85,526,369
Source of funds	
General fund	20,234,475
Fish and wildlife fund	17,113,525
Special funds	29,198,756
Federal funds	14,659,151
ARRA funds	1,467,187
Interdepartmental transfers	<u>2,853,275</u>
Total	85,526,369
Sec. B.800 Commerce and community development - agency of commerce and community development - administration	
Personal services	1,925,799
Operating expenses	1,078,886
Grants	<u>1,486,390</u>
Total	4,491,075
Source of funds	
ARRA funds	350,000
General fund	2,726,075
Federal funds	800,000
Interdepartmental transfers	<u>615,000</u>
Total	4,491,075
Sec. B.801 Economic, housing, and community development	
Personal services	4,364,330
Operating expenses	1,360,756
Grants	<u>18,162,346</u>
Total	23,887,432
Source of funds	

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ARRA funds	90,195
General fund	6,108,660
Special funds	4,131,257
Federal funds	<u>13,557,320</u>
Total	23,887,432

## Sec. B.802 Historic sites - special improvements

Personal services	40,000
Operating expenses	<u>40,670</u>
Total	80,670
Source of funds	
Special funds	20,000
Federal funds	40,000
Interdepartmental transfers	<u>20,670</u>
Total	80,670

## Sec. B.803 Community development block grants

Grants	<u>8,535,530</u>
Total	8,535,530
Source of funds	
ARRA funds	1,089,000
Federal funds	<u>7,446,530</u>
Total	8,535,530

## Sec. B.804 Downtown transportation and capital improvement fund

Personal services	79,326
Grants	<u>320,674</u>
Total	400,000
Source of funds	
Special funds	<u>400,000</u>
Total	400,000

## Sec. B.805 Tourism and marketing

Personal services	1,503,826
Operating expenses	1,751,984
Grants	<u>80,000</u>
Total	3,335,810
Source of funds	
General fund	3,329,810
Special funds	<u>6,000</u>
Total	3,335,810

## Sec. B.806 Vermont life

Personal services	723,536
Operating expenses	<u>89,881</u>
Total	813,417
Source of funds	
Enterprise funds	<u>813,417</u>
Total	813,417

## Sec. B.807 Vermont council on the arts

Grants	<u>507,607</u>
Total	507,607
Source of funds	
General fund	<u>507,607</u>
Total	507,607

## Sec. B.808 Vermont symphony orchestra

Grants	<u>113,821</u>
Total	113,821
Source of funds	
General fund	<u>113,821</u>
Total	113,821

## Sec. B.809 Vermont historical society

Grants	<u>795,669</u>
Total	795,669
Source of funds	
General fund	<u>795,669</u>
Total	795,669

## Sec. B.810 Vermont housing and conservation board

Grants	<u>23,789,348</u>
Total	23,789,348
Source of funds	
Special funds	6,606,662
Federal funds	<u>17,182,686</u>
Total	23,789,348

## Sec. B.811 Vermont humanities council

Grants	<u>172,670</u>
Total	172,670
Source of funds	

General fund	<u>172,670</u>	
Total	172,670	
Sec. B.812 Total Commerce and community development		66,923,049
Source of funds		
General fund	13,754,312	
Special funds	11,163,919	
Federal funds	39,026,536	
ARRA funds	1,529,195	
Enterprise funds	813,417	
Interdepartmental transfers	<u>635,670</u>	
Total	66,923,049	
Sec. B.900 Transportation - finance and administration		
Personal services	9,737,904	
Operating expenses	2,720,073	
Grants	<u>385,000</u>	
Total	12,842,977	
Source of funds		
Transportation fund	11,883,975	
Federal funds	<u>959,002</u>	
Total	12,842,977	
Sec. B.901 Transportation - aviation		
Personal services	2,643,444	
Operating expenses	20,173,198	
Grants	<u>160,000</u>	
Total	22,976,642	
Source of funds		
ARRA funds	3,500,000	
Transportation fund	3,035,642	
Federal funds	<u>16,441,000</u>	
Total	22,976,642	
Sec. B.902 Transportation - buildings		
Operating expenses	<u>2,467,500</u>	
Total	2,467,500	
Source of funds		
TIB fund	190,000	
Transportation fund	1,517,500	
Federal funds	<u>760,000</u>	
Total	2,467,500	

## Sec. B.903 Transportation - program development

Personal services	36,339,478
Operating expenses	220,453,550
Grants	<u>26,819,421</u>
Total	283,612,449
Source of funds	
ARRA funds	45,034,600
TIB fund	14,856,273
Transportation fund	18,937,922
Local match	1,434,254
Federal funds	199,707,420
Interdepartmental transfers	<u>3,641,980</u>
Total	283,612,449

## Sec. B.904 Transportation - rest areas

Personal services	270,000
Operating expenses	<u>4,550,000</u>
Total	4,820,000
Source of funds	
TIB fund	283,800
Transportation fund	405,144
Federal funds	<u>4,131,056</u>
Total	4,820,000

## Sec. B.905 Transportation - maintenance state system

Personal services	34,530,658
Operating expenses	32,821,229
Grants	<u>30,000</u>
Total	67,381,887
Source of funds	
Transportation fund	65,552,943
Federal funds	1,728,944
Interdepartmental transfers	<u>100,000</u>
Total	67,381,887

## Sec. B.906 Transportation - planning, outreach and community affairs

Personal services	3,080,461
Operating expenses	1,350,317
Grants	<u>4,969,488</u>
Total	9,400,266
Source of funds	

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Transportation fund	1,986,265
Federal funds	7,166,001
Interdepartmental transfers	<u>248,000</u>
Total	9,400,266
Sec. B.907 Transportation - rail	
Personal services	3,344,027
Operating expenses	<u>48,385,856</u>
Total	51,729,883
Source of funds	
ARRA funds	26,231,846
TIB fund	1,609,000
Transportation fund	10,026,291
Local match	250,000
Federal funds	<u>13,612,746</u>
Total	51,729,883
Sec. B.908 Transportation - public transit	
Personal services	707,567
Operating expenses	168,602
Grants	<u>23,863,535</u>
Total	24,739,704
Source of funds	
ARRA funds	2,000,000
Transportation fund	6,842,927
Federal funds	<u>15,896,777</u>
Total	24,739,704
Sec. B.909 Transportation - central garage	
Personal services	3,347,147
Operating expenses	<u>14,130,716</u>
Total	17,477,863
Source of funds	
Internal service funds	<u>17,477,863</u>
Total	17,477,863
Sec. B.910 Department of motor vehicles	
Personal services	15,786,441
Operating expenses	8,303,553
Grants	<u>136,476</u>
Total	24,226,470
Source of funds	

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Transportation fund	23,022,730
Federal funds	<u>1,203,740</u>
Total	24,226,470
Sec. B.911 Transportation - town highway structures	
Grants	<u>5,833,500</u>
Total	5,833,500
Source of funds	
Transportation fund	<u>5,833,500</u>
Total	5,833,500
Sec. B.912 Transportation - town highway Vermont local roads	
Grants	<u>390,000</u>
Total	390,000
Source of funds	
Transportation fund	235,000
Federal funds	<u>155,000</u>
Total	390,000
Sec. B.913 Transportation - town highway class 2 roadway	
Grants	<u>7,248,750</u>
Total	7,248,750
Source of funds	
Transportation fund	<u>7,248,750</u>
Total	7,248,750
Sec. B.914 Transportation - town highway bridges	
Personal services	3,600,000
Operating expenses	<u>15,489,340</u>
Total	19,089,340
Source of funds	
ARRA funds	3,990,070
TIB fund	1,616,014
Transportation fund	658,224
Local match	766,631
Federal funds	<u>12,058,401</u>
Total	19,089,340
Sec. B.915 Transportation - town highway aid program	
Grants	<u>24,982,744</u>
Total	24,982,744
Source of funds	

Transportation fund	<u>24,982,744</u>
Total	24,982,744
Sec. B.916 Transportation - town highway class 1 supplemental grants	
Grants	<u>128,750</u>
Total	128,750
Source of funds	
Transportation fund	<u>128,750</u>
Total	128,750
Sec. B.917 Transportation - town highway emergency fund	
Grants	<u>750,000</u>
Total	750,000
Source of funds	
Transportation fund	<u>750,000</u>
Total	750,000
Sec. B.918 Transportation - municipal mitigation grant program	
Grants	<u>2,112,998</u>
Total	2,112,998
Source of funds	
Transportation fund	247,998
Federal funds	<u>1,865,000</u>
Total	2,112,998
Sec. B.919 Transportation - public assistance grant program	
Grants	<u>200,000</u>
Total	200,000
Source of funds	
Federal funds	<u>200,000</u>
Total	200,000
Sec. B.920 Transportation board	
Personal services	75,633
Operating expenses	<u>10,911</u>
Total	86,544
Source of funds	
Transportation fund	<u>86,544</u>
Total	86,544
Sec. B.921 Total Transportation	582,498,267
Source of funds	

Transportation fund	183,382,849
TIB fund	18,555,087
Local match	2,450,885
Federal funds	275,885,087
ARRA funds	80,756,516
Internal service funds	17,477,863
Interdepartmental transfers	<u>3,989,980</u>
Total	582,498,267
Sec. B.1000 Debt service	
Debt service	<u>70,976,314</u>
Total	70,976,314
Source of funds	
General fund	65,794,622
Transportation fund	3,477,902
Special funds	1,026,225
Federal funds	<u>677,565</u>
Total	70,976,314
Sec. B.1001 Total Debt service	
	70,976,314
Source of funds	
General fund	65,794,622
Transportation fund	3,477,902
Special funds	1,026,225
Federal funds	<u>677,565</u>
Total	70,976,314

Sec. B.1100 FISCAL YEAR 2011 NEXT GENERATION APPROPRIATION AND TRANSFERS

(a) In fiscal year 2011, \$4,793,000 is appropriated or transferred from the next generation initiative fund, created in 16 V.S.A. § 2887, as prescribed below:

(1) Workforce development: \$1,948,500 as follows:

(A) Workforce Education Training Fund (WETF). The sum of \$1,300,500 is transferred to the Vermont workforce education and training fund and subsequently appropriated to the department of labor for workforce development. Up to seven percent of the funds may be used for administration of the program.

(B) Adult Technical Education Programs. The amount of \$410,500 is appropriated to the department of labor working with the workforce

development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 522, to unemployed and underemployed Vermont adults. Centers receiving funding shall provide to the department the social security number of each individual who has completed a training program within 30 days of the completion of the program. The department shall include the Adult Education Program in the table required by Section 6(b) of No. 46 of the Acts of 2007 as added by Section 8 of No. 54 of the Acts of 2009.

(C) UVM Technology Transfer Program. The amount of \$118,750 is appropriated to the University of Vermont. This appropriation is for patent development and commercialization of technology created at the university for the purpose of creating employment opportunities for Vermont residents.

(D) Vermont center for emerging technologies. The amount of \$118,750 is appropriated to the agency of commerce and community development for a grant to the Vermont center for emerging technologies to enhance development of high technology businesses and next generation employment opportunities throughout Vermont.

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

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

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

(B) The sum of \$150,000 is appropriated to the Vermont Student Assistance Corporation to fund the national guard educational assistance program established in 16 V.S.A. § 856.

(C) Scholarships. The sum of \$1,500,000 is appropriated to the

University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation for need-based scholarships to Vermont residents. These funds shall be divided equally among the University of Vermont, the Vermont State Colleges, and the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall reserve these funds for students attending institutions other than the University of Vermont or the Vermont State Colleges. None of these funds shall be used for administrative overhead.

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

#### Sec. B.1101 FISCAL YEAR 2011 BASE REDUCTIONS

(a) In fiscal year 2011, the secretary of administration is authorized to reduce the following amounts from appropriations and shall provide a report to the joint fiscal committee by November 15, 2010 on these reductions:

(1) Labor contract savings due to negotiated contract. The secretary of administration is authorized to reduce fiscal year 2011 appropriations consistent with these contract savings:

<u>General fund</u>	<u>\$5,548,030</u>
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(2) Adjustment to state employees' retirement.

<u>General fund</u>	<u>\$1,768,800</u>
<u>Transportation fund</u>	<u>\$686,400</u>

#### Sec. B.1102 FISCAL YEAR 2011 CONTRACT IMPLEMENTATION

(a) There is appropriated to the secretary of administration for contract nonsalary items, to be transferred to departments as the secretary may determine to be necessary:

<u>General fund</u>	<u>\$556,500</u>
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#### Sec. B.1103 FISCAL YEAR 2011 ONE-TIME APPROPRIATIONS

(a) In fiscal year 2011, the following amounts are appropriated:

(1) To the secretary of administration for the 27th payday in fiscal year 2011, to be transferred to departments as the secretary may determine to be necessary:

<u>General fund</u>	<u>\$9,485,885</u>
<u>Transportation fund</u>	<u>\$2,288,340</u>

(2) To the department of finance and management, for the governor's

transition. These funds are for costs incurred by the transitions of the executive office. No funds shall be used for inaugural celebrations. Any unexpended portion of these funds shall revert to the general fund:

General fund \$75,000

(3) To the secretary of state for the 2010 elections:

General fund \$610,000

(4) To ACCD for communities to utilize the sales tax reallocation in fiscal year 2011 pursuant to Sec. C.4 of H.791 of 2010:

General fund \$600,000

(5) To the department of environmental conservation for transition of the geological survey program to the University of Vermont:

General fund \$125,000

(6) To the military department, division of veterans' affairs for Supplemental Assistance to Survivors (DeptID 2150890501) to be used in accordance with the guidelines as set forth in Sec. 72b of No. 66 of the Acts of 2003, as amended by Sec. 16 of No. 80 and Sec. 72 of No. 122 of 2004:

General fund \$30,000

(7) To the department of finance and management for ARRA audits:

General fund \$351,000

(8) To the University of Vermont: General fund \$2,587,646

(9) To the Vermont State Colleges: General fund \$1,722,837

(10) To the Vermont Student Assistance Corporation:

General fund \$1,244,995

(11) To the department of health to be allocated by the tobacco evaluation and review board:

General fund \$1,250,000

(12) To the state treasurer for deposit in the Emergency Personnel Survivors Benefit Fund:

General fund \$43,333

(13) To the department of tourism and marketing for a grant to the Shires of Vermont:

General fund \$35,000

(14) To the department of mental health for a grant to the Howard center for mental health services provided to Vermont National Guard personnel and their families:

General fund \$100,000

(15) To the secretary of state for initial costs associated with reapportionment, it is anticipated that in fiscal year 2012 additional costs will be incurred:

General fund \$30,000



Sec. C.101 Sec. 60 of No. 67 of the Acts of 2010 is amended to read:

Sec. 60. FUND TRANSFERS

(a) Notwithstanding any other provisions of law, in fiscal year 2010:

(1) The following amounts shall be transferred to the general fund from the funds indicated:

21405	Fidelity/interest earnings	51,797	Approx.
21500	Inter-Unit Transfer (Bus Unit #01150) - Buildings & General Services	186,135	
21500	Inter-Unit Transfers Spec Fd (Bus Unit #01120) - Human Resources	23,020	
21525	Conference Fee Special Fund (Bus Unit #05100) - Education	3,000	
21584	Surplus Property (Bus Unit #1130) - Libraries	2,237	
21584	Surplus Property (Bus Unit #04100) - Labor	741	
21585	Pers-Human Resources Development	13,282	
21638	Attny Gen Fees - Reimbursements	1,500,000	Approx.
21844	PERS - Recruitment Services	12,506	
21904	Wallace Foundation - SAELP	1,406	
<del>21991</del>	<del>Clean Energy Development Fund (VEDA - Food &amp; Fuel)</del>	<del>150,000</del>	
<del>21991</del>	<del>Clean Energy Development Fund</del>	<del>143,672</del>	
<u>21500</u>	<u>Inter-unit Transfers Special Fund (Bus Unit # 01110) - Finance and Management</u>	<u>293,672</u>	
22005	AHS Central Office earned federal receipts	1,500,000	
50300	Liquor Control	836,516	
62100	Abandoned property	1,993,024	Approx.
	Caledonia Fair	5,000	
	North Country Hospital Loan	24,250	

\* \* \*

Sec. C.102 FISCAL YEAR 2010 CONTINGENT RESERVES, TRANSFERS AND APPROPRIATIONS

(a) Notwithstanding 32 V.S.A. §308c, and 32 V.S.A. §308(d), after the general fund budget stabilization reserve attains its statutory maximum up to

\$14,560,000 of any additional unreserved and undesignated general fund balance shall be retained in the general fund for expenditure during fiscal year 2011 consistent with the enacted budget.

(b) After satisfying subsection (a) of this section, any additional unreserved and undesignated general fund balance shall be reserved in accordance with 32 V.S.A. § 308c and 32 V.S.A. § 308d. If the provisions of Sec. D.106(a) of this act result in the preclusion of the provisions Sec.D.106(c)(1)(B) of this act, then of the amount reserved in accordance with 32 V.S.A. § 308c of this subsection, the first \$9,000,000 shall be transferred to the Vermont information systems fund established by 3 V.S.A. § 2222b.

#### Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of \$233,000 is appropriated from the property valuation and review administration special fund to the department of taxes for administration of the use tax reimbursement program. Notwithstanding 32 V.S.A. § 9610(c), amounts above \$233,000 from the property transfer tax that are deposited into the property valuation and review administration special fund shall be transferred into the general fund.

(2) The sum of \$6,101,662 is appropriated from the Vermont housing and conservation trust fund to the Vermont housing and conservation trust board. Notwithstanding 10 V.S.A. § 312, amounts above \$6,101,662 from the property transfer tax that are deposited into the Vermont housing and conservation trust fund shall be transferred into the general fund.

(3) The sum of \$3,449,427 is appropriated from the municipal and regional planning fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,449,427 from the property transfer tax that are deposited into the municipal and regional planning fund shall be transferred into the general fund. The \$3,449,427 shall be allocated as follows:

(A) \$2,632,027 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$408,700 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$408,700 to the Vermont center for geographic information.

#### Sec. D.101 FUND TRANSFERS AND RESERVES

(a) The following amounts are transferred or reserved from the funds indicated:

(1) from the general fund to the:

(A) communications and information technology internal service fund established by 22 V.S.A. § 902a: \$300,000.

(B) next generation initiative fund established by 16 V.S.A. § 2887: \$4,793,000.

(C) reserved for expenditure in fiscal year 2011 in the human services caseload reserve created by 32 V.S.A. § 308b: \$62,770,000.

(2) from the transportation fund to the downtown transportation and related capital improvement fund established by 24 V.S.A. § 2796 to be used by the Vermont downtown development board for the purposes of the fund: \$450,000.

#### Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2010 in the tobacco litigation settlement fund shall remain for appropriation in fiscal year 2011.

#### Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the tobacco trust fund at the end of fiscal year 2011 shall be transferred from the tobacco trust fund to the tobacco litigation settlement fund in fiscal year 2011.

#### Sec. D.104 EDUCATION MEDICAID RECEIPTS IN FISCAL YEAR 2011

(a) Notwithstanding 16 V.S.A. § 2959a(g), during fiscal year 2011, after the application of subsections (a) through (f), any remaining Medicaid reimbursement funds shall be deposited in the general fund.

#### Sec. D.105 GROSS RECEIPTS TAX IN FISCAL YEAR 2011

(a) In fiscal year 2011, notwithstanding 33 V.S.A. § 2503(c), the first \$2,300,000 of gross receipts tax revenue shall be deposited in the general fund.

#### Sec. D.106 HUMAN SERVICES CASELOAD RESERVE

(a) If the commissioner of finance and management determines that state funding needed to support the Medicaid program including the "Part D Clawback" payment is not adequate as a result of the federal government not extending the ARRA Enhanced Federal Medical Assistance Percentage (EFMAP) to June 30, 2010, then the amount determined to be inadequate

by the commissioner shall be appropriated from the human services caseload reserve established in 32 V.S.A. § 308b in fiscal year 2011 and the commissioner shall report such action to the joint fiscal committee.

(b) Of the reserve balance remaining after the requirements of subsection (a) of this section have been met, the secretary of administration in fiscal year 2011 shall authorize the secretary of human services to include up to \$13,500,000 of funds available in the reserve as an available state match when setting the per-member per-month actuarial rates for Medicaid eligibility groups in the global commitment program for federal fiscal year 2011 and submitting these rates for approval by the Centers for Medicare and Medicaid Services.

(c) Any balance remaining after the requirements of subsections (a) and (b) of this section have been met shall be allocated to the extent available as follows:

(1) \$42,100,000 shall be appropriated to the secretary of administration of which:

(A) \$15,000,000 is allocated for planning and construction of a 15-bed secure residential mental health facility in Waterbury;

(B) \$20,000,000 is to be transferred and deposited in the Vermont state information systems fund. Of the amounts deposited in the information system fund up to \$3,000,000 may be used for expenditures related to the Financial and Human Resource System, and up to \$6,000,000 may be used for expenditures related to the Vermont Integrated Eligibility Workflow System (VIEWS), and up to \$6,000,000 may be used for the computer server consolidation virtualization project and other information system investments that will further successful outcomes in implementation of "Challenge for Change" initiatives. Any remainder shall be allocated by the secretary in accordance with the provisions of 3 V.S.A. § 2283b; and

(C) \$2,000,000 shall be made available to the agency of human services, department of corrections, for investments which will result in lower long-term expenses within the correctional system. At least \$200,000 of these funds shall be used for substance abuse treatment for the probation and parole population.

(D) \$3,000,000 shall be made available to the department of Vermont health access to be used to provide payment amounts for outpatient hospital services closer to levels paid by Medicare, the department of Vermont health access shall increase payment rates to hospitals by an amount estimated to equal a total of \$8,400,000 for outpatient hospital services. The department of

Vermont health access shall provide quarterly reports to hospitals indicating the additional amounts paid for outpatient hospital services.

(E) \$2,100,000 shall be made available to the department of Vermont health access to fund a fifty-third week of claims in the long-term care program in fiscal year 2011.

(d) Any remaining funds shall be reserved for expenditure and or transfer during the fiscal year 2011 budget adjustment process.

Sec. D.107 AMERICAN RECOVERY AND REINVESTMENT ACT:  
STATE FISCAL STABILIZATION FUND PROGRAM FOR THE  
SUPPORT OF PUBLIC ELEMENTARY, SECONDARY, AND HIGHER  
EDUCATION

(a) The governor is authorized to submit an application as soon as practicable for Vermont's share of the American Recovery and Reinvestment Act (ARRA) State Fiscal Stabilization Fund Program (SFSF) consistent with the intent of the act and this section. The amount of \$38,575,036, which is one-half of Vermont's SFSF, funds is available to school districts as part of the funding of the state's adjusted education payment under Sec. B.505 of this act.

(b) The commissioner of education shall ensure that federal reporting is carried out as to:

(1) the use of funds provided under the SFSF program;

(2) the estimated number of jobs created or saved with program funds;

(3) estimated tax increases that were averted as a result of program funds;

(4) the state's progress in the areas covered by the application assurances; and

(5) maintaining records to ensure the ability to effectively monitor, evaluate, and audit the state fiscal stabilization fund.

\* \* \* GENERAL GOVERNMENT \* \* \*

Sec. E.100 Secretary of administration – secretary's office (Sec. B.100, #1100010000)

(a) The secretary of administration shall use the Global Commitment funds appropriated in this section for the Vermont Blueprint for Health chronic care initiative director.

Sec. E.100.1 3 V.S.A. § 2222 is amended to read:

§ 2222. POWERS AND DUTIES; BUDGET AND REPORT

(a) In addition to the duties expressly set forth elsewhere by law the secretary shall:

\* \* \*

(9) Submit to the general assembly concurrent with the governor's annual budget request required under 32 V.S.A. § 306, a strategic plan for information technology which outlines the significant deviations from the previous year's information technology plan, and which details the plans for information technology activities of state government for the following fiscal year as well as the administration's financing recommendations for these activities. All such plans shall be reviewed and approved by the commissioner of information and innovation prior to being included in the governor's annual budget request. The plan shall identify the proposed sources of funds for each project identified. The plan shall also contain a review of state of information technology and an identification of priority projects by agency. The plan shall include, for any proposed ~~new computer system or system upgrade~~ information technology activity with a cost in excess of ~~\$150,000.00~~ \$100,000.00:

\* \* \*

(E) a statewide budget for all information technology activities with a cost in excess of \$100,000.

(10) The secretary shall annually submit to the general assembly a five-year information technology plan which indicates the anticipated information technology activities of the legislative, executive, and judicial branches of state government. For purposes of this ~~subdivision~~ section, "information technology activities" shall mean:

\* \* \*

Sec. E.100.2 3 V.S.A. § 2222b is added to read:

§ 2222b. VERMONT INFORMATION SYSTEMS FUND

(a) There is created a Vermont information systems fund which shall be used:

(1) to purchase, develop and upgrade information technology systems needed for the effective operations of state government; and

(2) to act as a revolving fund to provide upfront financing for information technology improvements that can be made with identified fund repayments from departmental budgets in future years.

(b) The Vermont information systems fund is designed to provide a long term source of financial capacity for technology improvements throughout

state government. The secretary of administration is authorized to approve acquisitions and activities financed through this fund, provided such financing has been included as part of the strategic plan for information technology submitted in accordance with 3 V.S.A. § 2222(a)(9), and after review and approval of the plan as part of the legislative budget development process.

(c) For the purposes stated in subsections (a) and (b) of this section:

(1) In fiscal year 2011, to the extent that funds are available, \$20,000,000 shall be transferred to the Vermont information systems fund pursuant to Sec. D.106(c)(1)(B) of this act.

(2) Beginning in fiscal year 2013 and annually thereafter an amount shall be transferred to the Vermont information systems fund two-thirds of one percent of the prior year appropriations from the general fund, the transportation fund, and, as determined by the commissioner of finance and management, up to two-thirds of one percent of the prior year appropriations from special funds. Special fund participation should relate to past, present or future information system investments. In total not less than \$10,000,000.00, shall be transferred prior to August 1 from the respective funds to the Vermont information systems fund. All expenditures from this fund shall be appropriated by the general assembly and used exclusively for the purchase of information technology systems as authorized in subsections (a) and (b) of this section.

(d) Agencies or departments acquiring information technology improvements pursuant to subdivision (a)(2) shall repay the fund through their regular operating budgets according to an amortization schedule established by the commissioner of finance and management.

(e) The secretary of administration will report to the chairs of the legislative government operations committees, and the joint fiscal committee at its September meeting each year on information technology systems purchased, developed or upgraded through this fund in the prior fiscal year, plans for systems financed through the fund for the current fiscal year, and the extent to which expenditures from the funds are matched, the status of the fund, and a consolidated amortization schedule.

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

Sec. E.100.3 3 V.S.A. § 2283b is amended to read:

§ 2283b. DEPARTMENT OF INFORMATION AND INNOVATION

The department of information and innovation is created within the agency

~~of administration and is charged with all of the responsibilities assigned to it by law. In addition to other duties assigned to it by law, the department shall administer the programs and perform the functions assigned to it in chapter 15 of Title 22.~~

Sec. E.100.4 22 V.S.A. § 901 is amended to read:

§ 901. ~~Creation of department~~ DEPARTMENT OF INFORMATION AND INNOVATION

~~There is created the~~ The department of information and innovation within the agency of administration. The department, created in 3 V.S.A. Sec. 2283b, shall have all the responsibilities assigned to it by law, including the following:

\* \* \*

(5) to review and approve computer systems or computer system upgrades in all departments with a cost in excess of ~~\$150,000.00~~ \$100,000.00, and annually submit to the general assembly a strategic plan for information technology as required of the secretary of administration by subdivision 2222(a)(9) of Title 3;

(6) to review and approve information technology activities in all departments with a cost in excess of \$100,000.00, and annually submit to the general assembly a budget for information technology as required of the secretary of administration by subdivision 2222(a)(9) of Title 3. For purposes of this section, "information technology activities" is defined in 3 V.S.A. Sec. 2222(a)(10);

(7) to administer the independent review responsibilities of the secretary of administration described in subsection 2222(g) of Title 3;

~~(7)~~ (8) to perform the responsibilities of the secretary of administration under section 227b of Title 30;

~~(8)~~ (9) to administer communication, information, and technology services, which are transferred from the department of buildings and general services;

~~(9)~~ (10) to inventory technology assets within state government;

~~(10)~~ (11) to coordinate information technology training within state government;

~~(11)~~ (12) to support the statewide development of broadband telecommunications infrastructure and services, in a manner consistent with the telecommunications plan prepared pursuant to 30 V.S.A. § 202d and community development objectives established by the agency of commerce

and community development, by:

\* \* \*

~~(12)~~ (13) to provide technical support and services to the departments of human resources and of finance and management for the statewide central accounting and encumbrance system, the statewide budget development system, the statewide human resources management system, and other agency of administration systems as may be assigned by the secretary.

Sec. E.100.5 REVIEW BY JOINT FISCAL COMMITTEE

(a) The general assembly recognizes that acts of appropriations and their sources of funding reflect the priorities for expenditures of public funds enacted by the general assembly, and that reductions in expenditures and programs which are considered as a means of accomplishing the goals of the Challenges for Change Act, H. 792 as enacted, and this act, ought to reflect these legislated priorities. Therefore, if the general assembly is not in session, the secretary of administration shall report to the joint fiscal committee any proposal for a reduction in excess of five percent of the expenditure of the appropriated funding for any single function, program, service or benefit as a part of its plan of implementation of Challenges for Change and this act, and will include in the report an analysis of how the reduction is designed to achieve the outcomes expressed in the Challenges for Change Act and H. 792 as enacted, and how the reduction is designed to achieve legislated policy priorities. The joint fiscal committee may within 21 days after receipt of the secretary's report consider the proposed reduction in expenditures and report its approval or disapproval, and the reasons in support of its decision, to the secretary and to the general assembly. If the report is disapproved, the secretary may submit a revised plan to the joint fiscal committee for its review and approval or disapproval, or may proceed as originally proposed.

Sec. E 100.6 32 V.S.A. § 704b is added to read:

§704b. PROPOSED REDUCTION IN WORK FORCE WHEN GENERAL ASSEMBLY NOT IN SESSION

(a) The general assembly recognizes that after it adjourns, it may nonetheless be necessary to take significant measures to achieve savings in order to ensure a balanced budget in the general fund due to unknown and unforeseen circumstances. As a result, if the general assembly is not in session, and the secretary of administration proposes to eliminate, by reduction in force, position elimination, or both, more than one percent of the entire state workforce in one fiscal year, as measured cumulatively from July 1 in that fiscal year, the secretary shall first submit a plan which complies with the

standards outlined in subdivision (1) through (7) of this subsection to the joint fiscal committee for its consideration. For the purposes of this section, "entire state workforce" means full-time, permanent, classified and exempt state employees.

(1) The plan shall outline the proportional impacts on exempt employees, classified confidential employees, and all other employee classifications, and shall not have an unduly disproportionate impact on any employee classification;

(2) The plan shall not have an unduly disproportionate effect on any single function, program, service, or benefit;

(3) The plan shall describe how it will minimize any negative impacts of delivery of services to the public, public health, and safety;

(4) The plan shall describe how it will minimize cost impacts on other departments, agencies, or areas of government;

(5) The plan shall describe all proposed reductions in expenditures authorized by a general appropriations or budget adjustment act;

(6) The plan shall describe why other alternatives to the proposed elimination of positions are not utilized in the plan; and

(7) The plan shall reflect the priorities established by the general assembly in law.

(b) A plan developed under subsection (a) of this section shall be filed with the joint fiscal committee and shall not be implemented unless approved by the joint fiscal committee as set forth under this subsection. The joint fiscal committee shall meet within 14 days of the date the secretary's plan is filed, to review and act upon the plan in accordance with the standards in subsection (a) of this section. The committee shall approve or disapprove the plan, and if disapproved, the plan shall not be implemented.

Sec. E.100.7 STATE MONITORING OF INTERNET USE; FINDINGS; AUTHORITY; AGENCIES COVERED; WEB-CONTENT FILTERING COMMITTEE

(a) Findings. The general assembly finds that:

(1) The Personnel Policies and Procedures Manual (PPPM) for the state of Vermont authorizes limited personal use of Internet services. Although Number 5.6 of the PPPM specifies that "employees shall not use, or attempt to use, State personnel, property, or equipment for their private use or for any use not required for the proper discharge of their official duties," under Number

11.7 of the PPPM, “that policy has been interpreted to allow a limited degree of personal use of State telephones for private calls when such use meets certain guidelines,” and similar allowances are permitted for Internet, electronic and wireless communication devices and services, and email capabilities.

(2) Although the rules for Internet services under Number 11.7 of the PPPM give agencies the right to monitor their systems and the Internet activities of their employees, such right is not unlimited. For example, Rule 10 of Number 11.7 specifies that internet monitoring “may occur in, but is not limited to, circumstances when there is a reason to suspect that an employee is involved in activities that are prohibited by law, violate State policy or regulations, or jeopardize the integrity and/or performance of the computer systems of the State government.” The rule goes on to further specify that “[m]onitoring may also occur in the normal course of network administration and trouble-shooting, or on a random basis using electronic tools designed to monitor Internet usage.”

(3) The Vermont department of information and innovation, pursuant to a directive by the secretary of administration, chose a server-based web activity monitoring and policing software suite, known as Marshall 86, to be implemented statewide. Upon implementation, Marshall 86 has the capability of collecting reports on the usage and durations of usage on every website visited through a state computer, including websites visited for personal use such as e-mail or online banking. According to a memorandum by the commissioner to the senate appropriations committee dated April 22, 2010, Marshall 86 will not collect reports on the content of any site visited. In addition, the software will block users from visiting 28 categories of sites. Mobile electronics, such as laptops, will be installed with client software that will activate a similar blocking feature, irrespective of whether a public or a private internet connection is used.

(4) According to a memorandum by the commissioner to the senate appropriations committee dated April 22, 2010, the human resources staff of each state agency or department will be “responsible for managing the reporting features of” Marshall 86. The memorandum contains no reference to any kind of statewide standard as to how and when the software will be engaged by such personnel to determine if an employee’s internet usage may be in violation of the limited personal use exception contained in the PPPM. Presumably such decisions would be within the broad discretion of the affected agencies and departments.

(5) The general assembly finds that extensive tracking of Internet usage with monitoring software such as Marshall 86, including the generation of reports detailing visits to personal websites for legitimate, lawful, and personal purposes, would be inconsistent with the stated policies in PPPM Numbers 5.6 and 11.7, and inconsistent with fostering a positive, working relationship with the state's workforce.

(6) The potential extensive nature of Internet monitoring by software such as Marshall 86 has not been thoroughly and adequately vetted with regard to the use of and access to reports generated by the software; the implications for records containing privileged or confidential information; the obligation to report and act on information contained in reports generated; and, the repercussions on a state agency's rights and responsibilities under Vermont's public records law, 1 V.S.A. § 315, et seq.

(b) Monitoring Criteria. Web-content filtering software such as Marshall 86 shall not be used to track individual employee usage of the Internet, including websites visited, time spent at each site, the total amount of time spent "surfing" the Internet, and the day and time that each site is visited, unless the agency seeking to monitor that usage has a reason to suspect that an employee is involved in activities that are prohibited by law, violate State policy or regulations, or jeopardize the integrity or performance of the computer systems of the State government; or unless the monitoring is done in the normal course of network administration and trouble-shooting, or on a random basis. The human resources staff of each agency and department shall adopt written policies on computer use not inconsistent with the policies established by the secretary of administration.

(c) Elected Offices. Unless authorized by the elected heads of the following offices, web-content filtering software such as Marshall 86 shall not be deployed on the computers of employees in: the office of the secretary of state, the office of the attorney general, the office of the state auditor, the office of the state treasurer, the office of each state's attorney, and the office of each sheriff. The authorization, if granted, shall expire every two years and may be renewed only by the elected head of each office. Such offices, however, shall prepare written policies on internet use not inconsistent with state policy.

(d) Legislative and Judicial Branches. Web-content filtering software purchased by the executive branch, such as Marshall 86, shall be used to monitor content or block websites by the legislative or judicial branches of government, only if such use is approved by the legislative and judicial branches. Otherwise, the legislative and judicial branches may purchase and install other monitoring and policing software deemed appropriate by them.

(e) Web-content Filtering Committee. The commissioners of human resources and of information and innovation or designees, the director and the chair of the board of trustees of the Vermont state employees association or designees, and one representative of exempt state workers jointly selected by the other four members shall comprise the web-content filtering committee. Administrative support shall be provided by the department of information and innovation. The committee shall decide which sites are blocked based on a list of categories identified by the vendor providing internet monitoring services for the state, such as Marshall 86. The committee shall ensure that the URLs of websites deemed to contain “adult” material not suitable for the workplace are blocked. The committee shall publish its decisions to all state workers who shall be subject to the decisions of the committee.

Sec. E.101 Information and innovation - communications and information technology (Sec. B.101, #1105500000)

(a) Of this appropriation, \$300,000 is for a grant to the Vermont telecommunications authority established in 30 V.S.A. § 8061.

Sec. E.103 Finance and management – financial operations (Sec. B.103, #1115001000)

(a) Pursuant to 32 V.S.A. § 307(e), financial management fund charges not to exceed \$6,266,531 plus the costs of fiscal year 2011 salary adjustments bargained as part of the state/VSEA agreement are hereby approved. Of this amount, \$3,239,764 plus the costs of fiscal year 2011 salary adjustments bargained as part of the state/VSEA agreement shall be used to support the HCM system that is operated by the department of information and innovation.

Sec. E.107 Tax – administration/collection (Sec. B.107, #1140010000)

(a) Pursuant to Sec. 79 of No. 67 of the Acts of 2010, the timing of hiring and filling the six additional positions in fiscal year 2011 and the five additional positions in fiscal year 2012 designed to augment the department of taxes’ compliance efforts shall be determined by the commissioner. However, the commissioner shall ensure that fiscal year 2011 and fiscal year 2012 compliance revenue targets are achieved. These targets, relative to the close of fiscal year 2010, are an increase of \$2,721,276 in revenue in fiscal year 2011 and an increase of \$4,543,506 in fiscal year 2012.

Sec. E.109 Buildings and general services - engineering (Sec. B.109, #1150300000)

(a) The \$2,465,785 interdepartmental transfer in this appropriation shall be from the general bond fund appropriation in the Capital Appropriations Act of the 2010 session.

Sec. E.114 [DELETED]

Sec. E.118 Buildings and general services – workers’ compensation insurance (Sec. B.118, #1160450000)

(a) Pursuant to 32 V.S.A. § 307(e), workers’ compensation fund charges not to exceed \$9,800,000 are hereby approved.

Sec. E.121 Buildings and general services – fee-for-space (Sec. B.121, #1160550000)

(a) Pursuant to 29 V.S.A. § 160a(b)(3), facilities operations fund charges not to exceed \$27,244,521 plus the costs of fiscal year 2011 salary adjustments bargained as part of the state/VSEA agreement are hereby approved.

Sec. E.125 Legislature (Sec. B.125, #1210002000)

(a) It is the intent of the general assembly that funding for the legislature in fiscal year 2012 and beyond be included at a level sufficient to support an 18-week legislative session.

Sec. E.127 Joint Fiscal Committee (Sec. B.127, #1220000000)

(a) Notwithstanding 3 V.S.A. § 2222(g) and the general requirements of the bulletin 3.5 (Contracting Procedures), up to \$149,700 shall be used for the purposes of retaining a consultant on healthcare information technology. In that the consultant’s services are provided, in part to executive branch entities, the committee is authorized to negotiate interdepartmental transfers to offset some of the consultant’s cost.

Sec. E.127.1 Sec. 5.012.2 of No. 192 of the Acts of the 2008 is amended to read:

Sec. 5.012.2. JOINT FISCAL COMMITTEE – NUCLEAR ENERGY ANALYSIS (Sec. 2.031)

(a) The joint fiscal committee may authorize or retain consultant services to assist the general assembly in any legislative proceeding commenced under or related to 30 V.S.A. § 248(e) or chapter 157 of Title 10.

(b) Consultants retained pursuant to subsection (a) of this section shall work under the direction of a special committee consisting of the chairs of the house and senate committees on natural resources and energy and the joint fiscal committee.

(c) The public service board shall allocate expenses incurred pursuant to subsection (a) of this section to the applicant or the public service company or companies involved in those proceedings and such allocation and expense may be reviewed by the public service board pursuant to 30 V.S.A. § 21.

Sec. E.127.2 32 V.S.A. Sec. 5(a)(2) is amended to read:

(2) The governor's approval shall be final unless within 30 days of receipt of such information a member of the joint fiscal committee requests such grant be placed on the agenda of the joint fiscal committee, or, when the general assembly is in session, be held for legislative approval. In the event of such request, the grant shall not be accepted until approved by the joint fiscal committee or the legislature. The 30 day period may be reduced where expedited consideration is warranted in accordance with adopted joint fiscal committee policies. During the legislative session the joint fiscal committee shall file a notice with the house and senate clerks for publication in the respective calendars of any grant approval requests that are submitted by the administration.

Sec. E.128 REVERSION; SERGEANT AT ARMS FUNDS

(a) Notwithstanding any other provisions of law, the first \$50,000 of general funds carried forward from fiscal year 2010 in the sergeant at arms appropriation shall revert to the general fund in fiscal year 2011.

Sec. E.131 State treasurer (Sec. B.131, #1260010000)

(a) Of this general fund appropriation, \$16,484 shall be deposited into the armed services scholarship fund established in 16 V.S.A. § 2541.

Sec. E.131.1 [DELETED]

Sec. E.133 Vermont state retirement system (Sec. B.133, #1265020000):

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2011, investment fees shall be paid from the corpus of the fund.

Sec. E.139 16 V.S.A. § 4025(c) is amended to read:

(c) An equalization and reappraisal account is established within the education fund. Moneys from this account are to be used by the division of property valuation and review to assist towns with maintenance or reappraisal on a case-by-case basis; and for reappraisal and grand list maintenance assistance payments pursuant to ~~section 32 V.S.A. §§ 4041a of Title 32 and 5405(f).~~

Sec. E.141 Lottery commission (Sec. B.141, #2310010000)

(a) Of this appropriation, the lottery commission shall transfer \$150,000 to the department of health, office of alcohol and drug abuse programs, to support the gambling addiction program.

(b) The Vermont state lottery shall provide assistance and work with the Vermont council on problem gambling on systems and program development.

Sec. E.142 Payments in lieu of taxes (Sec. B.142, #1140020000)

(a) This appropriation is for state payments in lieu of property taxes under subchapter 4 of chapter 123 of Title 32, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act.

Sec. E.143 Payments in lieu of taxes - Montpelier (Sec. B.143, #1150800000)

(a) Payments in lieu of taxes under this section shall be paid from the PILOT special fund under 32 V.S.A. § 3709.

Sec. E.144 Payments in lieu of taxes – correctional facilities (Sec. B.144, #1140030000)

(a) Payments in lieu of taxes under this section shall be paid from the pilot special fund under 32 V.S.A. § 3709.

\* \* \* PROTECTION TO PERSONS AND PROPERTY \* \* \*

Sec. E.200 Attorney general (Sec. B.200, #2100001000)

(a) Notwithstanding any other provisions of law, the office of the attorney general, Medicaid fraud control unit, is authorized to retain, subject to appropriation, one-half of any civil monetary penalty proceeds from global Medicaid fraud settlements. All penalty funds retained shall be used to finance Medicaid fraud and residential abuse unit activities.

(b) Of the revenue available to the attorney general under 9 V.S.A. § 2458(b)(4), \$510,000 is appropriated in Sec. B.200 of this act.

(c) The establishment of one new exempt position—enforcement attorney—is authorized in fiscal year 2011. This position shall be transferred and converted from existing vacant positions in the executive branch of state government.

(d) The attorney general shall develop measures to evaluate the success of the position carrying out the purpose in subsection (c) of this section. This evaluation shall be submitted with the fiscal year 2012 budget materials to the house and senate committees on appropriations.

Sec. E.201 3 V.S.A. § 163(c)(9) is amended to read:

(9) Each participant shall pay a fee to the local juvenile court diversion project. The amount of the fee shall be determined by project officers based upon the financial capabilities of the participant. The fee shall not exceed \$150.00. The fee shall be a debt due from the participant, and payment of such shall be required for successful completion of the program. ~~Fees~~ Notwithstanding 32 V.S.A. § 502(a), fees collected under this subdivision shall

be ~~paid to the court diversion fund and shall be~~ retained and used solely for the purpose of the court diversion program.

Sec. E.201.1 3 V.S.A. § 164(c)(9) is amended to read:

(9) Each participant shall pay a fee to the local adult court diversion project. The amount of the fee shall be determined by project officers or employees based upon the financial capabilities of the participant. The fee shall not exceed \$300.00. The fee shall be a debt due from the participant, and payment of such shall be required for successful completion of the program. ~~Fees—~~ Notwithstanding 32 V.S.A. § 502(a), fees collected under this subdivision shall be ~~paid to the court diversion fund and shall be~~ retained and used solely for the purposes of the court diversion program.

Sec. E.201.2 3 V.S.A. § 166 is amended to read:

#### § 166. COURT DIVERSION FUND

The court diversion fund is hereby established in the state treasury. All fees and assessments of the juvenile and adult court diversion programs shall be ~~deposited~~ recorded in the fund. ~~Interest earned on the fund and any remaining balance shall be retained in the fund for the purposes of this subchapter.~~ Annually Quarterly, the director of each court diversion program shall report to the attorney general in a manner as prescribed by the attorney general's office on all fees paid under sections 163 and 164 of this title. An independent audit that includes all state funding sources shall be required biennially.

Sec. E.204 Judiciary (Sec. B.204, #2120000000)

(a) For compensation paid from July 1, 2010 to June 30, 2011, the supreme court is authorized to reduce by up to five percent salaries established by statute that are paid by the judicial department appropriation and to reduce by up to five percent the hourly rates of non-bargaining unit employees.

(b) The chief justice is authorized to apply provisions of the judiciary collective bargaining unit to exempt permanent state employees of the judicial branch who are not judicial officers.

Sec. E.205 24 V.S.A. § 362 is amended to read:

#### § 362. FULL-TIME STATE'S ATTORNEYS; PRIVATE LAW PRACTICE

~~State's Elected state's~~ attorneys ~~and all full-time deputy state's attorneys~~ shall devote full time to their duties and during their terms shall not engage in the private practice of law nor be a partner or associate of any person practicing law. ~~However, a full-time state's attorney or full-time deputy state's attorney may render legal assistance to a municipality or a municipal planning~~

~~agency provided a fee is not charged.~~ The state's attorneys of Essex and Grand Isle counties shall not serve on a full-time basis and shall not be subject to this section.

Sec. E.205.1 24 V.S.A. § 363 is amended to read:

§ 363. DEPUTY STATE'S ATTORNEYS

(a) A state's attorney may appoint as many deputy state's attorneys as necessary for the proper and efficient performance of his or her office, and with the approval of the governor, fix their pay not to exceed that of the state's attorney making the appointment, and may remove them at pleasure. Deputy state's attorneys shall be compensated only for periods of actual performance of the duties of such office. Deputy state's attorneys shall be reimbursed for their necessary expenses incurred in connection with their official duties when approved by the state's attorneys and the commissioner of finance. Deputy state's attorneys shall exercise all the powers and duties of the state's attorneys except the power to designate someone to act in the event of their own disqualification. Deputy state's attorneys may not enter upon the duties of the office until they have taken the oath or affirmation of allegiance to the state and the oath of office required by the constitution, and until such oath together with their appointment is filed for record with the county clerk. If appointed and under oath, a deputy state's attorney may prosecute cases in another county if the state's attorney in the other county files the deputy's appointment in the other county clerk's office. In case of a vacancy in the office of state's attorney, the appointment of the deputy shall expire upon the appointment of a new state's attorney.

(b) A state's attorney, with the approval of the executive committee of state's attorneys of the department of state's attorneys and sheriffs, may employ or retain the services of one or more part-time deputy state's attorneys as a way to allow flexible work schedules, maintain an experienced staff, and achieve cost efficiencies.

Sec. E.207 Sheriffs (Sec. B.207, #2130200000)

(a) In fiscal year 2011, the compensation of all sheriffs shall be reduced by five percent from the rate of compensation which would otherwise be paid under the provisions of 32 V.S.A. § 1182.

Sec. E.209 Public safety - state police (Sec. B.209, #2140010000)

(a) Of this appropriation, \$32,000 shall be used to make a grant to the Essex County sheriff's department for law enforcement purposes.

(b) Of this appropriation, \$35,000 in special funds shall be available for

snowmobile law enforcement activities and \$35,000 in general funds shall be available to the southern Vermont wilderness search and rescue team, which comprises state police, the department of fish and wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(c) Of the \$255,000 allocated for local heroin interdiction grants funded in this section, \$190,000 shall be used by the Vermont drug task force to fund three town task force officers. These town task force officers will be dedicated to heroin and heroin-related drug (e.g., methadone, oxycontin, crack cocaine, and methamphetamine) enforcement efforts. Any additional available funds shall remain as a “pool” available to local and county law enforcement to fund overtime costs associated with heroin investigations. Any unexpended funds from prior fiscal years’ allocations for local heroin interdiction shall be carried forward.

Sec. E.212 Public safety - fire safety (Sec. B.212, #2140040000)

(a) Of this general fund appropriation, \$55,000 shall be granted to the Vermont rural fire protection task force for the purpose of designing dry hydrants.

Sec. E.214 Public safety - emergency management - radiological emergency response plan (Sec. B.214, #2140080000)

(a) Of this special fund appropriation, up to \$30,000 shall be available to contract with any radio station serving the emergency planning zone for the emergency alert system.

Sec. E.214.1 RADIO TOWER REPLACEMENT

(a) Up to \$20,000 of any remaining balance in the radiological response plan fund at the end of fiscal year 2010 shall be used to replace the radio tower of WTSA, any balance available above this amount will remain in the fund. If there are insufficient funds for this purpose at the close of fiscal year 2010, the remaining amount needed for WTSA shall be taken out of unexpended funds in the fiscal year 2011 budget and any remaining balance shall remain in the fund.

Sec. E.215 Military – administration (Sec. B.215, #2150010000)

(a) Of this appropriation, \$100,000 shall be disbursed to the Vermont student assistance corporation for the national guard educational assistance program established in 16 V.S.A. § 2856.

Sec. E.219 Military - veterans’ affairs (Sec. B.219, #2150050000):

(a) Of this appropriation, \$5,000 shall be used for continuation of the Vermont medal program, \$4,800 shall be used for the expenses of the governor's veterans' advisory council, \$7,500 shall be used for the Veterans' Day parade, \$5,000 shall be granted to the Vermont state council of the Vietnam Veterans of America to fund the service officer program, and \$5,000 shall be used for the military, family, and community network.

Sec. E.220 Center for crime victim services (Sec. B.220, #2160010000)

(a) Of this appropriation, the amount of \$806,195 from the victims' compensation fund created by 13 V.S.A. § 5359 is appropriated for the Vermont network against domestic and sexual violence initiative. Expenditures for this initiative shall not exceed the revenues raised in fiscal year 2011 from the \$10.00 increase authorized by Sec. 20 of No. 174 of the Acts of 2008 applied to the assessment in 13 V.S.A. § 7282(a)(8)(B), and from the \$20.00 authorized by Sec. 21 of No. 174 of the Acts of 2008 applied to the fee in 32 V.S.A. § 1712(1).

(b) Of the appropriation in this section, \$50,000 shall be for a grant to certified batterer intervention programs.

(c) Of the appropriation in this section, \$65,000 shall be for a grant for the anti-violence partnership at the University of Vermont.

Sec. E.220.1 20 V.S.A. § 2365 is amended to read:

§ 2365. DOMESTIC VIOLENCE TRAINING

(a) In order to remain certified, law enforcement officers shall receive by ~~2010~~ 2011 at least eight hours of domestic violence training in a program approved by the Vermont criminal justice training council and the Vermont network against domestic and sexual violence.

(b) Law enforcement officers shall receive domestic violence retraining every two years in a program approved by the Vermont criminal justice training council.

(c) The Vermont police academy shall employ a domestic violence trainer. Funding for this position shall be transferred by the center for crime victims services from the victims' compensation fund created by 13 V.S.A. § 5359.

Sec. E.222 Agriculture, food and markets – administration

(a) It is the intent of the general assembly that when the fiscal year 2012 budget is prepared for the two plus two scholarship program the agency of agriculture, food and markets examine whether there would be potential cost savings if the funds were appropriated directly to the Vermont state colleges

and the University of Vermont through the next generation fund. The agency shall report its finding to the house and senate committees on appropriations during the fiscal year 2012 budget presentations.

Sec. E.230 FEDERAL HEALTH CARE GRANT FUNDING TO SUPPORT CATAMOUNT HEALTH

(a) It is the intent of the general assembly that the state maximize federal funding opportunities to expand access to health care coverage for uninsured and underinsured Vermonters. The general assembly is aware of upcoming federal funding opportunities related to the creation of a high-risk pool and supports using the Catamount Health program, to the extent practicable, to leverage applicable federal funds while keeping eligibility standards consistent across all of the state's health care programs.

(b) With the approval of the secretary of administration, the commissioner of banking, insurance, securities, and health care administration may request approval from the joint fiscal committee to proceed with an application for federal funding under the high-risk health insurance pool program authorized by Section 1101 of the Patient Protection and Affordable Care Act of 2010, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152, for the purpose of supporting the Catamount Health program or the market security trust provided for in 8 V.S.A. § 4062d. After approval by a majority of voting members of the joint fiscal committee, the commissioner may apply for funding under the high-risk health insurance pool program.

(c) In accordance with 32 V.S.A. § 5, the commissioner of banking, insurance, securities, and health care administration may accept a grant under the high-risk pool program only if acceptance will be budget neutral or financially beneficial to the state, as determined by the commissioner in consultation with the commissioner of the department of Vermont health access and with the approval of the joint fiscal committee.

(d) Upon approval by the joint fiscal committee as part of the review under subsection (b) of this section or at a later meeting and notwithstanding 8 V.S.A. § 4080f (Catamount Health), 33 V.S.A. § 1973 (Vermont health access program), 33 V.S.A. § 1974 (employer-sponsored insurance assistance program) and 33 V.S.A. Chapter 19, Subchapter 3A (Catamount Health assistance program), the commissioner of banking, insurance, securities, and health care administration and the secretary of human services may waive the statutory requirements establishing the 12-month uninsured requirement and the pre-existing condition exclusion provisions if necessary to permit the state to accept grant funds under the federal high-risk pool program. The request to

waive the statutory requirements shall specify a time period ending no later than June 30, 2011.

Sec. E.230.1 8 V.S.A. § 4062d is amended to read:

§ 4062d. ~~NONGROUP~~ MARKET SECURITY TRUST

(a) The commissioner ~~shall~~ may establish ~~the nongroup~~ a market security trust for the purpose of lowering the cost of and thereby increasing access to health care coverage in the ~~individual or nongroup~~ health insurance market.

(b) ~~The commissioner shall permit nongroup carriers to transfer five percent of the carriers' claims costs to the nongroup market security trust, based on the earned premium as reported on the most recent annual statement of the carrier. At the close of the year, the commissioner shall reconcile the amount paid against the actual expenses of the carriers and collect or expend the necessary funds to ensure that five percent of the actual expenses are paid under this section. The individuals incurring the claims shall remain enrolled policyholders, members, or subscribers of the carrier's or insurer's plan, and shall be subject to the same terms and conditions of coverage, premiums, and cost sharing as any other policyholder, member, or subscriber.~~

(c) ~~The~~ If the commissioner may develop the nongroup develops a market security trust pursuant to this section, the commissioner shall do so in a manner that permits the trust to be eligible for a federal ~~grant~~ grants to administer the trust, including a ~~grant~~ grants under the federal ~~Trade Adjustment Act~~ Patient Protection and Affordable Care Act of 2010, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Public Law 111-152.

(d)(c) ~~All of the revenues appropriated shall be deposited into the nongroup market security trust to be administered by the commissioner for the sole purpose of providing financial support for the nongroup market security trust authorized by this section. The trust shall be administered in accordance with subchapter 5 of chapter 7 of Title 32, except that interest earned shall remain in the trust. A market security trust established pursuant to this section shall be budget neutral or financially beneficial to the state.~~

(e)(d) The commissioner may adopt rules pursuant to chapter 25 of Title 3 for the ~~nongroup~~ market security trust relating to:

(1) ~~Criteria governing the circumstances under which a nongroup carrier may transfer five percent of the claims expenses of the carrier to the trust as provided for in this section.~~

(2) Eligibility criteria for providing financial support to carriers under

this section, including carrier claims' expenses eligible for financial support, standards and procedures for the treatment and chronic care management as defined in section 701 of Title 18, and any other eligibility criteria established by the commissioner.

~~(3)~~(2) The operation of the trust.

~~(4)~~(3) Any other standards or procedures necessary or desirable to carry out the purposes of this section.

~~(f) As used in this section, "nongroup carrier" means a nongroup carrier registered under section 4080b of this title that has an annual earned premium in excess of \$100,000.00.~~

Sec. E.231 Banking, insurance, securities, and health care administration – health care administration (Sec. B.231, #2210040000)

(a) The department of banking, insurance, securities, and health care administration (BISHCA) shall use the Global Commitment funds appropriated in this section for health care administration for the purpose of funding certain health care-related BISHCA programs, projects, and activities to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.232 Secretary of state (Sec. B.232, #2230010000)

(a) Of this special fund appropriation, \$492,991 represents the corporation division of the secretary of state's office, and these funds shall be from the securities regulation and supervision fund in accordance with 9 V.S.A. § 5613.

Sec. E.235 [DELETED]

\* \* \* HUMAN SERVICES \* \* \*

Sec. E.300 DEPARTMENT FOR CHILDREN AND FAMILY GRANT REDUCTIONS

(a) The department for children and families shall not reduce the following grants or programs: financial assistance provided by the division of family services to families who have adopted a child, financial assistance provided by the division of family services to foster families, grants to substitute care programs, and grants to emergency housing shelters.

Sec. E.301 Secretary's office – Global Commitment (Sec. B.301, #3400004000)

(a) The agency of human services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the agency of human services and the

managed care organization in the office of Vermont health access as provided for in the Global Commitment for Health Waiver (“Global Commitment”) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the state funds appropriated in this section, a total estimated sum of \$30,608,548 is anticipated to be certified as state matching funds under the Global Commitment as follows:

(1) \$12,395,683 certified state match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$28,104,317 of federal funds appropriated in Sec. B.301 equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment fund to the Medicaid reimbursement special fund created in 16 V.S.A. § 2959a.

(2) \$8,956,247 certified state match available from local education agencies for direct school-based health services, including school nurse services, that increases the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$1,775,817 certified state match available from local education agencies for eligible services as allowed by federal regulation for early periodic screening, diagnosis, and treatment programs for school-aged children.

(4) \$1,913,490 certified state match available via the University of Vermont’s child health improvement program for quality improvement initiatives for the Medicaid program.

(5) \$547,113 certified state match available via the University of Vermont’s child health improvement program for expanded quality improvement initiatives for the Medicaid program.

(6) \$5,020,198 certified state match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.301.1      RETAINING ENHANCED FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)

(a) Notwithstanding 16 V.S.A. § 2959a, to the extent possible, any additional federal funds received as a result of an enhanced FMAP (Federal Medical Assistance Percentage) that are associated with the certified

expenditures specified in subdivisions (b)(1) through (6) of Sec. E.301 of this act shall be retained in the Global Commitment fund and shall not be transferred to the certifying entity.

Sec. E.302 PAYMENT RATES FOR PRIVATE NONMEDICAL INSTITUTIONS PROVIDING RESIDENTIAL CHILD CARE SERVICES

(a) Notwithstanding any other provisions of law, for state fiscal year 2011, the division of rate setting shall calculate payment rates for private nonmedical institutions (PNMI) providing residential child care services as follows.

(1) General rule. The division of rate setting shall calculate PNMI per diem rates for state fiscal year 2011 as 100 percent of each program's final per diem rate in effect on June 30, 2010. These rates shall be issued as final.

(2) Reporting requirements.

(A) Providers are required to submit annual audited financial statements to the division within thirty days of receipt from the certified public accountant, but no later than four months following the end of each provider's fiscal year.

(B) Providers are not required to submit funding applications pursuant to section 3 of the PNMI rate setting rules for state fiscal year 2011.

(3) Exception to the general rule. For programs categorized by the placement authorizing departments (PADs) as crisis/stabilization programs with typical lengths of stay from 0 – 10 days, final rates for state fiscal year 2011 are set retroactively as follows:

(A) The allowable budget is 100 percent of the final approved budget for the rate year which includes June 30, 2010. The monthly allowable budget is the allowable budget divided by 12.

(B) Within five days of the end of each month in state fiscal year 2011, the program will submit the prior month's census to the division of rate setting. The per diem rate will be set for the prior month by dividing the monthly allowable budget amount by the total number of resident days for the month just ended.

(4) Adjustments to rates. Rate adjustment applications may not be used as a tool to circumvent the rate setting process for state fiscal year 2011 in order to submit a new budget for the entire program or for the sole reason that actual costs incurred by the facility exceed the rate of payment.

(A) The following provisions amend section 8 of the PNMI rules regarding adjustments to rates for state fiscal year 2011.

(i) The three-month waiting period of section 8.1(b) for the submission of a rate adjustment application is waived.

(ii) In rate adjustment applications, the division will only consider budget information specific to the program change and limited to direct program costs. Providers may not apply for increases to costs that are part of the current program and rate structure before the program change.

(iii) In its findings and order, the division may elect to use financial information from prior approved budget submissions to determine allowable costs related to the program change.

(iv) The materiality test in section 8.1(c) is waived for changes to rates based on a change in licensed capacity.

(v) The effective date for approved rate adjustments based on a change in licensed capacity is the effective date of the change in licensed capacity.

(B) Adjustments to rates based on changes in licensed capacity. Programs that increase or decrease licensed capacity in state fiscal year 2011 shall provide prior written notification to the division of the change in licensed capacity.

(i) Decreased licensed capacity. In the case of programs that decrease licensed capacity in state fiscal year 2011, programs must have prior written approval from the PADs before applying to the division for an adjustment to the state fiscal year 2011 per diem rate.

(I) The allowable budget amount for state fiscal year 2011 may be no more than the final approved budget for the rate year which includes June 30, 2010.

(II) In its application for a rate adjustment, a program must provide to the division financial and staffing information directly related to the decrease in licensed capacity.

(III) In its findings and order, the division shall reduce the allowable budget amount by any decreased costs directly related to the change in licensed capacity.

(IV) The division shall divide the final allowable budget amount by the estimated occupancy level at the new licensed capacity to calculate the per diem rate.

(ii) Increased licensed capacity. In the case of programs that increase licensed capacity in state fiscal year 2011, the division shall

automatically adjust the program's rate as follows.

(I) The initial allowable budget is 100 percent of the final approved budget amount for the rate year that includes June 30, 2010.

(II) With prior written approval from the PADs, programs may apply to the division for an adjustment to the allowable budget for costs directly related to the program change.

(III) The division shall divide the final allowable budget amount by the estimated occupancy level at the new licensed capacity to calculate the per diem rate.

Sec. E.306 Office of Vermont health access – administration (Sec. B.306, #3410010000)

(a) The establishment of six (6) new full-time positions is authorized in fiscal year 2011 to expand program integrity efforts. These positions shall be transferred and converted from vacant positions in the executive branch of state government.

(b) The office shall develop measures to evaluate the success of these new positions carrying out the purpose in subsection (a) of this section. This evaluation shall be submitted with the fiscal year 2012 budget materials to the house and senate committees on appropriations.

Sec. E.308 FISCAL YEAR 2011 NURSING HOME RATE SETTING

(a) Notwithstanding any other provisions of law, for state fiscal year 2011, the division of rate setting shall modify its methodology for calculating Medicaid rates for nursing homes as follows:

(1) Inflation. For state fiscal year 2011 rate setting, the division shall calculate the incremental inflation amount between state fiscal years 2010 and 2011 for the following cost categories: nursing care, director of nursing, resident care, and indirect. The division shall add that incremental inflation amount to the inflation percentages used in state fiscal year 2010 rate setting.

(2) Case-mix weights. For state fiscal year 2011, the division shall decrease by one-half the case-mix weights for the following resource utilization groups: Impaired Cognition A (IA1), Challenging Behavior A (BA1), Reduced Physical Functioning A 2 (PA2) and Reduced Physical Functioning A 1 (PA1).

Sec. E.309 HOSPITAL RATES

(a) In order to provide payment amounts for inpatient hospital services closer to levels paid by Medicare, the department of Vermont health access

shall increase payment rates to hospitals by an amount estimated to equal a total of \$20,000,000 for inpatient hospital services. The department of Vermont health access shall provide quarterly reports to hospitals indicating the additional amounts paid for inpatient hospital services.

Sec. E.309.1 MEDICAID; BENEFIT LIMITATIONS; RATES

(a) The department of Vermont health access may impose the following limitations and process requirements on benefits for adults in Medicaid and VHAP:

(1) Physical, occupational, or speech therapy visits may be limited to 30 visits per year, except that the department shall allow additional visits through the prior authorization process for individuals with the following diagnoses: spinal cord injury, traumatic brain injury, stroke, amputation, or severe burn. This limit shall not apply to therapy services provided by home health agencies.

(2) Urine drug tests may be limited to 8 tests per month. The department of Vermont health access shall develop standard protocols for appropriate use of urine drug tests, including the frequency of testing, exceptions to the limitation to 8 tests, and other appropriate utilization requirements.

(3) Emergency room visits may be limited to 12 visits per year, except that the department shall not include in the limitation emergency room visits resulting in the individual being admitted to the facility, resulting in the individual being transferred to another inpatient facility, or during which the individual becomes deceased.

(b) The department of Vermont health access may institute a prior authorization process for high-tech imaging, including scans such as computed tomography (CT), computed tomographic angiography (CTA), magnetic resonance imaging (MRI), magnetic resonance angiography (MRA), positron emission tomography (PET), positron emission tomography-computed tomography (PET-CT). The prior authorization process shall not apply to x-ray, ultrasound, mammogram, or dual x-ray absorptiometry (DXA) images and shall not apply to imaging ordered by emergency departments or during an inpatient admission. The prior authorization process shall include the following requirements:

(1) Approval guidelines shall be transparent, readily available to health care professionals upon request, based on peer-reviewed, published clinical standards, and include citations for the sources of the standards.

(2) Decisions on prior authorization requests shall be made in a timely manner and the department shall have sufficient clinical staff to provide timely

access by health care professionals making requests.

(3) The department shall form an advisory committee comprised of health care professionals to comment on: the evidence-based guidelines used, and the process for prior authorization with the goal of minimizing the administrative burden on health care professionals, including any forms and the timelines for the process.

(4) If the department uses a vendor for prior authorization of imaging, the terms of the contract shall prohibit the vendor from creating financial incentives for the utilization management reviewer to deny requests for imaging services. The vendor chosen shall have relevant business experience and the department shall ensure that the vendor has information about the imaging-related findings in the report required by No. 49 of the Acts of 2009 that found Vermont health care professionals' imaging rates are among the lowest in the country.

(5) The department or its vendor shall conduct training about the prior authorization process at least 60 days prior to the implementation of the process. This training shall include:

(A) face to face regional meetings and demonstrations;

(B) webinars; and

(C) other training as requested by health care professionals.

(6) The department or its vendor shall distribute information about the prior authorization approval guidelines and the process to all participating providers at least 60 days prior to the implementation of the prior authorization process. The department or its vendor shall provide an on-line tool to allow health care professionals to determine if prior authorization is required for a particular service.

(7) The department shall track and report the following information:

(A) imaging usage rates, including usage in emergency departments; the aggregate amount reimbursed for imaging by the department; and net savings from implementing the prior authorization process;

(B) the number of requests processed, including numbers of approvals and denials, and number of requests by method, including through a website, by telephone, by fax and by mail;

(C) the average transaction time by method of request, including web response time, call waiting time, and fax response time.

(D) the number of requests where additional clinical information was

requested by the department or its vendor;

(E) the average time between the receipt of clinical information and the decision on the request; and

(F) the number of prior authorization requests where a professional requesting prior authorization asked for a discussion with a health care professional peer, including the average number of contacts required to engage in this discussion.

(8) The department or its vendor shall perform a satisfaction survey of health care professionals annually, and meet with health care professionals and the Vermont medical society to discuss the survey results.

(9) The department or its vendor shall establish a process to exempt health care professionals from the prior authorization process when the health care professionals routinely orders imaging consistent with the department's evidence-based guidelines and whose prior authorization requests are routinely granted by the department. In developing this exemption, the department shall review its data and meet with health care professionals and the Vermont medical society to discuss the appropriate process for this exemption.

(c) The department of Vermont health access may reduce the reimbursement rate to a laboratory for urine drug testing to \$10.49 per test.

(d) The department of Vermont health access may modify the reimbursement amount paid pharmacies for any drug priced utilizing the Average Wholesale Price (AWP) methodology to reflect the current published price.

(e) The department of Vermont health access shall increase the dispensing fee to an independent pharmacy from \$4.75 to \$5.75 per prescription filled. An "independent pharmacy" means a retail pharmacy with three or fewer stores owned by the same individual or corporate entity.

#### Sec. E.309.2 HEALTH INSURANCE PREMIUM PROGRAM

(a) The department of Vermont health access may expand the health insurance premium program to new applicants to Medicaid, which enrolls a Medicaid beneficiary in employer-sponsored or private health insurance plan available to the beneficiary if it is cost-effective to the state to do so. The department may offer current beneficiaries the option of enrolling in an employer-sponsored or private health insurance plan available to the beneficiary.

#### Sec. E.309.3 SUSPENSION OF AUTOMATIC PREMIUM INCREASES; MAINTENANCE OF ELIGIBILITY REQUIREMENTS

(a) It is the intent of the general assembly to ensure compliance with Section 5001(f) of the American Recovery and Reinvestment Act of 2009, Public Law 111-5 and Section 2001 of the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010 [maintenance of eligibility] by maintaining the premiums at levels due on June 15, 2008 for individuals enrolled in health benefit plans or premium assistance funded by Medicaid. By maintaining the premiums and eligibility for programs included in Global Commitment to Health and Choices for Care, the state will remain eligible for funds available for Medicaid and Medicaid-waiver programs.

(b) Notwithstanding 33 V.S.A. §§ 1974(j) and 1984(b), individuals receiving Catamount Health premium assistance or employer-sponsored premium assistance shall not have the premiums automatically indexed.

(c) This section of the Act shall supersede any agency rules establishing premium amounts above the amounts due on June 15, 2008.

(d) By January 15, 2011, if the state has or is projected to have a budget deficit in state fiscal years 2011 or 2012, the secretary of human services may propose to the house committees on appropriations, on health care, and on human services and the senate committees on appropriations and health and welfare a proposal for certifying the proposed or actual deficit to the secretary of the U.S. Department of Health and Human Services under Section 2001 of the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, including a proposal for modifying eligibility requirements for adults with incomes above 133% of the federal poverty guidelines who are not pregnant and do not have a disability, including by increasing premium amounts in the Vermont Health Access Plan, VPharm, VermontRx, employer-sponsored premium assistance, or Catamount Health assistance.

Sec. E.309.4 33 V.S.A. § 1953 is amended to read:

§ 1953. HOSPITAL ASSESSMENT

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

(1) ~~Beginning January 1, 2008, each~~ Each hospital's annual assessment, except for hospitals assessed under subdivision (2) of this subsection, shall be 5.5 percent of its net patient revenues (less chronic, skilled, and swing bed revenues) for the hospital's fiscal year as determined annually by the ~~director~~ commissioner of Vermont health access from the hospital's financial reports and other data filed with the department of banking, insurance, securities, and health care administration. The annual assessment shall be based on data from

a hospital's ~~third~~ most recent full fiscal year for which data has been reported to the department of banking, insurance, securities, and health care administration.

(2) Beginning July 1, 2004, each mental hospital or psychiatric facility's annual assessment shall be 4.21 percent, provided that the United States Department of Health and Human Services grants a waiver to the uniform assessment rate, pursuant to 42 C.F.R. § 433.68(e). If the United States Department of Health and Human Services fails to grant a waiver, mental hospitals and psychiatric facilities shall be assessed under subdivision (1) of this subsection.

(b) Each hospital shall be notified in writing by the office department of the assessment made pursuant to this section. If no hospital submits a request for reconsideration under section 1958 of this title, the assessment shall be considered final.

(c) Each hospital shall submit its assessment to the office department according to a payment schedule adopted by the ~~director~~ commissioner. Variations in payment schedules shall be permitted as deemed necessary by the ~~director~~ commissioner.

(d) Any hospital that fails to make a payment to the office department on or before the specified schedule, or under any schedule for delayed payments established by the ~~director~~ commissioner, shall be assessed not more than \$1,000.00. The ~~director~~ commissioner may waive this late payment assessment provided for in this subsection for good cause shown by the hospital.

~~(e) [Repealed.]~~

Sec. E.309.5 8 V.S.A. § 4080f(c)(1) is amended to read:

(c)(1) Catamount Health shall provide coverage for primary care, preventive care, chronic care, acute episodic care, and hospital services. The benefits for Catamount Health shall be a preferred provider organization plan with:

(A) a ~~\$250.00~~ \$500.00 deductible for an individual and a ~~\$500.00~~ \$1,000.00 deductible for a family for health services received in network, and a ~~\$500.00~~ \$1,000.00 deductible for an individual and a ~~\$1,000.00~~ \$2,000.00 deductible for a family for health services received out of network;

(B) 20 percent co-insurance, in and out of network;

(C) a \$10.00 office co-payment;

(D) prescription drug coverage without a deductible, \$10.00 co-payments for generic drugs, ~~\$30.00~~ \$35.00 co-payments for drugs on the preferred drug list, and ~~\$50.00~~ \$55.00 co-payments for nonpreferred drugs;

(E) out-of-pocket maximums of ~~\$800.00~~ \$1,050.00 for an individual and ~~\$1,600.00~~ \$2,100.00 for a family for in-network services and ~~\$1,500.00~~ \$2,100.00 for an individual and ~~\$3,000.00~~ \$4,000.00 for a family for out-of-network services; and

(F) a waiver of the deductible and other cost-sharing payments for chronic care for individuals participating in chronic care management and for preventive care.

\* \* \*

Sec. E.309.6 21 V.S.A. § 2003(b) is amended to read:

(b) For any quarter in fiscal years 2007 and 2008, the amount of the health care fund contribution shall be \$91.25 for each full-time equivalent employee in excess of eight. For each fiscal year after fiscal year 2008, the number of excluded full-time equivalent employees shall be adjusted in accordance with subsection (a) of this section, and the amount of the health care fund contribution shall be adjusted by a percentage equal to any percentage change in premiums for Catamount Health for that fiscal year; provided, however, that to the extent that Catamount Health premiums decrease due to changes in benefit design or deductible amounts, the health care fund contribution shall not be decreased by the percentage change attributable to such benefit design or deductible changes.

Sec. E.309.7 33 V.S.A. § 1984(b) is amended to read:

(b) The agency of administration or designee shall establish individual and family contribution amounts for Catamount Health under this subchapter based on the individual contributions established in subsection (c) of this section and shall index the contributions annually to the overall growth in spending per enrollee in Catamount Health as established in section 4080f of Title 8; provided, however, that to the extent that spending per Catamount Health enrollee decreases as a result of changes in benefit design or deductible amounts, contributions shall not be decreased by the percentage change attributable to such benefit design or deductible changes. The agency shall establish family contributions by income bracket based on the individual contribution amounts and the average family size.

Sec. E.309.8 33 V.S.A. § 1984(c)(2) is amended to read:

(B) Income greater than 175 percent and less than or equal to 200 percent of FPL: ~~\$65.00~~ \$60.00 per month.

Sec. E.309.9 33 V.S.A. § 2073(d)(2) is amended to read:

(2) An individual shall contribute the following base cost-sharing amounts which shall be indexed to the increases established under 42 C.F.R. § 423.104(d)(5)(iv) and then rounded to the nearest dollar amount:

(A) In the case of recipients whose household income is no greater than 150 percent of the federal poverty level, such premium shall be ~~\$17.00~~ \$15.00 per month.

(B) In the case of recipients whose household income is greater than 150 percent of the federal poverty level and no greater than 175 percent of the federal poverty level, the premium shall be ~~\$23.00~~ \$20.00 per month.

\* \* \*

Sec. E.309.10 33 V.S.A. § 2074(c) is amended to read:

(c) Benefits under VermontRx shall be subject to payment of a premium and co-payment amounts by the recipient in accordance with the provisions of this section.

(1) In the case of recipients whose household income is no greater than 150 percent of the federal poverty level, the premium shall be ~~\$17.00~~ \$15.00 per month.

(2) In the case of recipients whose household income is greater than 150 percent of the federal poverty level and no greater than 175 percent of the federal poverty level, the premium shall be ~~\$23.00~~ \$20.00 per month.

Sec. E.309.11 MEDICARE PRESCRIPTION DRUG BENEFIT; ONE-TIME PAYMENT

(a) Notwithstanding 33 V.S.A. § 2073 [VPharm assistance program], the agency of human services or designee or the department of human resources or designee may utilize one or more of the strategies provided for in subsection (b) of this section to seek reimbursement for the rebate or refund provided by the U.S. Department of Health and Human Services (HHS) as described in Sec. 3315 of the Patient Protection and Affordability Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010. The agency shall not recoup an amount greater than the refund or rebate paid to the individual by HHS nor an amount greater than that paid by the agency for that individual's benefits covered by VPharm.

(b)(1) The agency of human services or designee or the department of human resources or designee may recoup the refund or rebate amount from the individual enrolled in VPharm, from HHS or the Medicare program, or from a

Medicare prescription drug plan.

(2) The agency of human services or designee may require that an individual eligible for the refund incur up to \$250 in out-of-pocket expenses for the Medicare prescription drug benefit during the calendar year in which the rebate is received by the individual.

## Sec. E.309.12 HIT FUND

(a) Health information technology funds shall not be used for the implementation or purchase of software creating an electronic health record (EHR), unless the EHR is capable of providing data to the Blueprint for Health established in 33 V.S.A. chapter 13 through the state health information exchange network using the current interoperability exchange standards approved by the United States Department of Health and Human Services.

## Sec. E.309.13 MEDICAID SUPPLEMENTAL DRUG REBATES

(a) The department of Vermont health access shall make every effort to increase the supplemental rebates provided by pharmaceutical manufacturers in order to offset the reduction in supplemental rebate amounts anticipated from the modifications to the mandatory federal drug rebates as provided for in the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010.

## Sec. E.309.14 EXPEDITED RULEMAKING; MEDICAID

(a) Notwithstanding the provisions of chapter 25 of Title 3, in order to administer Sec. E.309.1(a), (b) [benefit limits], and (d) [AWP] of this act relating to limiting the annual number of covered visits for physical therapy, occupational therapy, speech therapy, emergency room services, instituting a prior authorization for imaging, and limiting the monthly number of drug tests, the agency of human services shall adopt rules pursuant to the following process:

(1) The secretary shall file final proposed rules with the secretary of state and the legislative committee on administrative rules under 3 V.S.A. § 841, after publication, in three daily newspapers with the highest average circulation in the state, of a notice that lists the rules to be adopted pursuant to this process and a seven-day public comment period following publication.

(2) The secretary shall file final proposed rules with the legislative committee on administrative rules no later than 28 days after the effective date of this act.

(3) The legislative committee on administrative rules shall review, and may approve or object to, the final proposed rules under 3 V.S.A. § 842, except

that its action shall be completed no later than 14 days after the final proposed rules are filed with the committee.

(4) The secretary may adopt a properly filed final proposed rule after the passage of 14 days from the date of filing final proposed rules with the legislative committee on administrative rules or after receiving notice of approval from the committee, provided the secretary:

(A) has not received a notice of objection from the legislative committee on administrative rules; or

(B) after having received a notice of objection from the committee, has responded pursuant to 3 V.S.A. § 842.

(5) Rules adopted under this section shall be effective upon being filed with the secretary of state and shall have the full force and effect of rules adopted pursuant to chapter 25 of Title 3. Rules filed by the secretary of the agency of human services with the secretary of state pursuant to this section shall be deemed to be in full compliance with 3 V.S.A. § 843, and shall be accepted by the secretary of state if filed with a certification by the secretary of the agency of human services that the rule is required to meet the purposes of this section.

Sec. E.309.15 33 V.S.A. § 1901(a)(4) is added to read:

(4) A manufacturer of pharmaceuticals purchased by individuals receiving State pharmaceutical assistance in programs administered under chapter 19 of Title 33 shall pay to the department of Vermont health access, as the secretary's designee, a state rebate in an amount at least as favorable as the rebate paid to the department in connection with the Medicaid program as provided under section 1396-r of Title 42 of the United States Code.

Sec. E.309.16 33 V.S.A. § 2073(f) is amended to read:

(f) A manufacturer of pharmaceuticals purchased by individuals receiving assistance from VPharm established under this section shall pay to ~~OVHA DVHA~~, as a condition of participation in the program as required by section 1901 of this title, a rebate in an amount at least as favorable as the rebate paid to ~~OVHA DVHA~~ in connection with the Medicaid program.

Sec. E.309.17 33 V.S.A. § 2074(d) is amended to read:

(d) Any manufacturer of pharmaceuticals purchased by individuals receiving assistance from VermontRx established under this section shall pay to ~~OVHA DVHA~~, as a condition of participation in the program as required by section 1901 of this title, a rebate in an amount at least as favorable as the rebate paid to ~~OVHA DVHA~~ in connection with the Medicaid program.

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Sec. E.309.18 PEDIATRIC PALLIATIVE CARE

(a) The agency of human services shall request a provision allowing Vermont to provide its Medicaid- and SCHIP-eligible children who have life-limiting illnesses with concurrent palliative services and curative care, either as part of its renewal of the state's Global Commitment for Health Medicaid Section 1115 waiver or as an amendment following renewal.

Sec. E.312 Health - public health (Sec. B.312, #3420021000)

(a) AIDS/HIV funding:

(1) In fiscal year 2011 and as provided for in this section, the department of health shall provide grants in the amount of \$335,000 in Global Commitment funds to Vermont AIDS service and peer-support organizations for client-based support services. It is the intent of the general assembly that if the Global Commitment funds appropriated in this subsection are unavailable, the funding for Vermont AIDS service and peer-support organizations for client-based support services shall be maintained through the general fund or other state-funding sources. The department of health AIDS program shall meet at least quarterly with the HIV/AIDS service advisory committee (HASAC) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, \$69,709;

(B) ACORN, \$32,400;

(C) IMANI, \$32,400;

(D) VT CARES, \$135,491;

(E) Twin States Network, \$30,000;

(F) People with AIDS Coalition, \$35,000.

(2) Ryan White Title II funds for AIDS services and the AIDS Medication Assistance Program shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by state general funds.

(3) The amount of \$140,000 general fund carry-forward funds from fiscal year 2010 shall be used for assistance to individuals in the HIV/AIDS Medication Assistance Program (AMAP), including the costs of prescribed medications, related laboratory testing, and nutritional supplements. These funds may not be used for any administrative purposes by the department of health or by any other state agency or department. Any remaining AMAP general funds at the end of the fiscal year shall be distributed to Vermont AIDS

service organizations in the same proportions as those outlined under this subsection.

(4) The secretary of human services shall immediately notify the joint fiscal committee if, at any time, there are insufficient funds in AMAP to assist all eligible individuals. The secretary shall work in cooperation with persons living with HIV/AIDS to develop a plan to continue access to AMAP medications until such time as the general assembly can take action.

(5) In fiscal year 2011, the funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers shall be \$100,000 in general funds to the department of health for grants to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; anti-stigma campaigns; and promotion of needle exchange programs. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the department of health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(6) The secretary of human services shall work in conjunction with the AMAP advisory committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. The committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

Sec. E.313 Health - alcohol and drug abuse programs (Sec. B.313, #3420060000)

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the state, a state-qualified alcohol and drug abuse counselor may apply to the department of health, division of alcohol and drug abuse programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b) Notwithstanding any other provision of law to the contrary, for the purpose of meeting the need for outpatient substance abuse services for individuals at risk of incarceration or re-incarceration by the department of

corrections, a state qualified Licensed Alcohol and Drug Abuse Counselor (LADC) is authorized to participate as a Medicaid provider to deliver clinical and case coordination services, and receive Medicaid payment if there is a referral from the department of corrections, the department for children and families, or the judiciary.

(c)(1) In accordance with federal law, the division of alcohol and drug abuse programs may use the following criteria to determine whether to enroll a state-supported Medicaid and uninsured population substance abuse program in the division's network of designated providers, as described in the state plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the division's "request for bids" process.

(d) An amount of \$240,000 in global commitment funds are allocated to the Howard Center for the integrated Howard Center/Maple Leaf Farm Intensive Outpatient Program.

(e) An amount of \$150,000 in global commitment funds are allocated to support enhanced medical and psychiatric services at Maple Leaf Farm that produce such outcomes as reducing psychiatric unit and detoxification stays at hospitals. and shall be used as a medical supplement of \$13.82/day to increase the publicly funded daily rate to a total daily rate of \$264.11 per day.

(f) Of the funds appropriated, \$90,000 shall be for grant of \$45,000 each to two new recovery centers.

Sec. E.314 DEPARTMENT OF MENTAL HEALTH; GRANT REDUCTION

(a) The department of mental health shall implement a five-percent reduction in general funds, totaling \$7,472 to community support programs for mental health treatment by allowing the programs to determine the most

appropriate method to implement the reduction.

Sec. E.314.1 VERMONT STATE HOSPITAL; CANTEEN

(a) The general assembly finds that the availability of a cafeteria, also known as "the canteen," for use by patients of the Vermont state hospital is therapeutic for them and should be available for their use, as well as for their guests, hospital staff, and members of the general public.

(b) From any appropriation contained in any act of the general assembly to the department of buildings and general services, the sum of up to \$25,000 shall be used to make necessary repairs and upgrades to bring up to code the premises used as the canteen, which repairs and upgrades shall be completed by October 30, 2010.

(c) On or before November 1, 2010, the secretary of human services shall cause the canteen to reopen for no fewer than five days per week for a reasonable number of hours per day, for use by state hospital patients, their guests, staff, and members of the public. Notwithstanding any other provisions of law, the cafeteria service shall be provided either by state employees or a contracted vendor, so long as the operation is cost-neutral to the general fund. If the cafeteria service is offered by a vendor, the premises used by the vendor shall be leased at an annual cost of \$1.00, and the leased premises shall otherwise be offered to the vendor on the same terms and conditions as those offered to the vendor who operates the state house cafeteria.

(d) The canteen service shall continue in operation unless closure is authorized by act of the general assembly.

(e) The vendor shall strive to offer affordable lower-cost food prices to state hospital patients.

Sec. E.316 ELIGIBILITY DETERMINATION; QUALITY CONTROL

(a) The establishment of six (6) new full-time positions is authorized in fiscal year 2011 to enhance quality control efforts related to eligibility for Medicaid, Medicaid waiver programs, and programs administered by the agency of human services. These positions shall be transferred and converted from vacant positions in the executive branch of state government.

(b) The department shall develop measures to evaluate the success of these positions carrying out the purpose in subsection (a) of this section. This evaluation shall be submitted with the fiscal year 2012 budget materials to the house and senate committees on appropriations.

Sec. E.317 Department for children and families – family services

(a) The following grants are made to reduce the number of Vermont youth and young adults who are at risk of incarceration or re-incarceration: \$140,000 to Lamoille County people in partnership program for wrap-around services for at risk youth; \$15,000 for a grant to the project against violent encounters for a program for substance abuse prevention and mentoring for youth; and \$100,000 is reserved for a grant for a community coordinator initiative to be developed by to the Chittenden County state's attorney and the Burlington police department, in consultation with the judiciary, the department for children and families, and the department of corrections.

Sec. E.318 CHILD CARE ELIGIBILITY; PROCESSING

(a) Until February 1, 2011, the department for children and families shall continue to contract with community agencies for the determination of financial eligibility for the child care services program established in 33 V.S.A. § 3212. Between February 1, 2011 and June 30, 2011, the department for children and families shall continue to contract with community agencies to support families and child care providers with eligibility and payment needs so they can effectively and efficiently navigate the new system during the transition period and beyond.

(b) Before February 1, 2011, the department for children and families shall work with the community agencies to apply technology in a manner that most appropriately balances centralized services with community-based services so that these services will most efficiently and effectively address the needs of families and child care providers.

Sec. E.319 4 V.S.A. § 461 is amended to read:

§ 461. OFFICE OF MAGISTRATE; JURISDICTION; SELECTION; TERM

(a) The office of magistrate is created within the family division of the superior court. Except as provided in section 463 of this title, the office of magistrate shall have nonexclusive jurisdiction concurrent with the family court to hear and dispose of the following cases and proceedings:

(1) Proceedings for the establishment, modification, and enforcement of child support.

(2) Cases arising under the Uniform Interstate Family Support Act.

(3) Child support in parentage cases after parentage has been determined.

(4) Cases arising under ~~section 5533 of Title 33~~ 33 V.S.A. § 5116, when delegated by ~~the family~~ a presiding judge of the superior court.

(5) Proceedings to establish, modify, or enforce temporary orders for spousal maintenance in accordance with ~~sections~~ 15 V.S.A. §§ 594a and 752 of Title 15.

(6) Proceedings to modify or enforce temporary or final parent-child contact orders issued pursuant to this title.

(7) Proceedings to establish parentage.

(8) Proceedings to establish temporary parental rights and responsibilities and parent-child contact.

Sec. E.319.1 15 V.S.A. § 658(f) is amended to read:

(f)(1) The court shall order either or both parents owing a duty of support to provide a cash contribution or medical coverage for a child, provided that medical coverage is available to the parent at a reasonable cost. Medical coverage is presumed to be available to a parent at a reasonable cost only if ~~the amount payable for the individual's contribution to the insurance or health benefit plan premium~~ cost of adding the child to an existing insurance or health benefit plan or the difference between providing coverage to the individual alone and family coverage under an existing insurance or health benefit plan is five percent or less of the parent's gross income. ~~The court, in its discretion, retains the right to order a parent to obtain medical coverage even if the cost exceeds five percent of the parent's gross income if the cost is deemed reasonable under all the circumstances after considering the factors pursuant to section 659 of this title.~~

(2) If private health insurance or an employer-sponsored health benefit plan is not available at a reasonable cost, the court may order one or both parents owing a duty of support to contribute a cash contribution of up to five percent of gross income ~~toward the cost of health care coverage of a child under public or private health insurance or a health benefit plan.~~ The court also may order a cash contribution if a child receives coverage or health benefits under Medicaid, a Medicaid waiver program, Dr. Dynasaur, or is uninsured. A cash contribution under this section shall be considered child support for tax purposes. ~~When calculating the contribution of a parent whose child receives coverage under Medicaid, a Medicaid waiver program, or Dr. Dynasaur, the court shall not order a contribution greater than the premium amount charged by the agency of human services for the child's coverage.~~

(3) The court, in its discretion, may order a parent to provide a cash contribution or coverage under a public or private insurance or health benefit plan even if the cost exceeds five percent of the parent's gross income, if the cost is deemed reasonable under the totality of the circumstances after

considering the factors pursuant to section 659 of this title.

Sec. E.319.2 15 V.S.A. § 653 is amended to read:

§ 653. DEFINITIONS

As used in this subchapter:

(1) “Available income” means gross income, less

(A) the amount of spousal support or preexisting child support obligations actually paid;

(B) the actual cost to a parent of providing adequate health insurance coverage or a cash contribution as provided for in section 658 of this title for the children who are the subject of the order;

\* \* \*

Sec. E.319.3 OFFICE OF CHILD SUPPORT; POSITIONS

(a) From existing funds or increased collections, the office of child support may fill two existing positions in order to increase collections of medical support and cash contributions, including from families with incomes between 185 and 300 percent of the federal poverty level.

(b) The office shall develop measures to evaluate the success of these positions carrying out the purpose in subsection (a) of this section. This evaluation shall be submitted with the fiscal year 2012 budget materials to the house and senate committees on appropriations.

Sec. E.321 Department for children and families – general assistance (Sec. B.321, #3440060000)

(a) Commencing July 1, 2010, the commissioner for children and families may amend the maximum amount for death benefits paid at public expense through the general assistance program to \$1100 per burial.

(b) If the department for children and families receives additional funds through the recoupment of Supplemental Security Income (SSI) funds for participants in the general assistance program, the commissioner shall use up to \$500,000 of these recouped funds to fund homelessness assistance provided through general assistance under Sec. E.321.2 of this act.

(c) The department for children and families may not reduce or eliminate the personal needs (PNI) amount provided to individuals eligible for and receiving ongoing general assistance without legislative approval.

Sec. E.321.1. 33 V.S.A. § 2301 is amended to read:

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§ 2301. BURIAL RESPONSIBILITY

(a)(1) When a person dies in this state, or a resident of this state dies within the state or elsewhere, and the decedent was a recipient of assistance under Title IV or XVI of the Social Security Act, or nursing home care under Title XIX of the Social Security Act, or assistance under state aid to the aged, blind or disabled, or an honorably discharged veteran of any branch of the U.S. military forces to the extent funds are available and to the extent authorized by department ~~regulations~~ rules, the decedent's burial shall be arranged and paid for by the department if the decedent was without sufficient known assets to pay for burial. The department shall pay burial expenses ~~when arrangements are made other than by the department to the maximum permitted by its regulations~~ for individuals that meet the requirements of this section in an amount not to exceed a maximum established by rule and shall establish by rule a process for reducing the maximum payment amount by the amount of other assets available to pay for the burial. In any case where other contributions are made, these payments shall be deducted from the amount otherwise paid by the department but in no case is the department responsible for any payment when the person arranging the burial selects a funeral the price of which exceeds the department's maximum. The maximum payment by the department does not preclude the next-of-kin from paying for or receiving contributions to pay for additional disposition expenses.

(2) The department shall notify the directors of all funeral homes within the state and within close proximity to the state's borders of its ~~regulations~~ rules with respect to those services for which it ~~shall make payment~~ pays and the amount of payment authorized for ~~such~~ those services. All payments shall be made directly to the appropriate funeral director. In order to receive payment under this section, the funeral director shall provide the department and the party making the funeral arrangements with an itemized invoice for the specific services that are to be provided at public expense.

(3) As a condition of payment when arrangements are made other than by the department, ~~funeral directors shall be required to do the following:~~

(A) the funeral director shall determine from the person making the arrangements if the decedent was a recipient of assistance or an eligible veteran as specified in subdivision (a)(1) of this section;

(B) ~~If, and if~~ the decedent was such a recipient, give notice to the ~~party~~ person making the arrangements of the department's ~~regulations~~ rules.

(4) If the funeral home director does not advise the person making the arrangements of the department's ~~regulations~~ rules then that person shall not be liable for expenses incurred.

\* \* \*

~~(c) When a person other than one described in subsection (a) or (b) of this section dies in the town of domicile without sufficient known assets to pay for burial, the burial shall be arranged and paid for by the town. The department shall reimburse the town up to \$250.00 for expenses incurred.~~

~~(d) (c) In all other cases the department shall arrange for and pay up to the maximum amount established by rule for the burial of eligible persons who die in this state or residents of this state who die within the state or elsewhere when such the persons are without sufficient known assets to pay for their burial.~~

~~(e) [Omitted.]~~

~~(f) In all cases where the department is responsible for funeral and/or or burial expenses under this chapter, the department shall provide, by rule, the specific services that are to be provided at public expense, and on an itemized basis the maximum price to be paid by the department for each such service.~~

~~(g)(d) For the purpose of this chapter, "burial" means the act of final disposition of human remains including interring or cremating the human dead a decedent and the ceremonies directly related to that cremation or interment at the gravesite; and "funeral" means the ceremonies prior to burial of the body by interment, cremation, or other method.~~

#### Sec. E.321.2 GENERAL ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) Commencing with state fiscal year 2007, the agency of human services may establish a housing assistance program within the general assistance program to create flexibility to provide these general assistance benefits. The purpose of the program is to mitigate poverty and serve applicants more effectively than they are currently served with the same amount of general assistance funds. The program shall operate in a consistent manner within existing statutes and rules except that it may grant exceptions to this program's eligibility rules and may create programs and services as alternatives to these rules. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The program may operate in up to 12 districts designated by the secretary of human services. This program will be budget neutral. For each district in which the agency operates the program, it shall establish procedures for evaluating the pilot and its effects. The agency shall report annually to the general assembly on its findings from the programs, its recommendations for changes in the general assistance program, and a plan for further

implementation of the program.

(c) The agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the general assistance flexibility program.

#### Sec. E.321.3 HOUSING ASSISTANCE; ARRA FUNDS

(a) This section shall not apply to the administration of housing assistance funded with general funds provided through the general assistance program under Sec. E.321.2 of this act and existing rules.

(b) Commencing in fiscal year 2010, the agency of human services may establish a housing assistance program with homelessness prevention and rapid rehousing program (HPRP) funds from the American Recovery and Reinvestment Act of 2009, Public Law 111-5. HPRP funds shall be granted to direct-service community organizations which demonstrate experience and expertise in serving the homeless or those at risk for homelessness. The funds shall also be granted in accordance with requirements established by the U.S. Department of Housing and Urban Development (HUD).

(c) The agency shall engage interested parties in the ongoing delivery and evaluation of the program.

(d)(1) The agency shall maintain procedures established in fiscal year 2010 to ensure equitable access to housing assistance provided by direct service community organizations with HPRP funds, in compliance with chapter 139 of Title 9, through a standard application and assessment process.

(2) The agency shall ensure that grantees of these funds provide an appropriate grievance and appeal process for applicants and recipients of the funds, including for expedited appeals.

(e)(1) The agency shall maintain reporting procedures established in fiscal year 2010 for all grantees receiving HPRP funds to provide housing assistance and collect sufficient information to determine that grantees are following all requirements and to evaluate the program's effectiveness.

(2) The agency of human services field service directors shall monitor the housing assistance programs provided by direct service community organizations granted HPRP funds and assess the effectiveness of these programs.

#### Sec. E.321.4 EXPEDITED RULEMAKING FOR GENERAL ASSISTANCE PROGRAMS

(a) Notwithstanding the provisions of chapter 25 of Title 3, if necessary to

implement Secs. E.321 and E.321.1 (general assistance burial) of this act, in a timely fashion, the department for children and families shall adopt rules pursuant to the following procedure:

(1) The commissioner shall file final proposed rules with the secretary of state and the legislative committee on administrative rules under 3 V.S.A. § 841, after publication, in three daily newspapers with the highest average circulation in the state, of a notice that lists the rules to be adopted pursuant to this process and a seven-day public comment period following publication.

(2) The commissioner shall file final proposed rules with the legislative committee on administrative rules no later than 28 days after the effective date of this act.

(3) The legislative committee on administrative rules shall review, and may approve or object to, the final proposed rules under 3 V.S.A. § 842, except that its action shall be completed no later than 14 days after the final proposed rules are filed with the committee.

(4) The commissioner may adopt a properly filed final proposed rule after the passage of 14 days from the date of filing final proposed rules with the legislative committee on administrative rules or after receiving notice of approval from the committee, provided the secretary:

(A) has not received a notice of objection from the legislative committee on administrative rules; or

(B) after having received a notice of objection from the committee, has responded pursuant to 3 V.S.A. § 842.

(5) Rules adopted under this section shall be effective upon being filed with the secretary of state and shall have the full force and effect of rules adopted pursuant to chapter 25 of Title 3. Rules filed by the commissioner for families and children with the secretary of state pursuant to this section shall be deemed to be in full compliance with 3 V.S.A. § 843, and shall be accepted by the secretary of state if filed with a certification by the commissioner for families and children that the rule is required to meet the purposes of this section.

#### Sec. E.323 REPEAL

(a) Sec. 106 of No. 4 of the Acts of 2010 (Reach Ahead sunset) is repealed.

Sec. E.323.1 33 V.S.A. § 1116(c)(1) is amended to read:

(c)(1)(A) For a first, ~~second and third~~ month in which a participating adult is not in compliance with a family development plan or work requirement and

has not demonstrated good cause for such noncompliance, the family's financial assistance grant shall be reduced by the amount of \$75.00 for each adult sanctioned.

(B) For a second month in which a participating adult is not in compliance with a family development plan or work requirement and has not demonstrated good cause for such noncompliance, the family's financial assistance grant shall be reduced by the amount of \$100.00 for each adult sanctioned.

(C) For a third month in which a participating adult is not in compliance with a family development plan or work requirement and has not demonstrated good cause for such noncompliance, the family's financial assistance grant shall be reduced by the amount of \$125.00 for each adult sanctioned.

Sec. E.323.2 33 V.S.A. § 1116(h) is amended to read:

(h)(1) To receive payments during the fiscal sanction period, an adult who is the subject of the sanction shall meet no less than once each month to report his or her circumstances to the case manager or to participate in assessments as directed by the case manager. In addition, this meeting shall be for initial assessment and development of the family development plan when such tasks have not been completed; reassessment or review and revision of the family development plan, if appropriate; and to encourage the participant to fulfill the work requirement. Meetings required under this section may take place in the district office, a community location, or in the participant's home. Facilitation of meeting the participant's family development plan goals shall be a primary consideration in determining the location of the meeting. The commissioner may waive any meeting when extraordinary circumstances prevent a participant from attending. The commissioner shall adopt rules to implement this subsection.

(2) To receive payments during the fourth month of fiscal sanction in a 12-month period, the participating adults shall engage in an assessment that includes the employability and life skills capabilities of the adult participants. If the evaluation reveals that a sanctioned adult should have had a modified or deferred work requirement during the current month of sanction or earlier months of sanction, the department shall strike the sanction, reinstate the full grant amount to which the family is entitled, and modify the participant's family development plan. The months of sanction incorrectly assessed shall be treated as if the months were forgiven as provided for under subsection (d) of this section. The assessment may be conducted by a team consisting of service providers familiar with the family and with an individual family member's

needs.

Sec. E.323.3 33 V.S.A. § 1122(b) is amended to read:

(b) The program authorized by this section shall be administered by the commissioner or by a contractor designated by the commissioner, and. The program shall be supported with funds other than federal TANF block grant funds provided under Title IV-A of the Social Security Act, except that the commissioner may fund financial assistance grants and support services of families participating in the postsecondary education program with TANF block grant or state maintenance of effort funds when the participating adult's educational activities are a countable work activity under federal law and when it will further one or more of the purposes in subdivision 1121(c)(1) of this title.

Sec. E.323.4 POSTSECONDARY EDUCATION; CASE MANAGEMENT

(a) The department for children and families may reduce its contract by \$150,000 with postsecondary institutions for case management services to families participating in the postsecondary education program provided for in 33 V.S.A. § 1122 as follows:

(1) by renegotiating the amount in the contract attributable to administrative services provided by the postsecondary institution; and

(2) if renegotiation does not achieve the savings required in this section, then by transferring case management for a portion of the families participating in the program to the Reach Up program. The department shall evaluate student outcomes by comparing the outcomes of students receiving case management through the postsecondary institution with outcomes of students receiving case management through Reach Up and provide this information with its annual budget proposal.

Sec. E.323.5 TANF; ARRA

(a) The department for children and families may use excess receipts authority to spend additional funds from the Temporary Assistance for Needy Families (TANF) emergency contingency fund for any of the purposes provided for in Section 2101 of the American Recovery and Reinvestment Act of 2009 (ARRA) which are subsidized employment, caseload increase, and short-term nonrecurrent benefits.

Sec. E.324 Department for children and families – home heating fuel assistance/LIHEAP (Sec. B.324, #3440090000)

(a) Of the funds appropriated for home heating fuel assistance/LIHEAP in this act, no more than \$450,000 shall be expended for crisis fuel direct

service/administration exclusive of statewide after-hours crisis coverage.

Sec. E.324.1 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2010, and for program administration, the commissioner of finance and management shall transfer \$2,550,000 from the home weatherization assistance trust fund to the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the home weatherization trust fund from the home heating fuel assistance fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the home weatherization assistance trust fund be necessary for the 2010–2011 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2010, and if LIHEAP funds awarded as of December 31, 2010, for fiscal year 2011 do not exceed \$2,550,000, subsequent payments under the home heating fuel assistance program shall not be made prior to January 30, 2011. Notwithstanding any other provision of law, payments authorized by the office of home heating fuel assistance shall not exceed funds available, except that for fuel assistance payments made through December 31, 2010, the commissioner of finance and management may anticipate receipts into the home weatherization assistance trust fund.

Sec. E.325 Department for children and families – office of economic opportunity (Sec. B.325, #3440100000)

(a) Of the general fund appropriation in this section, \$792,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal McKinney emergency shelter funds. Grant decisions shall be made with assistance from the coalition of homeless Vermonters.

Sec. E.325.1 INDIVIDUAL DEVELOPMENT SAVINGS PROGRAM

(a) In fiscal year 2011, the funding for the individual development (IDA) savings program established in 33 V.S.A. § 1123 shall be from multiple sources, including general funds, community services block grant funds, and federal funds for economic development. It is the intent of the general assembly to fully fund the IDA program in future fiscal years as an important tool for the state's economic development through providing matched savings for starting small businesses and through promotion of financial literacy.

Sec. E.326 Department for children and families - OEO - weatherization assistance (Sec. B.326, #3440110000)

(a) Of the special fund appropriation in this section, \$400,000 is for the replacement and repair of home heating equipment.

(b) Appropriations from the weatherization trust fund may be limited based on the revenue forecast for the fund from the gross receipts tax as adopted pursuant to 32 V.S.A. § 305a.

Sec. E.329 VERMONT VETERANS' HOME; REGIONAL BED CAPACITY

(a) The agency of human services shall not include the bed count at the Vermont veterans' home when recommending and implementing policies that are based on or intended to impact regional nursing home bed capacity in the state.

Sec. E.330 Disabilities, aging, and independent living - advocacy and independent living (Sec. B.330, #3460020000)

(a) Certification of adult day providers shall require a demonstration that the new program is filling an unmet need for adult day services in a given geographic region and does not have an adverse impact on existing adult day services.

(b) Of this appropriation, \$109,995 in general funds shall be allocated for base funds to adult day programs in the same proportion as they were allocated in fiscal year 2010.

Sec. E.329.1 Sec. E.308.1 of No. 1 of the Acts of 2009 (Special Session) is amended to read:

Sec. E.308.1 FISCAL YEAR 2010 NURSING HOMES; HIT INCENTIVES

(a) ~~The~~ By fiscal year 2014, the division of rate setting shall examine the need to provide an incentive or rate adjustment by rule to nursing homes to install electronic medical records in order to improve quality of care by avoiding medical errors and to achieve savings in health care costs through streamlined administration. The incentive or rate adjustment shall be in addition to any current adjustment for capital costs. The incentive or rate adjustment shall be available to nursing homes that have installed electronic medical records prior to the adoption of the rule. In examining the need for an incentive or rate adjustment, the division shall consider the availability and likelihood of federal funding opportunities to achieve the intended purpose of this section.

Sec E.337 Corrections – correctional education (Sec. B.337 #3480003000)

(a) The appropriation in this section shall be made, notwithstanding

28 V.S.A. § 120(g).

Sec. E.342 Vermont veterans' home – care and support services (Sec. B.342, #3300010000)

(a) If Global Commitment fund monies are unavailable, the total funding for the Vermont veterans' home shall be maintained through the general fund or other state funding sources.

(b) The Vermont veterans' home will use the Global Commitment funds appropriated in this section for the purpose of increasing the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

\* \* \* LABOR \* \* \*

Sec. E.401 Labor - programs (Sec. B.401, 4100500000)

(a) The workforce development council shall allocate funding to the workforce investment boards based upon the performance of the local workforce investment boards, measured according to standards established by the council.

Sec. E.401.1 21 V.S.A. chapter 17, subchapter 4 is added to read:

Subchapter 4. Benefits for Approved Job Training Program

§ 1471. TRAINING BENEFIT PROGRAM

(a) An individual who is otherwise eligible for benefits under this chapter, but who has exhausted his or her maximum benefit amount under section 1340 of this chapter and any other available federally funded extension, is entitled to a maximum of an additional 26 weeks of benefits in the same amount as the weekly benefit amount established in the individual's most recent benefit year if the individual is enrolled in and making satisfactory progress in either a state-approved training program or a job training program authorized under the workforce investment act of 1998.

(b) To be eligible for training benefits under this section an individual shall be in compliance with both the following:

(1) The individual has been separated from a declining occupation or has been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of employment.

(2) The individual is enrolled in a program designed to train the individual for entry into a high demand occupation.

Sec. E.401.2 21 V.S.A. § 1101 is amended to read:

§ 1101. APPRENTICESHIP DIVISION AND COUNCIL

The apprenticeship division and state apprenticeship council, hereinafter referred to as the “council,” shall be located within the department of labor. The commissioner of labor shall supervise the work of the division. The council shall consist of ~~14~~ 10 members, ~~five~~ four ex officio members and six members who shall be appointed by the governor. Of the ex officio members, one shall be the commissioner of labor, ~~one shall be the director of workforce development~~, one shall be the ~~chief of licensing within the department of~~ commissioner of public safety, or designee, one shall be the ~~director of career and lifelong learning within the department~~ commissioner of education or designee, and one shall be the ~~state~~ director of the apprenticeship division who shall act as secretary of the council without vote. Of the appointive members, three shall be individuals who on account of previous vocation, employment, occupation, or affiliation can be classed as employers and three shall be individuals who on account of previous vocation, employment, occupation, or affiliation can be classed as employees. Appointment of the employer and the employee members shall be made for the term of three years except the employer and employee members first appointed shall be appointed for the term of one, two, and three years respectively. The governor shall annually designate one member of the council as chair. Each member of the council who is not a salaried official or employee of the state shall be entitled to compensation and expenses as provided in 32 V.S.A. § 1010.

\* \* \* K-12 EDUCATION \* \* \*

Sec. E.500 Education – finance and administration (Sec. B.500, #5100010000)

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons or both in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 16 V.S.A. § 4001(1) is amended to read:

§ 4001. DEFINITIONS

For the purpose of this chapter:

(1) “Average daily membership” of a school district, or if needed in order to calculate the appropriate homestead tax rate, of the municipality as

defined in 32 V.S.A. § 5401(9), in any year means:

\* \* \*

(C) The full-time equivalent enrollment for each prekindergarten child as follows: If a child is enrolled in 10 or more hours of prekindergarten education per week or receives 10 or more hours of essential early education services per week, the child shall be counted as one full-time equivalent pupil. If a child is enrolled in six or more but fewer than 10 hours of prekindergarten education per week or if a child receives fewer than 10 hours of essential early education services per week, the child shall be counted as a percentage of one full-time equivalent pupil, calculated as one multiplied by the number of hours per week divided by ten. A child enrolled in prekindergarten education for fewer than six hours per week shall not be included in the district's average daily membership. Although there is no limit on the total number of children who may be enrolled in prekindergarten education or who receive essential early education services, the total number of prekindergarten children that a district may include within its average daily membership shall be ~~limited~~ determined as follows:

(i) All children receiving essential early education services may be included.

(ii) Of the children enrolled in prekindergarten education offered by or through a school district who are not receiving essential early education services, the greater of the following may be included:

(I) ten children; or

(II) the number resulting from: (aa) one plus the average annual percentage increase or decrease in the district's first grade average daily membership as counted in the census period of the previous five years; multiplied by (bb) the most immediately previous year's first grade average daily membership; or

(III) the total number of children residing in the district who are enrolled in the prekindergarten program or programs and who are eligible to enter kindergarten in the district in the following academic year; or

(IV) one-fifth of the total number of children in grades 1-5 who were included in the district's average daily membership for the previous year.

(iii) Notwithstanding subdivision (ii) of this subdivision or any other provision limiting the number of prekindergarten children a district may include within its average daily membership, if the commissioner determines that a school district or a school within the district has made insufficient

progress in improving student performance as required by subsection 165(b) of this title or federal law, then until the commissioner determines that sufficient progress is being made, the school district may include within its average daily membership the total number of children enrolled in prekindergarten education offered by or through a school district.

Sec. E.501 Sec. E. 501(a) of No. 1 of the Acts of 2009 (Special Session) is amended to read:

(a) In fiscal year 2010 and fiscal year 2011, \$1,131,751 shall be paid by the education fund for early education initiative grants for at-risk preschoolers. These payments shall be made, notwithstanding 16 V.S.A. § 4025(b)(1). In fiscal year 2012, these expenses shall revert to the general fund, and the general fund transfer shall be adjusted accordingly.

Sec. E.501.1 Sec. 9.001(d) of No. 192 of the Acts of 2008 (sunset; teen parent education programs), as amended by Sec. E.501.1 of No. 1 of the Acts of the Special Session of 2009, is amended to read:

(d) Sec. 5.304.1 of this act shall take effect on July 1, 2008 ~~and shall remain in effect until July 1, 2010.~~

Sec. E.502 Education – special education: formula grants (Sec. B.502, #5100040000)

(a) The education fund appropriated in this section shall be made notwithstanding 16 V.S.A. §§ 2963(c)(3) and 2967(b).

(b) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,300,654 shall be used by the department of education in fiscal year 2011 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the commissioner shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d). In addition to funding for 16 V.S.A. § 2967(b)(2)–(6), up to \$169,061 may be used by the department of education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students (Sec. B.503, #5100050000)

(a) The independence place program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504 Education – adult education and literacy (Sec. B.504, #5100060000)

(a) Of this appropriation, the amount from the education fund shall be

distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c).

(b) The education fund appropriated in this section shall be notwithstanding 16 V.S.A. § 1049a(c).

Sec. E.505 Education – adjusted education payment (Sec. B.505, #5100090000)

(a) Any calculations required to identify funding levels for the education fund budget stabilization reserve under 16 V.S.A. § 4026(b) shall be calculated as if in fiscal year 2011, those revenues and appropriations included \$38,575,036 in additional revenues and \$38,575,036 in additional expenditures.

Sec. E.505.1 COMMUNITY HIGH SCHOOL OF VERMONT GRANT

(a) From the education funds appropriated in Sec. B.505 in fiscal year 2011, a base education payment shall be paid to the community high school of Vermont for full-time equivalent students studying high school equivalency coursework. For fiscal year 2011, this total grant shall be set at the base education amount for 355 full-time equivalent pupils. This amount shall be transferred from the funds appropriated in Sec. B.505 to the department of corrections - correctional education program. These payments shall be made, notwithstanding 16 V.S.A. § 4025(b)(1). In fiscal year 2012, these expenses shall revert to the general fund, and the general fund transfer shall be adjusted accordingly.

Sec. E.512 Education – Act 117 cost containment (Sec. B.512, #5100310000)

(a) Notwithstanding any provisions of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the state's 60 percent of the statewide total special education expenditures of funds which are not derived from federal sources.

Sec. E.513 Appropriation and transfer to education fund (Sec. B.513, #1110020000)

(a) Notwithstanding 16 V.S.A. § 4025(a)(2), for fiscal year 2011, the general fund transfer to the education fund shall be \$240,803,945.

Sec. E.514 State teachers' retirement system (Sec. B.514, #1265010000):

(a) In accordance with 16 V.S.A. § 1944(g)(2), the amount of annual contribution to the Vermont state teachers' retirement system shall be \$48,233,006 in fiscal year 2011.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution,

\$10,270,041 is the “normal contribution”, and \$37,962,965 is the “accrued liability contribution.”

(c) A combination of \$46,913,381 in general fund, and an estimated \$1,319,625 million of Medicare Part D reimbursement funds is utilized to achieve funding at the actuarially recommended level.

\* \* \* HIGHER EDUCATION \* \* \*

Sec. E.600 University of Vermont (Sec. B.600, #1110006000)

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$407,113 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

(c) If Global Commitment fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the general fund or other state funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high quality health care services to Medicaid beneficiaries and to the uninsured or underinsured persons or both in Vermont and across the nation.

Sec. E.602 Vermont state colleges (Sec. B.602, #1110009000)

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the Vermont state colleges on or about the 15th day of each calendar month of the year.

(b) Of this appropriation, \$459,801 shall be transferred to the Vermont manufacturing extension center for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

Sec. E.603 Vermont state colleges – allied health (Sec. B.603, #1110010000)

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont state colleges shall be maintained through the general

fund or other state funding sources.

(b) The Vermont state colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 250 health care providers annually. These graduates deliver direct, high quality health care services to Medicaid beneficiaries and uninsured or underinsured persons or both.

Sec. E.605 Vermont student assistance corporation (Sec. B.605, #1110012000)

(a) Of this appropriation, \$25,000 is appropriated from the general fund to the Vermont Student Assistance Corporation to be deposited into the trust fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsection (a) of this section, not less than 93 percent of grants shall be used for direct student aid.

(c) Of state funds available to the Vermont Student Assistance Corporation pursuant to Secs. E.215(a) and B.1100(a)(3)(B) of this act, \$250,000 shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from these allocations shall carry forward for this purpose.

(d) The commission on higher education funding shall review the responsibilities and funding sources for the Vermont Student Assistance Corporation (VSAC) as its allowable activities under federal law change in order to determine the appropriate priority for services provided by VSAC. By January 15, 2011, the commission shall report to the general assembly with its recommendations for modifying VSAC's responsibilities and priorities.

Sec. E. 605.1 REPORT.

The Vermont student assistance corporation (VSAC) shall file a report with the general assembly by January 15, 2011. The report shall detail VSAC's changing role as a result of the federal Higher Education Act and its plans to reduce spending and adjust staffing levels.

\* \* \* NATURAL RESOURCES \* \* \*

Sec. E.701 REPEAL

(a) 10 V.S.A. § 7553(h)(4) is repealed and the subsequent subdivisions of 10 V.S.A. § 7553(h) are renumbered accordingly.

(b) Subsections 6b(b) and (c)(transfer of funds from the solid waste management account for implementation of electronic waste program) of S.77 of 2010 as enacted are repealed.

Sec. E.701.1 Subsection 6c of S.77 of 2010 as enacted is amended to read:

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Sec. 6c. ANR DISBURSEMENTS; APPROPRIATIONS

(a) In fiscal ~~years~~ year 2011 and 2012, the secretary of natural resources may authorize disbursements from the electronic waste collection and recycling account within the waste management assistance fund for the purpose of paying the costs of administering and implementing the electronic waste collection program set forth under chapter 166 of Title 10.

(b) In addition to any other funds appropriated to the agency of natural resources in fiscal year 2011, there is appropriated ~~from the general fund~~ to the agency \$50,000.00 in fiscal year 2011 from the waste management assistance fund under 10 V.S.A. § 6618 from fees assessed under 10 V.S.A. § 7553(g) for the purpose of administering and implementing the electronic waste collection and recycling program under chapter 166 of Title 10.

(c) Pursuant to 32 V.S.A. § 588(4)(C), the commissioner of finance and management may authorize the secretary to pay from anticipated receipts of the waste management assistance fund from fees assessed under 10 V.S.A. section 7553 the costs incurred by the secretary in implementing the standard plan established under 10 V.S.A. section 7552 in the first quarter of the program year beginning July 1, 2011.

Sec. E.702 Fish and wildlife - support and field services (Sec. B.702, #6120000000)

(a) It is the intent of the general assembly that the fiscal year 2011 budget provides funding to fill five (5) game warden positions that are vacant as of January 1, 2010, and funds two (2) limited service Fish and Wildlife Scientist II positions (position numbers 640148 and 640150). The Scientist II positions shall continue to perform the same functions in fiscal year 2011 as they have in previous fiscal years.

(b) The department shall develop measures to evaluate the success of these positions carrying out the purpose in subsection (a) of this section. This evaluation shall be submitted with the fiscal year 2012 budget materials to the house and senate committees on appropriations.

Sec. E.704 Forests, parks and recreation - forestry (Sec. B.704, #6130020000)

(a) This special fund appropriation shall be authorized, notwithstanding 3 V.S.A. § 2807(c).

\* \* \* COMMERCE AND COMMUNITY DEVELOPMENT \* \* \*

Sec. 800 10 V.S.A. § 328 is amended to read:

§ 328. CREATION OF THE SUSTAINABLE JOBS FUND PROGRAM

(a) There is created a sustainable jobs fund program to create quality jobs that are compatible with Vermont's natural and social environment.

\* \* \*

(c) Notwithstanding the provisions of section 216(14) of this title, the authority may contribute not more than \$1,000,000.00 to the capital of the corporation formed under this section, ~~and the~~ The board of directors of the corporation formed under this section shall consist of ~~three members of the authority designated by the authority, the secretary of commerce and community development, and seven members who are not officials or employees of a governmental agency appointed by the governor, with the advice and consent of the senate, for terms of five years, except that the governor shall stagger initial appointments so that the terms of no more than two members expire during a calendar year~~ 11 members for terms of five years, which shall be staggered so that the terms of no more than three members expire during a calendar year.

(d) ~~The Vermont economic development authority may hire or assign a program director to administer, manage, and direct the affairs and business of the board, subject to the policies, control, and direction of the corporation formed under this section.~~

(e) Annually, on or before May 30, the sustainable jobs fund program shall submit a grant application and proposed work plan to the secretary of commerce and community development who in consultation with the department of economic development shall review the application to assure that it complements the goals and priorities of the department. The secretary at any time may request the sustainable jobs fund program to submit information that the secretary determines necessary or desirable to consider the annual application, assess the effectiveness of the grant, or carry out the purposes of this chapter.

\* \* \*

#### Sec. 800.1 BOARD OF DIRECTORS; SUSTAINABLE JOBS FUND

(a) Upon passage, the secretary of the agency of commerce and community development and the three other members designated by the secretary shall cease to serve on the sustainable jobs fund board of directors. The seven remaining members appointed by the governor may resign or may serve out the remainder of their terms.

(b) All authority and responsibility for the administration and implementation of the sustainable jobs fund and the sustainable jobs program established under chapter 15A of Title 10 is transferred from the agency of

commerce and community development to the sustainable jobs fund board of directors. The sustainable jobs fund's board of directors shall be the successor to all rights and obligations of the agency in any matter pertaining to the fund and the program effective upon enactment of this act.

Sec. E.801 [DELETED]

Sec. E.801.1 REPEAL

(a) 10 V.S.A. § 1 (commission on the future of economic development) is repealed.

Sec. E.801.2 [DELETED]

Sec. E.801.3 [DELETED]

Sec. E.801.4 [DELETED]

Sec. E.803 Community development block grants (Sec. B.803, #7110030000)

(a) Community development block grants shall carry forward until expended.

(b) Community development block grant (CDBG) funds shall be expended in accordance with and in the order of the following priorities.

(1) The greatest priority for the use of CDBG funds will be the creation and retention of the affordable housing and jobs.

(2) The overarching priority and fundamental objective in the use of funds for all affordable housing is to achieve perpetual affordability through the use of mechanisms that produce housing resources that will continue to remain affordable over time. It is the goal of the state to maintain at least 45 to 55 percent of CDBG fund for affordable housing applications.

(3) Among affordable housing applications, the highest priorities are to preserve and increase the supply of affordable family housing, to reduce and strive to eliminate childhood homelessness, to preserve affordable housing developments and extend their useful life, serve families and individuals at or below 30 percent HUD area median income and people with special needs. Housing for seniors should be considered a priority when it meets clear unmet needs in the region for the lowest income seniors.

(4) CDBG and other public funds are intended to create and preserve affordable housing for households for income-eligible families, seniors and those with special needs. Limited public funding must focused on these households. Therefore, funding for projects which intend to serve households which exceed the CDBG income limits shall be consistent with the Vermont housing finance agency's qualified allocation plan.

(5) Projects shall be given to projects that maintain the historic settlement patterns for compact village and downtown centers separated by a rural landscape. Funds generally should not be awarded on projects that promote or constitute sprawl, defined as dispersed development outside compact urban and village centers or along highways and in rural areas.

(6) The department of economic, housing and community development may not restrict CDBG applications for housing to projects which have been previously awarded federal low income housing tax credits.

Sec. E.803.1 Sec 10a(a) of S.288 of the 2010 session is amended to read:

(a) The amount of \$100,000.00 ~~shall be transferred to~~ is reserved in the general fund in fiscal year ~~2011~~ 2010 to cover the fiscal year 2011 costs of allocating \$100,000.00 worth of tax credits in calendar year 2010 under the downtown and village center program pursuant to 32 V.S.A. § 5930ee, which amount is authorized in addition to the statutory cap of \$1,700,000.00.

Sec. E.805 Tourism and Marketing (Sec. B.805, #7130000000)

(a) Of the funds appropriated for tourism and marketing, \$100,000 shall be used to support the Vermont convention bureau.

(b) The department shall submit a report with the fiscal year 2012 budget materials that describes the outcomes established for this grant and the method of evaluating these outcomes that includes the impact of the convention bureau on the economies of the regions or counties of Vermont.

Sec. E.806 [DELETED]

Sec. E.810 10 V.S.A. § 321(c) is amended to read:

(c) On behalf of the state of Vermont, the board shall be the exclusive designated entity to seek and administer federal affordable housing funds available from the Department of Housing and Urban Development under the national Housing Trust Fund which was enacted under HR 3221, Division A, Title 1, Subtitle B, Section ~~4228~~ 1131 of the ~~Federal~~ Housing and Economic Reform ~~Finance Regulatory Reform~~ Act of 2008 (P.L. 110-289) to increase perpetually affordable rental housing and home ownership for low and very low income families. The board is also authorized to receive and administer federal funds or enter in to cooperative agreements for a shared appreciation and/or community land trust demonstration program that increases perpetually affordable homeownership options for lower income Vermonters and promotes such options both within and outside Vermont.

Sec. E.810.1 10 V.S.A. § 311(b)(5) is amended to read:

(5) Three public members shall be appointed by the governor with the advice and consent of the senate. They ~~who~~ shall be residents of the state and who shall be experienced in creating affordable housing or conserving and protecting Vermont's agricultural land, historic properties, important natural areas or recreational lands, one of whom shall be a representative of lower income Vermonters and one of whom shall be a farmer as defined in subdivision 3752(7) of Title 32.

Sec. E.810.2 10 V.S.A. § 311(c) is amended to read:

(c) The public members shall serve terms of three years beginning ~~July~~ February 1 of the year of appointment. However, two of the public members first appointed by the governor shall serve initial terms of one year; and the public members first appointed by the speaker and committee on committees shall serve initial terms of two years. A vacancy occurring among the public members shall be filled by the respective appointing authority for the balance of the unexpired term. A member may be reappointed.

Sec. E.810.3 VERMONT HOUSING AND CONSERVATION BOARD-PRIVATE ACTIVITY BOND CAP

(a) Sec. 22 of H.790 of 2010, An Act Relating to Capital Construction and State Bonding appropriates funds to the Vermont housing and conservation board (VHCB) and establishes a percentage allocation between affordable housing and conservation investments it may make with such funds. However, if less than \$4,000,000 of the state's private activity bond cap is made available to the VHCB for eligible affordable housing investments, VHCB may increase the amount it allocates to conservation grant awards from its capital appropriation notwithstanding Sec. 22 of H.790, provided that VHCB increases its affordable housing investments in the same amount from the funds appropriated in Sec.B.810 as result of the allocation in Sec. D.100(a)(2) of this act.

\* \* \* TRANSPORTATION \* \* \*

Sec. E.909 Transportation – central garage (Sec. B.909, #8110000200)

(a) Of this appropriation, \$6,316,751 is appropriated from the transportation equipment replacement account within the central garage fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program (Sec. B.915, #810003000)

(a) This appropriation is authorized, notwithstanding 19 V.S.A. § 306(a).

Sec. F. [Reserved]

## Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100, C.101, C.101.1, C.102, E.100.5, E.100.6 (Proposed Reduction in Work Force), E.100.7 (Web Filtering), E.127.2, E.220.1, E.230, E.230.1, E.309.11 (Medicare One-Time Payment), E.309.12 (Expedited rules for OVHA), E.309.18 (Palliative Care), E.321.4 (Expedited Rules for DCF), E.323 (Repeal Reach Ahead sunset), E.501.1, E.800, E.800.1, E.801.1, E.803.1, and E.810 of this act shall take effect upon passage.

(b) Secs. E.319.1 (OCS medical support) and E.319.2 (OCS definitions) of this act shall apply to child support cases filed on or after July 1, 2010.

(c) Sec. E.323.1 (Reach Up Sanctions) shall be implemented no earlier than October 1, 2010, in order to maximize the TANF emergency contingency funds reimbursable under the American Recovery and Reinvestment Act.

(d) Secs. E.701(a) (repeal of electronic waste collection program implementation costs) and E.701(b) (repeal of use of solid waste management account for implementation of electronic waste collection program); and E.701.1 (ANR appropriations for electronic waste collection program) of this act shall take effect as of the date of enactment of S.77 of 2010.

(e) Sec. E.127.1 (nuclear energy analysis) shall be in effect from July 1, 2008 to July 1, 2012.

(f) Sec E.810.1 is effective upon passage however senate consent shall be required for members appointed by the governor on February 1, 2011 and thereafter.

(g) Sec. E.810.2 is effective on passage and the terms of all public members currently appointed to Vermont Housing And Conservation Trust Fund by the Governor or legislature under 10 V.S.A. § 311 shall be extended from June 30 to January 31.

Sec. H. [Reserved]

\* \* \* DESIGNATING OVHA AS A DEPARTMENT \* \* \*

Sec. I.1 2 V.S.A. § 852(b)(3) is amended to read:

(3) The ~~office~~ department of Vermont health access.

Sec. I.2 2 V.S.A. § 902(c)(1) is amended to read:

(c)(1) The commission may request analysis from the ~~office~~ department of Vermont health access, the department of banking, insurance, securities, and health care administration, and other appropriate agencies. The agencies shall report to the commission at such times and with such information as the commission determines is necessary to fulfill its oversight responsibilities.

Sec. I.3 2 V.S.A. § 903(b)(1)(B)(ii) is amended to read:

(ii) recommend a method and format for reporting employer costs in the monthly financial reports submitted to the general assembly by the ~~office~~ department of Vermont health access;

Sec. I.4 2 V.S.A. § 903(b)(1)(C) is amended to read:

(C) The ~~office~~ department of Vermont health access shall provide the commission with access to any information requested in order to conduct the activities specified in subdivision (B) of this subdivision (1), except the following:

(i) Names, addresses, and Social Security numbers of recipients of and applicants for services administered by the ~~office~~ department.

(ii) Medical services provided to recipients.

(iii) Social and economic conditions or circumstances, except such de-identified information as the ~~office~~ department may compile in the aggregate.

(iv) Agency evaluation of personal information.

(v) Medical data, including diagnosis and past history of disease or disability.

(vi) Information received for verifying income eligibility and amount of medical assistance payments, except such de-identified information as the ~~office~~ department may compile in the aggregate.

(vii) Any additional types of information the ~~office~~ department has identified for safeguarding pursuant to the requirements of 42 C.F.R. § 431.305.

Sec. I.5 3 V.S.A. § 3002(a)(6) is amended to read:

(6) The ~~office~~ department of Vermont health access.

Sec. I.6 3 V.S.A. § 3004 is amended to read:

#### § 3004. PERSONNEL DESIGNATION

The secretary, deputy secretary, commissioners, deputy commissioners, attorneys, directors of the offices of state economic opportunity, alcohol and drug abuse programs, ~~Vermont health access~~, and child support, and all members of boards, committees, commissions, or councils attached to the agency for support are exempt from the classified state service. Except as authorized by section 311 of this title or otherwise by law, all other positions shall be within the classified service.

Sec. I.7 3 V.S.A. § 3084(a) is amended to read:

(a) The department for children and families is created within the agency of human services as the successor to and the continuation of the department of social and rehabilitation services, the department of prevention, assistance, transition, and health access, excluding the ~~office~~ department of Vermont health access, the office of economic opportunity, and the office of child support. The department shall also include a division of child development programs.

Sec. I.8 3 V.S.A. § 3088 is amended to read:

§ 3088. ~~OFFICE~~ DEPARTMENT OF VERMONT HEALTH ACCESS

The ~~office~~ department of Vermont health access is created within the agency of human services.

Sec. I.9 3 V.S.A. § 3091(a) is amended to read:

(a) An applicant for or a recipient of assistance, benefits, or social services from the department for children and families, the ~~office~~ department of Vermont health access, ~~and~~ the department of disabilities, aging, and independent living, or the department of mental health, or an applicant for a license from one of those departments ~~or offices~~, or a licensee, may file a request for a fair hearing with the human services board. An opportunity for a fair hearing will be granted to any individual requesting a hearing because his or her claim for assistance, benefits, or services is denied, or is not acted upon with reasonable promptness; or because the individual is aggrieved by any other agency action affecting his or her receipt of assistance, benefits, or services, or license or license application; or because the individual is aggrieved by agency policy as it affects his or her situation.

Sec. I.10 8 V.S.A. § 4080a(h)(2)(B) is amended to read:

(B) The commissioner's rules shall permit a carrier, including a hospital or medical service corporation and a health maintenance organization, to establish rewards, premium discounts, split benefit designs, rebates, or otherwise waive or modify applicable co-payments, deductibles, or other cost-sharing amounts in return for adherence by a member or subscriber to programs of health promotion and disease prevention. The commissioner shall consult with the commissioner of health, the director of the Blueprint for Health, and the ~~director~~ commissioner of ~~the office~~ of Vermont health access in the development of health promotion and disease prevention rules that are consistent with the Blueprint for Health. Such rules shall:

\* \* \*

Sec. I.11 8 V.S.A. § 4080b(h)(2)(B) is amended to read:

(B) The commissioner's rules shall permit a carrier, including a hospital or medical service corporation and a health maintenance organization, to establish rewards, premium discounts, rebates, or otherwise waive or modify applicable co-payments, deductibles, or other cost-sharing amounts in return for adherence by a member or subscriber to programs of health promotion and disease prevention. The commissioner shall consult with the commissioner of health and the ~~director~~ commissioner of the ~~office~~ of Vermont health access in the development of health promotion and disease prevention rules. Such rules shall:

\* \* \*

Sec. I.12 8 V.S.A. § 4080f(a)(9)(A)(i)(II)(aa) is amended to read:

(II)(aa) A self-employed individual who was insured through the nongroup market whose insurance coverage ended as the direct result of either the termination of a business entity owned by the individual or the individual's inability to continue in his or her line of work, if the individual produces satisfactory evidence to the ~~office~~ department of Vermont health access of the business termination or certifies by affidavit to the ~~office~~ department of Vermont health access that he or she is not employed and is no longer seeking employment in the same line of work;

Sec. I.13 8 V.S.A. § 4089b(h)(2) is amended to read:

(2) the ~~director~~ commissioner of the ~~office~~ of Vermont health access or a designee;

Sec. I.14 8 V.S.A. § 4185(c)(2)(B) is amended to read:

(B) the amounts provided by contract between a hospital provider and the ~~office~~ department of Vermont health access for similar services to recipients of Medicaid; or

Sec. I.15 9 V.S.A. § 2480h(l)(5) is amended to read:

(5) The economic services division of the department for children and families or the ~~office~~ department of Vermont health access or its agents or assignee acting to investigate welfare or Medicaid fraud.

Sec. I.16 12 V.S.A. § 3169(a)(3) is amended to read:

(3) whether the judgment debtor has been a recipient of assistance from the Vermont department for children and families or the ~~office~~ department of Vermont health access within the two months preceding the date of the hearing; and

Sec. I.17 12 V.S.A. § 3170(a) is amended to read:

(a) No order approving the issuance of trustee process against earnings shall be entered against a judgment debtor who was, within the two-month period preceding the hearing provided in section 3169 of this title, a recipient of assistance from the Vermont department for children and families or the ~~office~~ department of Vermont health access. The judgment debtor must establish this exemption at the time of hearing.

Sec. I.18 15 V.S.A. § 658(b) is amended to read:

(b) A request for support may be made by either parent, a guardian, or the department for children and families or the ~~office~~ department of Vermont health access, if a party in interest. A court may also raise the issue of support on its own motion.

Sec. I.19 18 V.S.A. § 702(c)(1) is amended to read:

(c)(1) The secretary shall establish an executive committee to advise the director of the Blueprint on creating and implementing a strategic plan for the development of the statewide system of chronic care and prevention as described under this section. The executive committee shall consist of no fewer than 10 individuals, including the commissioner of health; a representative from the department of banking, insurance, securities, and health care administration; a representative from the ~~office~~ department of Vermont health access; a representative from the Vermont medical society; a representative from a statewide quality assurance organization; a representative from the Vermont association of hospitals and health systems; two representatives of private health insurers; a consumer; a representative of the complementary and alternative medicine profession; a primary care professional serving low income or uninsured Vermonters; and a representative of the state employees' health plan, who shall be designated by the director of human resources and who may be an employee of the third-party administrator contracting to provide services to the state employees' health plan. In addition, the director of the commission on health care reform shall be a nonvoting member of the executive committee.

Sec. I.20 18 V.S.A. § 1130(g)(2) is amended to read:

(2) The advisory committee shall include representatives from the three largest health insurers licensed to do business in Vermont and the ~~office~~ department of Vermont health access and shall be chaired by the chief of the immunization program for the department of health.

Sec. I.21 18 V.S.A. § 4621 is amended to read:

---

§ 4621. DEFINITIONS

~~For~~ Except as otherwise specified, for the purposes of this subchapter:

\* \* \*

Sec. I.22 18 V.S.A. § 4622 is amended to read:

§ 4622. EVIDENCE-BASED EDUCATION PROGRAM

(a)(1) The department of health, in collaboration with the attorney general, the University of Vermont area health education centers program, and the ~~office~~ department of Vermont health access, shall establish an evidence-based prescription drug education program for health care professionals designed to provide information and education on the therapeutic and cost-effective utilization of prescription drugs to physicians, pharmacists, and other health care professionals authorized to prescribe and dispense prescription drugs. To the extent practicable, the program shall use the evidence-based standards developed by the blueprint for health. The department of health may collaborate with other states in establishing this program.

(2) The program shall notify prescribers about commonly used brand-name drugs for which the patent has expired within the last 12 months or will expire within the next 12 months. The ~~department~~ departments of health and the ~~office~~ of Vermont health access shall collaborate in issuing the notices.

(3) To the extent permitted by funding, the program may include the distribution to prescribers of vouchers for samples of generic medicines used for health conditions common in Vermont.

(b) The department of health shall request information and collaboration from physicians, pharmacists, private insurers, hospitals, pharmacy benefit managers, the drug utilization review board, medical schools, the attorney general, and any other programs providing an evidence-based education to prescribers on prescription drugs in developing and maintaining the program.

(c) The department of health may contract for technical and clinical support in the development and the administration of the program from entities conducting independent research into the effectiveness of prescription drugs.

(d) The department of health and the attorney general shall collaborate in reviewing the marketing activities of pharmaceutical manufacturing companies in Vermont and determining appropriate funding sources for the program, including awards from suits brought by the attorney general against pharmaceutical manufacturers.

Sec. I.23 18 V.S.A. § 4632(a)(6) is amended to read:

(6) The ~~office~~ department of Vermont health access shall examine the data available from the office of the attorney general for relevant expenditures and determine whether and to what extent prescribing patterns by health care providers of prescribed products reimbursed by Medicaid, VHAP, Dr. Dynasaur, VermontRx, and VPharm may reflect manufacturer influence. The ~~office~~ department may select the data most relevant to its analysis. The ~~office~~ department shall report its analysis annually to the general assembly and the governor on or before October 1.

Sec. I.24 18 V.S.A. § 7401(19) is amended to read:

(19) ensure the development of chronic care services, addressing mental health and substance abuse, for children and adults and ensure the coordination of these services with other chronic care initiatives, including the Blueprint for Health, and the care coordination and case management programs of the ~~office~~ department of Vermont health access;

Sec. I.25 18 V.S.A. § 9351(b) and (c) are amended to read:

(b) The health information technology plan shall:

\* \* \*

(7) integrate the information technology components of the Blueprint for Health established in chapter 13 of this title, the agency of human services' enterprise master patient index, and all other Medicaid management information systems being developed by the ~~office~~ department of Vermont health access, information technology components of the quality assurance system, the program to capitalize with loans and grants electronic medical record systems in primary care practices, and any other information technology initiatives coordinated by the secretary of administration pursuant to ~~section 3 V.S.A. § 2222a of Title 3~~; and

\* \* \*

(c) The secretary of administration or designee shall update the plan annually to reflect emerging technologies, the state's changing needs, and such other areas as the secretary or designee deems appropriate. The secretary or designee shall solicit recommendations from Vermont Information Technology Leaders, Inc. (VITL) and other entities in order to update the health information technology plan pursuant to this section, including applicable standards, protocols, and pilot programs, and may enter into a contract or grant agreement with VITL or other entities to update some or all of the plan. Upon approval by the secretary, the updated plan shall be distributed to the commission on health care reform; the commissioner of information and innovation; the commissioner of banking, insurance, securities, and health care

administration; the ~~director~~ commissioner of the ~~office~~ of Vermont health access; the secretary of human services; the commissioner of health; the commissioner of mental health; the commissioner of disabilities, aging, and independent living; the senate committee on health and welfare; the house committee on health care; affected parties; and interested stakeholders.

Sec. I.26 18 V.S.A. § 9352(e) is amended to read:

(e) Report. No later than January 15 of each year, VITL shall file a report with the commission on health care reform; the secretary of administration; the commissioner of information and innovation; the commissioner of banking, insurance, securities, and health care administration; the ~~director~~ commissioner of the ~~office~~ of Vermont health access; the secretary of human services; the commissioner of health; the commissioner of mental health; the commissioner of disabilities, aging, and independent living; the senate committee on health and welfare; and the house committee on health care. The report shall include an assessment of progress in implementing health information technology in Vermont and recommendations for additional funding and legislation required. In addition, VITL shall publish minutes of VITL meetings and any other relevant information on a public website.

Sec. I.27 18 V.S.A. § 9410(a)(2)(B) is amended to read:

(B) The commissioner shall convene a working group composed of the commissioner of mental health, the ~~director~~ commissioner of the ~~office~~ of Vermont health access, health care consumers, the office of the health care ombudsman, employers and other payers, health care providers and facilities, the Vermont program for quality in health care, health insurers, and any other individual or group appointed by the commissioner to advise the commissioner on the development and implementation of the consumer health care price and quality information system.

Sec. I.28 18 V.S.A. § 9418(a) is amended to read:

(a) Except as otherwise specified, as used in this subchapter:

\* \* \*

(3) “Contracting entity” means any entity that contracts directly or indirectly with a health care provider for either the delivery of health care services or the selling, leasing, renting, assigning, or granting of access to a contract or terms of a contract. For purposes of this subchapter, the ~~office~~ department of Vermont health access, health care providers, physician hospital organizations, health care facilities, and stand-alone dental plans are not contracting entities.

(4) "Covered entity" means an organization that enters into a contract with a contracting entity to gain access to a provider network contract. For purposes of this subchapter, the ~~office~~ department of Vermont health access is not a covered entity.

\* \* \*

(14) "Payer" means any person or entity that assumes the financial risk for the payment of claims under a health care contract or the reimbursement for health care services rendered to an insured by a participating provider under the health care contract. The term "payer" does not include:

(A) the ~~office~~ department of Vermont health access; or

\* \* \*

Sec. I.29 18 V.S.A. § 9421(d) is amended to read:

(d) The ~~department's~~ reasonable expenses of the department of banking, insurance, securities, and health care administration in administering the provisions of this section may be charged to pharmacy benefit managers in the manner provided for in ~~section 8 V.S.A. § 18 of Title 8~~. These expenses shall be allocated in proportion to the lives of Vermonters covered by each pharmacy benefit manager as reported annually to the commissioner in a manner and form prescribed by the commissioner. The department of banking, insurance, securities, and health care administration shall not charge its expenses to the pharmacy benefit manager contracting with the ~~office~~ department of Vermont health access if the ~~office~~ department of Vermont health access notifies the department of banking, insurance, securities, and health care administration of the conditions contained in its contract with a pharmacy benefit manager.

Sec. I.30 24 V.S.A. § 1173 is amended to read:

#### § 1173. TOWN OR VILLAGE REPORTS

The clerk of a municipality shall supply annually each library in such municipality with two copies of the municipal report, upon its publication. The clerk shall also mail to the state library two copies thereof, and one copy each to the secretary of state, commissioner of taxes, highway board, state board of health, commissioner for children and families, ~~director~~ commissioner of ~~the office of~~ Vermont health access, auditor of accounts, and board of education. Officers making these reports shall supply the clerk of the municipality with the printed copies necessary for him or her to comply with the provisions of this section and section 1174 of this title.

Sec. I.31 32 V.S.A. § 308b(a) is amended to read:

(a) There is created within the general fund a human services caseload management reserve. Expenditures from the reserve shall be subject to an appropriation by the general assembly or approval by the emergency board. Expenditures from the reserve shall be limited to agency of human services caseload related needs primarily in the departments for children and families, of health, of mental health, ~~and~~ of disabilities, aging, and independent living, and ~~in the office~~ of Vermont health access.

Sec. I.32 32 V.S.A. § 9530 is amended to read:

§ 9530. DEFINITIONS

The following definitions shall apply throughout this chapter unless the context requires otherwise:

(1) ~~“Director”~~ “Commissioner” means the ~~director~~ commissioner of the ~~office~~ department of Vermont health access.

~~(2) “Division” means the division of rate setting.~~

\* \* \*

Sec. I.33 32 V.S.A. § 9533(b) and (e) are amended to read:

(b) The tax shall be paid by the transferor to the ~~office~~ department of Vermont health access within 10 days after the date of the transfer, accompanied by the nursing home transferor tax form prescribed by the commissioner.

(e) Upon the receipt of the full amount of the tax, the ~~director~~ commissioner shall deposit receipts from the transferor tax in the health care ~~trust~~ resources fund established pursuant to ~~33 V.S.A. § 1956~~ 33 V.S.A. § 1901d and shall send a certificate of payment to the transferor, the transferee, and the ~~division~~ showing the date when the tax was received.

Sec. I.34 32 V.S.A. § 9535 is amended to read:

§ 9535. REVIEW AND APPEALS

(a) At any time before, or within 10 days after the date of a transfer of a nursing home, a transferor may request from the ~~director~~ commissioner a determination of the transferor's liability to pay or the amount of the nursing home transfer tax due. The ~~director~~ commissioner shall render a decision within 30 days of the receipt of all information that the ~~director~~ commissioner deems necessary to make a determination.

(b) Within 30 days of the date of issuance of the ~~director's~~ commissioner's determination, a transferor aggrieved by that determination may request review by the secretary or the secretary's designee. This review shall not be subject to

the provisions of ~~3 V.S.A.~~ chapter 25 of Title 3.

Sec. I.35 32 V.S.A. § 10301(c)(2) is amended to read:

(2) contributions from the ~~office~~ department of Vermont health access, as appropriated by the general assembly; and

Sec. I.36 33 V.S.A. § 102 is amended to read:

§ 102. DEFINITIONS AND CONSTRUCTION

(a) Unless otherwise expressly provided, the words and phrases in this chapter mean:

\* \* \*

~~(12) Director: the director of the office of Vermont health access.~~

~~(13) Office: the office of Vermont health access.~~

\* \* \*

Sec. I.37 33 V.S.A. § 114 is amended to read:

§ 114. ALLOCATION OF PAYMENTS WHEN APPROPRIATION INSUFFICIENT

Should the funds available for assistance be insufficient to provide assistance to all those eligible, the amounts of assistance granted in any program or portion thereof shall be reduced equitably, in the discretion of the commissioner for children and families or the ~~director~~ commissioner of Vermont health access by rule.

Sec. I.38 33 V.S.A. § 121 is amended to read:

§ 121. CANCELLATION OF ASSISTANCE OR BENEFITS

If at any time the commissioner for children and families or the ~~director~~ commissioner of Vermont health access has reason to believe that assistance or benefits have been improperly obtained, he or she shall cause an investigation to be made and may suspend assistance or benefits pending the investigation. If on investigation the commissioner for children and families or the ~~director~~ commissioner of Vermont health access is satisfied that the assistance or benefits were illegally obtained, he or she shall immediately cancel them. A person having illegally obtained assistance or benefits shall not be eligible for reinstatement until his or her need has been reestablished.

Sec. I.39 33 V.S.A. § 122 is amended to read:

§ 122. RECOVERY OF PAYMENTS

(a) The amount of assistance or benefits may be changed or cancelled at any time if the commissioner for children and families or ~~director~~ the commissioner of Vermont health access finds that the recipient's circumstances have changed. Upon granting assistance or benefits the department for children and families or ~~office~~ the department of Vermont health access shall inform the recipient that changes in his or her circumstances must be promptly reported to the department.

(b) When on the death of a person receiving assistance it is found that the recipient possessed income or property in excess of that reported to the department for children and families or ~~office~~ the department of Vermont health access, up to double the total amount of assistance in excess of that to which the recipient was lawfully entitled may be recovered by the commissioner for children and families or ~~director~~ the commissioner of Vermont health access as a preferred claim from the estate of the recipient. The commissioner for children and families or ~~director~~ the commissioner of Vermont health access shall calculate the amount of the recovery by applying the legal interest rate to the amount of excess recovery paid, except that the recovery shall be capped at double the excess assistance paid.

(c) When the commissioner for children and families or ~~director~~ the commissioner of Vermont health access finds that a recipient of benefits received assistance in excess of that to which the recipient was lawfully entitled, because the recipient possessed income or property in excess of department standards, the commissioner for children and families or ~~director~~ the commissioner of Vermont health access may take actions to recover the overpayment.

(d) In the event of recovery, an amount may be retained by the commissioner for children and families or ~~director~~ the commissioner of Vermont health access in a special fund for use in offsetting program expenses and an amount equivalent to the pro rata share to which the United States of America is equitably entitled shall be paid promptly to the appropriate federal agency.

Sec. I.40 33 V.S.A. § 141(e) is amended to read:

(e) A person providing service for which compensation is paid under a state or federally-funded assistance program who requests, and receives, either actually or constructively, any payment or contribution through a payment, assessment, gift, devise, bequest, or other means, whether directly or indirectly, from either a recipient of assistance from the assistance program or from the family of the recipient shall notify the commissioner for children and families or ~~director~~ the commissioner of Vermont health access, on a form

provided by him or her, of the amount of the payment or contribution and of such other information as specified by the commissioner for children and families or ~~director~~ the commissioner of Vermont health access within 10 days after the receipt of the payment or contribution or, if the payment or contribution is to become effective at some time in the future, within 10 days of the consummation of the agreement to make the payment or contribution. Failure to notify the commissioner for children and families or ~~director~~ the commissioner of Vermont health access within the time prescribed is punishable as provided in section 143 of this title.

Sec. I.41 33 V.S.A. § 143(b) and (c) are amended to read:

(b) If the person convicted is receiving assistance, benefits, or payments, the commissioner for children and families or ~~director~~ the commissioner of Vermont health access may recoup the amount of assistance or benefits wrongfully obtained by reducing the assistance, benefits, or payments periodically paid to the recipient, as limited by federal law, until the amount is fully recovered.

(c) If a provider of services is convicted of a violation of subsection 141(d) or (e) of this title, the ~~director~~ commissioner of Vermont health access shall, within 90 days of the conviction, suspend the provider from further participation in the medical assistance program administered under Title XIX of the Social Security Act for a period of four years. The suspension required by this subsection may be waived by the secretary of human services only upon a finding that the recipients served by the convicted provider would suffer substantial hardship through a denial of medical services that could not reasonably be obtained through another provider.

Sec. I.42 33 V.S.A. § 143b is amended to read:

§ 143b. EDUCATION AND INFORMATION

Within six months of the effective date of section 143a of this title, the ~~office~~ department of Vermont health access shall issue rules establishing a procedure for health care providers enrolled in state and federally funded medical assistance programs to obtain advisory opinions regarding coverage and reimbursement under those programs. Each advisory opinion issued by the ~~office~~ department of Vermont health access shall be binding on ~~the office~~ that department and the party or parties requesting the opinion only with regard to the specific questions posed in the opinion, the facts and information set forth in it, and the statutes and rules specifically noted in the opinion.

Sec. I.43 33 V.S.A. § 1901 is amended to read:

§ 1901. ADMINISTRATION OF PROGRAM

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\* \* \*

(d)(1) To enable the state to manage public resources effectively while preserving and enhancing access to health care services in the state, the ~~office~~ department of Vermont health access is authorized to serve as a publicly operated managed care organization (MCO).

(2) To the extent permitted under federal law, the ~~office~~ department of Vermont health access shall be exempt from any health maintenance organization (HMO) or MCO statutes in Vermont law and shall not be considered to be an HMO or MCO for purposes of state regulatory and reporting requirements. The MCO shall comply with the federal rules governing managed care organizations in Part 438 of Chapter IV of Title 42 of the United States Code. The Vermont rules on the primary care case management in the Medicaid program shall be amended to apply to the MCO except to the extent that the rules conflict with the federal rules.

(3) The agency of human services and ~~office~~ department of Vermont health access shall report to the health access oversight committee about implementation of Global Commitment in a manner and at a frequency to be determined by the committee. Reporting shall, at a minimum, enable the tracking of expenditures by eligibility category, the type of care received, and to the extent possible allow historical comparison with expenditures under the previous Medicaid appropriation model (by department and program) and, if appropriate, with the amounts transferred by ~~the~~ another department to the ~~office~~ department of Vermont health access. Reporting shall include spending in comparison to any applicable budget neutrality standards.

(e)(1) The department for children and families and the ~~office~~ department of Vermont health access shall monitor and evaluate and report quarterly beginning July 1, 2006 on the disenrollment in each of the Medicaid or Medicaid waiver programs subject to premiums, including:

(A) The number of beneficiaries receiving termination notices for failure to pay premiums;

(B) The number of beneficiaries terminated from coverage as a result of failure to pay premiums as of the second business day of the month following the termination notice. The number of beneficiaries terminated from coverage for nonpayment of premiums shall be reported by program and income level within each program; and

(C) The number of beneficiaries terminated from coverage as a result of failure to pay premiums whose coverage is not restored three months after the termination notice.

(2) The department for children and families and the ~~office~~ department of Vermont health access shall submit reports at the end of each quarter required by subdivision (1) of this subsection to the house and senate committees on appropriations, the senate committee on health and welfare, the house committee on human services, the health access oversight committee, and the Medicaid advisory board.

\* \* \*

Sec. I.44 33 V.S.A. § 1901b is amended to read:

§ 1901b. PHARMACY PROGRAM ENROLLMENT

(a) The ~~office~~ department of Vermont health access and the department for children and families shall monitor actual caseloads, revenue and expenditures, anticipated caseloads, revenue and expenditures, and actual and anticipated savings from implementation of the preferred drug list, supplemental rebates, and other cost containment activities in each state pharmaceutical assistance program, including VPharm and VermontRx. The ~~department and the office~~ departments shall allocate supplemental rebate savings to each program proportionate to expenditures in each program. During the second week of each month, the ~~office~~ department of Vermont health access shall report such actual and anticipated caseload, revenue, expenditure and savings information to the joint fiscal committee and to the health access oversight committee.

(b)(1) If at any time expenditures for VPharm and VermontRx are anticipated to exceed the aggregate amount of state funds expressly appropriated for such state pharmaceutical assistance programs during any fiscal year, the ~~office~~ department of Vermont health access shall recommend to the joint fiscal committee and notify the health access oversight committee of a plan to cease new enrollments in VermontRx for individuals with incomes over 225 percent of the federal poverty level.

(2) If at any time expenditures for VPharm and VermontRx are anticipated to exceed the aggregate amount of state funds expressly appropriated for such state pharmaceutical assistance programs during any fiscal year, even with the cessation of new enrollments as provided for in subdivision (1) of this subsection, the ~~office~~ department of Vermont health access shall recommend to the joint fiscal committee and notify the health access oversight committee of a plan to cease new enrollments in the VermontRx for individuals with incomes more than 175 percent and less than 225 percent of the federal poverty level.

(3) The ~~office's~~ determinations of the department of Vermont health access under subdivisions (1) and (2) of this subsection shall be based on the

information and projections reported monthly under subsection (a) of this section, and on the official revenue estimates under ~~section 32 V.S.A. § 305a of Title 32~~. An enrollment cessation plan shall be deemed approved unless the joint fiscal committee disapproves the plan after 21 days notice of the ~~office's~~ recommendation and financial analysis of the department of Vermont health access.

(4) Upon the approval of or failure to disapprove an enrollment cessation plan by the joint fiscal committee, the ~~office~~ department of Vermont health access shall cease new enrollment in VermontRx for the individuals with incomes at the appropriate level in accordance with the plan.

(c)(1) If at any time after enrollment ceases under subsection (b) of this section expenditures for VermontRx, including expenditures attributable to renewed enrollment, are anticipated, by reason of increased federal financial participation or any other reason, to be equal to or less than the aggregate amount of state funds expressly appropriated for such state pharmaceutical assistance programs during any fiscal year, the ~~office~~ department of Vermont health access shall recommend to the joint fiscal committee and notify the health access oversight committee of a plan to renew enrollment in VermontRx, with priority given to individuals with incomes more than 175 percent and less than 225 percent, if adequate funds are anticipated to be available for each program for the remainder of the fiscal year.

(2) The ~~office's~~ determination of the department of Vermont health access under subdivision (1) of this subsection shall be based on the information and projections reported monthly under subsection (a) of this section, and on the official revenue estimates under ~~section 32 V.S.A. § 305a of Title 32~~. An enrollment renewal plan shall be deemed approved unless the joint fiscal committee disapproves the plan after 21 days notice of the ~~office's~~ recommendation and financial analysis of the department of Vermont health access.

(3) Upon the approval of, or failure to disapprove an enrollment renewal plan by the joint fiscal committee, the ~~office~~ department of Vermont health access shall renew enrollment in VermontRx in accordance with the plan.

(d) As used in this section:

(1) "State pharmaceutical assistance program" means any health assistance programs administered by the agency of human services providing prescription drug coverage, including ~~but not limited to~~, the Medicaid program, the Vermont health access plan, VPharm, VermontRx, the state children's health insurance program, the state of Vermont AIDS medication assistance program, the General Assistance program, the pharmacy discount plan

program, and any other health assistance programs administered by the agency providing prescription drug coverage.

\* \* \*

Sec. I.45 33 V.S.A. § 1901c is amended to read:

§ 1901c. MEDICAL CARE ADVISORY COMMITTEE

(a) The ~~director of the office~~ commissioner of Vermont health access shall appoint a medical care advisory committee to advise the ~~office~~ department of Vermont health access about health care and medical services, consistent with the requirements of federal law.

(b) The medical care advisory committee shall be given an opportunity to participate in policy development and program administration for Medicaid, the Vermont health access plan, VPharm, and VermontRx. It shall have an opportunity to review and comment upon agency policy initiatives pertaining to health care benefits and beneficiary eligibility. It also shall have the opportunity to comment on proposed rules prior to commencement of the rulemaking process and on waiver or waiver amendment applications prior to submission to the Centers for Medicare and Medicaid Services. Prior to the annual budget development process, the ~~office~~ department of Vermont health access shall engage the medical care advisory committee in priority setting, including consideration of scope of benefits, beneficiary eligibility, funding outlook, financing options, and possible budget recommendations.

(c) The medical care advisory committee shall make policy recommendations on ~~office~~ proposals of the department of Vermont health access ~~proposals~~ to the ~~office~~ department, the health access oversight committee, ~~and the standing committees~~ senate committee on health and welfare, and the house committee on human services. When the general assembly is not in session, the ~~director~~ commissioner shall respond in writing to these recommendations, a copy of which shall be provided to each of the legislative committees.

(d) During the legislative session, the ~~director~~ commissioner shall provide the committee at regularly scheduled meetings updates on the status of policy and budget proposals.

(e) The ~~director~~ commissioner shall convene the medical care advisory committee at least six times each year.

(f) At least one-third of the members of the medical care advisory committee shall be recipients of Medicaid, VHAP, or VermontRx. Such members shall receive per diem compensation and reimbursement of expenses

pursuant to ~~section 32~~ V.S.A. § 1010 of Title 32, including costs of travel, child care, personal assistance services, and any other service necessary for participation on the committee approved by the ~~director~~ commissioner.

(g) The ~~director~~ commissioner shall appoint members of the medical care advisory committee for staggered three-year terms. The ~~director~~ commissioner may remove members of the committee who fail to attend three consecutive meetings and appoint replacements.

(h) For purposes of this section, “program administration” means annual and long-term strategic planning, including priority setting, relative to scope of benefits, beneficiary eligibility, funding outlook, financing options, and possible budget recommendations.

Sec. I.46 33 V.S.A. § 1901e is amended to read:

§ 1901e. GLOBAL COMMITMENT FUND

(a) The Global Commitment fund is created in the treasury as a special fund. The fund shall consist of the revenues received by the treasurer as payment of the actuarially certified premium from the agency of human services to the managed care organization within the ~~office~~ department of Vermont health access for the purpose of providing services under the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) The monies in the fund shall be disbursed as allowed by appropriation of the general assembly, and shall be disbursed by the treasurer on warrants issued by the commissioner of finance and management, when authorized by the ~~director~~ commissioner of ~~the office of~~ Vermont health access and approved by the commissioner of finance and management consistent with the interdepartmental agreements between the managed care organization within the ~~office~~ department of Vermont health access and departments delivering eligible services under the waiver. The ~~office~~ department of Vermont health access may not modify an appropriation through an interdepartmental agreement or any other mechanism. A department or agency authorized to spend monies from this fund under an interdepartmental agreement may spend monies appropriated as a base Medicaid expense for an allowable managed care organization investment under Term and Condition 40 of the Global Commitment for Health Medicaid Section 1115 waiver only after receiving approval from the agency of human services.

(c) At the close of the fiscal year, the agency shall provide a detailed report to the joint fiscal committee which describes the managed care organization’s investments under Term and Condition 40 of the Global Commitment for

Health Medicaid Section 1115 waiver, including the amount of the investment and the agency, ~~department, or office~~ or departments authorized to make the investment.

Sec. I.47 33 V.S.A. § 1903 is amended to read:

§ 1903. CONTRACT AUTHORIZED

(a) The ~~director of the office~~ commissioner of Vermont health access may contract with a private organization to operate, under his or her control and supervision, parts of the medical assistance program.

(b) The contract shall provide that either party may cancel it upon reasonable notice to the other party.

(c) In furtherance of the purposes of the contract, the ~~director~~ commissioner of Vermont health access may requisition funds for the purposes of this subchapter, with the approval of the governor, and the commissioner of finance and management shall issue a warrant in favor of the contracting party to permit the contracting party to make payments to vendors under the contract. The ~~director~~ commissioner of Vermont health access shall quarterly, and at other times as the commissioner of finance and management requires, render an account in a form as the commissioner of finance and management prescribes of the expenditures of moneys so advanced.

Sec. I.48 33 V.S.A. § 1903a(a) is amended to read:

(a) The secretary of administration or designee shall create a chronic care management program as provided for in this section, which shall be administered or provided by a private entity for individuals with one or more chronic conditions who are enrolled in Medicaid, the Vermont health access plan (VHAP), or Dr. Dynasaur. The program shall not include individuals who are also eligible for Medicare, who are enrolled in the Choices for Care Medicaid Section 1115 waiver or who are in an institute for mental disease as defined in 42 C.F.R. §435.1009. The secretary may also exclude individuals who are eligible for or participating in the Medicaid care coordination program established through the ~~office~~ department of Vermont health access.

Sec. I.49 33 V.S.A. § 1904 is amended to read:

§ 1904. DEFINITIONS

When used in this subchapter, unless otherwise indicated:

\* \* \*

(4) ~~“Director” means the director of the office of Vermont health access.~~

(5) “Insurer” means any insurance company, prepaid health care

delivery plan, self-funded employee benefit plan, pension fund, hospital or medical service corporation, managed care organization, pharmacy benefit manager, prescription drug plan, retirement system, or similar entity that is under an obligation to make payments for medical services as a result of an injury, illness, or disease suffered by an individual.

~~(6)~~(5) “Legally liable representative” means a parent or person with an obligation of support to a recipient whether by contract, court order or statute.

~~(7)~~(6) “Provider” means any person that has entered into an agreement with the state to provide any medical service.

~~(8)~~(7) “Recipient” means any person or group of persons who receive Medicaid.

~~(9)~~(8) “Secretary” means the secretary of the agency of human services.

~~(10)~~(9) “Third party” means a person having an obligation to pay all or any portion of the medical expense incurred by a recipient at the time the medical service was provided. The obligation is not discharged by virtue of being undiscovered or undeveloped at the time a Medicaid claim is paid. Third parties include:

\* \* \*

~~(11)~~(10) “Tobacco” means all products listed in 7 V.S.A. § 1001(3).

~~(12)~~(11) “Tobacco manufacturer” means any person engaged in the process of designing, fabricating, assembling, producing, constructing or otherwise preparing a product containing tobacco, including packaging or labeling of these products, with the intended purpose of selling the product for gain or profit. “Tobacco manufacturer” does not include persons whose activity is limited to growing natural leaf tobacco or to selling tobacco products at wholesale or retail to customers. “Tobacco manufacturer” also does not include any person who manufactures or produces firearms, dairy products, products containing alcohol or other nontobacco products, unless such person also manufactures or produces tobacco products.

Sec. I.50 33 V.S.A. § 1908a(c)(1)(F) is amended to read:

(F) information to the purchaser about available consumer information and public education provided by the department of banking, insurance, securities, and health care administration and the ~~office~~ department of Vermont health access; and

Sec. I.51 33 V.S.A. § 1950(b) is amended to read:

(b) The secretary and the ~~director~~ commissioner shall interpret and

administer the provisions of this subchapter so as to maximize federal financial participation and avoid disallowances of federal financial participation.

Sec. I.52 33 V.S.A. § 1951 is amended to read:

§ 1951. DEFINITIONS

As used in this subchapter:

\* \* \*

(3) “~~Director~~” “Commissioner” means the ~~director~~ commissioner of the ~~office~~ of Vermont health access.

\* \* \*

(12) “~~Office~~” “Department” means the ~~office~~ department of Vermont health access.

\* \* \*

Sec. I.53 33 V.S.A. § 1952 is amended to read:

§ 1952. GENERAL PROVISIONS

\* \* \*

(b) The ~~office~~ department may use not more than one percent of the assessments received under the provisions of this subchapter for necessary administrative expenses associated with this subchapter.

\* \* \*

(f) If a health care provider fails to pay its assessments under this subchapter according to the schedule or a variation thereof adopted by the ~~director~~ commissioner, the ~~director~~ commissioner may, after notice and opportunity for hearing, deduct these assessment arrears and any late-payment penalties from Medicaid payments otherwise due to the provider. The deduction of these assessment arrears may be made in one or more installments on a schedule to be determined by the ~~director~~ commissioner.

Sec. I.54 33 V.S.A. § 1954 is amended to read:

§ 1954. NURSING HOME ASSESSMENT

(a) Beginning July 1, 2007, each nursing home’s annual assessment shall be \$4,322.90, and beginning January 1, 2008, \$3,962.66 per bed licensed pursuant to section 7105 of this title on June 30 of the immediately preceding fiscal year. The annual assessment for each bed licensed as of the beginning of the fiscal year shall be prorated for the number of days during which the bed was actually licensed and any over payment shall be refunded to the facility.

To receive the refund, a facility shall notify the ~~director~~ commissioner in writing of the size of the decrease in the number of its licensed beds and dates on which the beds ceased to be licensed.

(b) The ~~office~~ department shall provide written notification of the assessment amount to each nursing home. The assessment amount determined shall be considered final unless the home requests a reconsideration. Requests for reconsideration shall be subject to the provisions of section 1958 of this title.

(c) Each nursing home shall submit its assessment to the ~~office~~ department according to a schedule adopted by the ~~director~~ commissioner. The ~~director~~ commissioner may permit variations in the schedule of payment as deemed necessary.

(d) Any nursing home that fails to make a payment to the ~~office~~ department on or before the specified schedule, or under any schedule of delayed payments established by the ~~director~~ commissioner, shall be assessed not more than \$1,000.00. The ~~director~~ commissioner may waive this late-payment assessment provided for in this subsection for good cause shown by the nursing home.

Sec. I.55 33 V.S.A. § 1955 is amended to read:

§ 1955. ICF/MR ASSESSMENT

\* \* \*

(b) The ~~office~~ department shall provide written notification of the assessment amount to each ICF/MR. The assessment amount determined shall be considered final unless the facility requests a reconsideration. Requests for reconsideration shall be subject to the provisions of section 1958 of this title.

(c) Each ICF/MR shall remit its assessment to the ~~office~~ department according to a schedule adopted by the ~~director~~ commissioner. The ~~director~~ commissioner may permit variations in the schedule of payment as deemed necessary.

(d) Any ICF/MR that fails to make a payment to the ~~office~~ department on or before the specified schedule, or under any schedule of delayed payments established by the ~~director~~ commissioner, shall be assessed not more than \$1,000.00. The ~~director~~ commissioner may waive this late-payment assessment provided for in this subsection for good cause shown by the ICF/MR.

Sec. I.56 33 V.S.A. § 1955a is amended to read:

## § 1955a. HOME HEALTH AGENCY ASSESSMENT

(a) Beginning July 1, 2009, each home health agency's assessment shall be 17.69 percent of its net operating revenues from core home health care services, excluding revenues for services provided under Title XVIII of the federal Social Security Act. The amount of the tax shall be determined by the ~~director~~ commissioner based on the home health agency's most recent audited financial statements at the time of submission, a copy of which shall be provided on or before December 1 of each year to the ~~office~~ department. For providers who begin operations as a home health agency after January 1, 2005, the tax shall be assessed as follows:

(1) Until such time as the home health agency submits audited financial statements for its first full year of operation as a home health agency, the ~~director~~ commissioner, in consultation with the home health agency, shall annually estimate the amount of tax payable and shall prescribe a schedule for interim payments.

(2) At such time as the full-year audited financial statement is filed, the final assessment shall be determined, and the home health agency shall pay any underpayment or the ~~office~~ department shall refund any overpayment. The assessment for the state fiscal year in which a provider commences operations as a home health agency shall be prorated for the proportion of the state fiscal year in which the new home health agency was in operation.

(b) Each home health agency shall be notified in writing by the ~~office~~ department of the assessment made pursuant to this section. If no home health agency submits a request for reconsideration under section 1958 of this title, the assessment shall be considered final.

(c) Each home health agency shall submit its assessment to the ~~office~~ department according to a payment schedule adopted by the ~~director~~ commissioner. Variations in payment schedules shall be permitted as deemed necessary by the ~~director~~ commissioner.

(d) Any home health agency that fails to make a payment to the ~~office~~ department on or before the specified schedule, or under any schedule for delayed payments established by the ~~director~~ commissioner, shall be assessed not more than \$1,000.00. The ~~director~~ commissioner may waive this late payment assessment provided for in this subsection for good cause shown by the home health agency.

Sec. I.57 33 V.S.A. § 1955b is amended to read:

## § 1955b. PHARMACY ASSESSMENT

(a) Beginning July 1, 2005, each pharmacy's monthly assessment shall be \$0.10 for each prescription filled and refilled.

(b) Each pharmacy shall declare and provide supporting documentation to the ~~director~~ commissioner of the total number of prescriptions filled and refilled in the previous month and remit the assessment due for that month. The declaration and payment shall be due by the end of the following month.

(c) Each pharmacy shall submit its assessment payment to the ~~office~~ department monthly. Variations in payment timing shall be permitted as deemed necessary by the ~~director~~ commissioner.

(d) Any pharmacy that fails to pay an assessment to the ~~office~~ department on or before the due date shall be assessed a late payment penalty of two percent of the assessment amount for each month it remains unpaid; but late payment penalties for any one quarter shall not exceed \$500.00. The ~~director~~ commissioner may waive a penalty under this subsection for good cause shown by the pharmacy, as determined by the ~~director~~ commissioner in his or her discretion.

Sec. I.58 33 V.S.A. § 1957 is amended to read:

§ 1957. AUDITS

The ~~director~~ commissioner may require the submission of audited information as needed from health care providers to determine that amounts received from health care providers were correct. If an audit identifies amounts received due to errors by the ~~office~~ department, the ~~director~~ commissioner shall make payments to any health care provider which the audit reveals paid amounts it should not have been required to pay. Payments made under this section shall be made from the fund.

Sec. I.59 33 V.S.A. § 1958 is amended to read:

§ 1958. APPEALS

(a) Any health care provider may submit a written request to the ~~office~~ department for reconsideration of the determination of the assessment within 20 days of notice of the determination. The request shall be accompanied by written materials setting forth the basis for reconsideration. If requested, the ~~office~~ department shall hold a hearing within 20 days from the date on which the reconsideration request was received. The ~~office~~ department shall mail written notice of the date, time, and place of the hearing to the health care provider at least 10 days before the date of the hearing. On the basis of the evidence submitted to the ~~office~~ department or presented at the hearing, the ~~office~~ department shall reconsider and may adjust the assessment. Within 20

days of the hearing, the ~~office~~ department shall provide notice in writing to the health care provider of the final determination of the amount it is required to pay based on any adjustments made by it. Proceedings under this section are not subject to the requirements of ~~3 V.S.A.~~ chapter 25 of Title 3.

(b) Upon request, the ~~director~~ commissioner shall enter into nonbinding arbitration with any health care provider dissatisfied with the ~~office's~~ department's decision regarding the amount it is required to pay. The arbitrator shall be selected by mutual consent, and compensation shall be provided jointly.

(c) Any health care provider may appeal the decision of the ~~office~~ department as to the amount it is required to pay either before or after arbitration, to the superior court having jurisdiction over the health care provider.

Sec. I.60 33 V.S.A. § 1971 is amended to read:

§ 1971. DEFINITIONS

As used in this subchapter:

\* \* \*

(2) "~~Office~~" "Department of Vermont health access" means the ~~office~~ department administering the Medicaid program for the agency of human services and includes the managed care organization established in section 1901 of this title.

\* \* \*

Sec. I.61 33 V.S.A. § 1997 is amended to read:

§ 1997. DEFINITIONS

As used in this subchapter:

\* \* \*

(2) "~~Director~~" "Commissioner" means the ~~director~~ commissioner of the ~~office~~ of Vermont health access.

\* \* \*

(4) "~~Office~~" "Department" means the ~~office~~ department of Vermont health access.

\* \* \*

Sec. I.62 33 V.S.A. § 1998 is amended to read:

§ 1998. PHARMACY BEST PRACTICES AND COST CONTROL PROGRAM ESTABLISHED

(a) The ~~director~~ commissioner of ~~the office of~~ Vermont health access shall establish and maintain a pharmacy best practices and cost control program designed to reduce the cost of providing prescription drugs, while maintaining high quality in prescription drug therapies. The program shall include:

\* \* \*

(8) Any other cost containment activity adopted, by rule, by the ~~director~~ commissioner that is designed to reduce the cost of providing prescription drugs while maintaining high quality in prescription drug therapies.

(b) The ~~director~~ commissioner shall implement the pharmacy best practices and cost control program for Medicaid and all other state public assistance program health benefit plans to the extent permitted by federal law.

(c)(1) The ~~director~~ commissioner may implement the pharmacy best practices and cost control program for any other health benefit plan within or outside this state that agrees to participate in the program. For entities in Vermont, the ~~director~~ commissioner shall directly or by contract implement the program through a joint pharmaceuticals purchasing consortium. The joint pharmaceuticals purchasing consortium shall be offered on a voluntary basis no later than January 1, 2008, with mandatory participation by state or publicly funded, administered, or subsidized purchasers to the extent practicable and consistent with the purposes of this chapter, by January 1, 2010. If necessary, the ~~office~~ department of Vermont health access shall seek authorization from the Centers for Medicare and Medicaid to include purchases funded by Medicaid. "State or publicly funded purchasers" shall include the department of corrections, the ~~division~~ department of mental health, Medicaid, the Vermont Health Access Program (VHAP), Dr. Dynasaur, Vermont Rx, VPharm, Healthy Vermonters, workers' compensation, and any other state or publicly funded purchaser of prescription drugs.

(2) The ~~director~~ commissioner of ~~the office of~~ Vermont health access, and the secretary of administration shall take all steps necessary to enable Vermont's participation in joint prescription drug purchasing agreements with any other health benefit plan or organization within or outside this state that agrees to participate with Vermont in such joint purchasing agreements.

(3) The commissioner of human resources shall take all steps necessary to enable the state of Vermont to participate in joint prescription drug purchasing agreements with any other health benefit plan or organization within or outside this state that agrees to participate in such joint purchasing

agreements, as may be agreed to through the bargaining process between the state of Vermont and the authorized representatives of the employees of the state of Vermont.

(4) The actions of the commissioners, ~~the director~~, and the secretary shall include:

(A) active collaboration with the National Legislative Association on Prescription Drug Prices;

(B) active collaboration with the Pharmacy RFP Issuing States initiative organized by the West Virginia Public Employees Insurance Agency;

(C) the execution of any joint purchasing agreements or other contracts with any participating health benefit plan or organization within or outside the state which the ~~director~~ commissioner of Vermont health access determines will lower the cost of prescription drugs for Vermonters while maintaining high quality in prescription drug therapies; and

(D) with regard to participation by the state employees health benefit plan, the execution of any joint purchasing agreements or other contracts with any health benefit plan or organization within or outside the state which the ~~director~~ commissioner of Vermont health access determines will lower the cost of prescription drugs and provide overall quality of integrated health care services to the state employees health benefit plan and the beneficiaries of the plan, and which is negotiated through the bargaining process between the state of Vermont and the authorized representatives of the employees of the state of Vermont.

(5) The ~~director and the commissioner~~ commissioners of human resources and of Vermont health access may renegotiate and amend existing contracts to which the ~~office~~ departments of Vermont health access and ~~the department~~ of human resources are parties if such renegotiation and amendment will be of economic benefit to the health benefit plans subject to such contracts, and to the beneficiaries of such plans. Any renegotiated or substituted contract shall be designed to improve the overall quality of integrated health care services provided to beneficiaries of such plans.

(6) The ~~director, the~~ commissioners, and the secretary shall report quarterly to the health access oversight committee and the joint fiscal committee on their progress in securing Vermont's participation in such joint purchasing agreements.

(7) The ~~director~~ commissioner of Vermont health access, the commissioner of human resources, the commissioner of banking, insurance, securities, and health care administration, and the secretary of human services

shall establish a collaborative process with the Vermont medical society, pharmacists, health insurers, consumers, employer organizations and other health benefit plan sponsors, the National Legislative Association on Prescription Drug Prices, pharmaceutical manufacturer organizations, and other interested parties designed to consider and make recommendations to reduce the cost of prescription drugs for all Vermonters.

(d) A participating health benefit plan other than a state public assistance program may agree with the ~~director~~ commissioner to limit the plan's participation to one or more program components. The ~~director~~ commissioner shall supervise the implementation and operation of the pharmacy best practices and cost control program, including developing and maintaining the preferred drug list, to carry out the provisions of the subchapter. The ~~director~~ commissioner may include such insured or self-insured health benefit plans as agree to use the preferred drug list or otherwise participate in the provisions of this subchapter. The purpose of this subchapter is to reduce the cost of providing prescription drugs while maintaining high quality in prescription drug therapies.

(e) The ~~director~~ commissioner of ~~the office of~~ Vermont health access shall develop procedures for the coordination of state public assistance program health benefit plan benefits with pharmaceutical manufacturer patient assistance programs offering free or low cost prescription drugs, including the development of a proposed single application form for such programs. The ~~director~~ commissioner may contract with a nongovernmental organization to develop the single application form.

(f)(1) The drug utilization review board shall make recommendations to the ~~director~~ commissioner for the adoption of the preferred drug list. The board's recommendations shall be based upon evidence-based considerations of clinical efficacy, adverse side effects, safety, appropriate clinical trials, and cost-effectiveness. "Evidence-based" shall have the same meaning as in ~~section 18 V.S.A. § 4622 of Title 18.~~ The ~~director~~ commissioner shall provide the board with evidence-based information about clinical efficacy, adverse side effects, safety, and appropriate clinical trials, and shall provide information about cost-effectiveness of available drugs in the same therapeutic class.

\* \* \*

(3) To the extent feasible, the board shall review all drug classes included in the preferred drug list at least every 12 months, and may recommend that the ~~director~~ commissioner make additions to or deletions from the preferred drug list.

\* \* \*

(6) The ~~director~~ commissioner shall encourage participation in the joint purchasing consortium by inviting representatives of the programs and entities specified in subdivision (c)(1) of this section to participate as observers or nonvoting members in the drug utilization review board; and by inviting the representatives to use the preferred drug list in connection with the plans' prescription drug coverage.

(g) The ~~office~~ department shall seek assistance from entities conducting independent research into the effectiveness of prescription drugs to provide technical and clinical support in the development and the administration of the preferred drug list and the evidence-based education program established in subchapter 2 of chapter 91 of Title 18.

Sec. I.63 33 V.S.A. § 2000 is amended to read:

§ 2000. PHARMACY BENEFIT MANAGEMENT

The ~~director~~ commissioner may implement all or a portion of the pharmacy best practices and cost control program through a contract with a third party with expertise in the management of pharmacy benefits.

Sec. I.64 33 V.S.A. § 2001 is amended to read:

§ 2001. LEGISLATIVE OVERSIGHT

(a) In connection with the pharmacy best practices and cost control program, the ~~director~~ commissioner of ~~the office of~~ Vermont health access shall report for review by the health access oversight committee, prior to initial implementation, and prior to any subsequent modifications:

\* \* \*

(c) The ~~director~~ commissioner of ~~the office of~~ Vermont health access shall report quarterly to the health access oversight committee concerning the following aspects of the pharmacy best practices and cost control program:

\* \* \*

(e)(1) [Repealed.]

(2) The ~~director~~ commissioner shall not enter into a contract with a pharmacy benefit manager unless the pharmacy benefit manager has agreed to disclose to the ~~director~~ commissioner the terms and the financial impact on Vermont and on Vermont beneficiaries of:

\* \* \*

(3) The ~~director~~ commissioner shall not enter into a contract with a pharmacy benefit manager who has entered into an agreement or engaged in a

practice described in subdivision (2) of this subsection, unless the ~~director~~ commissioner determines, and certifies in the fiscal report required by subdivision (d)(4) of this section, that such agreement or practice furthers the financial interests of Vermont, and does not adversely affect the medical interests of Vermont beneficiaries.

Sec. I.65 33 V.S.A. § 2002 is amended to read:

§ 2002. SUPPLEMENTAL REBATES

(a) The ~~director~~ commissioner of ~~the office of~~ Vermont health access, separately or in concert with the authorized representatives of any participating health benefit plan, shall use the preferred drug list authorized by the pharmacy best practices and cost control program to negotiate with pharmaceutical companies for the payment to the ~~director~~ commissioner of supplemental rebates or price discounts for Medicaid and for any other state public assistance health benefit plans designated by the ~~director~~ commissioner, in addition to those required by Title XIX of the Social Security Act. The ~~director~~ commissioner may also use the preferred drug list to negotiate for the payment of rebates or price discounts in connection with drugs covered under any other participating health benefit plan within or outside this state, provided that such negotiations and any subsequent agreement shall comply with the provisions of 42 U.S.C. § 1396r-8. The program, or such portions of the program as the ~~director~~ commissioner shall designate, shall constitute a state pharmaceutical assistance program under 42 U.S.C. § 1396r-8(c)(1)(C).

(b) The ~~director~~ commissioner shall negotiate supplemental rebates, price discounts, and other mechanisms to reduce net prescription drug costs by means of any negotiation strategy which the ~~director~~ commissioner determines will result in the maximum economic benefit to the program and to consumers in this state, while maintaining access to high quality prescription drug therapies. The ~~director~~ commissioner may negotiate through a purchasing pool or directly with manufacturers. The provisions of this subsection do not authorize agreements with pharmaceutical manufacturers whereby financial support for medical services covered by the Medicaid program is accepted as consideration for placement of one or more prescription drugs on the preferred drug list.

(c) The ~~office~~ department of Vermont health access shall prohibit the public disclosure of information revealing company-identifiable trade secrets (including rebate and supplemental rebate amounts, and manufacturer's pricing) obtained by the ~~office~~ department, and by any officer, employee, or contractor of the department in the course of negotiations conducted pursuant to this section. Such confidential information shall be exempt from public

disclosure under subchapter 3 of chapter 5 of Title 1 (open records law).

Sec. I.66 33 V.S.A. § 2003 is amended to read:

§ 2003. PHARMACY DISCOUNT PLANS

(a) The ~~director~~ commissioner of ~~the office of~~ Vermont health access shall implement pharmacy discount plans, to be known as the “Healthy Vermonters” program, for Vermonters without adequate coverage for prescription drugs. The provisions of subchapter 8 of this chapter shall apply to the ~~director’s~~ commissioner’s authority to administer the pharmacy discount plans established by this section.

\* \* \*

(c) As used in this section:

\* \* \*

(7) “Rebate amount” means the rebate negotiated by the ~~director~~ commissioner and required from a drug manufacturer or labeler under this section. In determining the appropriate rebate, the ~~director~~ commissioner shall:

\* \* \*

(8) “Secondary discounted cost” means, under the Healthy Vermonters program, the price of the drug based on the Medicaid fee schedule, less payment by the state of at least two percent of the Medicaid rate, less any rebate amount negotiated by the ~~director~~ commissioner and paid for out of the Healthy Vermonters dedicated fund established under subsection (j) of this section and, under the Healthy Vermonters Plus program, the average wholesale price of the drug, less payment by the state of at least two percent of the Medicaid rate, less any rebate amount negotiated by the ~~director~~ commissioner and paid for out of the Healthy Vermonters dedicated fund established under subsection (j).

\* \* \*

(e) The Vermont board of pharmacy shall adopt standards of practice requiring disclosure by participating retail pharmacies to beneficiaries of the amount of savings provided as a result of the pharmacy discount plans. The standards must consider and protect information that is proprietary in nature. The ~~office~~ department of Vermont health access may not impose transaction charges under this program on pharmacies that submit claims or receive payments under the plans. Pharmacies shall submit claims to the department to verify the amount charged to beneficiaries under the plans. On a weekly or

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biweekly basis, the ~~office~~ department must reimburse pharmacies for the difference between the initial discounted price or the average wholesale price and the secondary discounted price provided to beneficiaries.

(f) The names of drug manufacturers and labelers who do and do not enter into rebate agreements under pharmacy discount plans are public information. The ~~office~~ department of Vermont health access shall release this information to health care providers and the public on a regular basis and shall publicize participation by manufacturers and labelers. The ~~office~~ department shall impose prior authorization requirements in the Medicaid program, as permitted by law, to the extent the ~~office~~ department determines it is appropriate to do so in order to encourage manufacturer and labeler participation in the pharmacy discount plans and so long as the additional prior authorization requirements remain consistent with the goals of the Medicaid program and the requirements of Title XIX of the federal Social Security Act.

(g) The ~~director~~ commissioner of the ~~office~~ of Vermont health access shall establish, by rule, a process to resolve discrepancies in rebate amounts claimed by manufacturers, labelers, pharmacies, and the ~~office~~ department.

(h) The Healthy Vermonters dedicated fund is established to receive revenue from manufacturers and labelers who pay rebates as provided in this section and any appropriations or allocations designated for the fund. The purposes of the fund are to reimburse retail pharmacies for discounted prices provided to individuals enrolled in the pharmacy discount plans; and to reimburse the ~~office~~ department of Vermont health access for contracted services, including pharmacy claims processing fees, administrative and associated computer costs, and other reasonable program costs. The fund is a nonlapsing dedicated fund. Interest on fund balances accrues to the fund. Surplus funds in the fund must be used for the benefit of the program.

(i) Annually, the ~~office~~ department of Vermont health access shall report the enrollment and financial status of the pharmacy discount plans to the health access oversight committee by September 1, and to the general assembly by January 1.

(j) The ~~office~~ department of Vermont health access shall undertake outreach efforts to build public awareness of the pharmacy discount plans and maximize enrollment. Outreach efforts shall include steps to educate retail pharmacists on the purposes of the Healthy Vermonters dedicated fund, in particular as it relates to pharmacy reimbursements for discounted prices provided to program enrollees. The ~~office~~ department may adjust the requirements and terms of the pharmacy discount plans to accommodate any new federally funded prescription drug programs.

(k) The ~~office~~ department of Vermont health access may contract with a third party or third parties to administer any or all components of the pharmacy discount plans, including outreach, eligibility, claims, administration, and rebate recovery and redistribution.

(l) The ~~office~~ department of Vermont health access shall administer the pharmacy discount plans and other medical and pharmaceutical assistance programs under this title in a manner advantageous to the programs and enrollees. In implementing this section, the ~~office~~ department may coordinate the other programs and the pharmacy discount plans and may take actions to enhance efficiency, reduce the cost of prescription drugs, and maximize benefits to the programs and enrollees, including providing the benefits of pharmacy discount plans to enrollees in other programs.

(m) The ~~office~~ department of Vermont health access may adopt rules to implement the provisions of this section.

(n) The ~~office~~ department of Vermont health access shall seek a waiver from the Centers for Medicare and Medicaid Services (CMS) requesting authorization necessary to implement the provisions of this section, including application of manufacturer and labeler rebates to the pharmacy discount plans. The secondary discounted cost shall not be available to beneficiaries of the pharmacy discount plans until the ~~office~~ department receives written notification from CMS that the waiver requested under this section has been approved and until the general assembly subsequently approves all aspects of the pharmacy discount plans, including funding for positions and related operating costs associated with eligibility determinations.

Sec. I.67 33 V.S.A. § 2004(a) is amended to read:

(a) Annually, each pharmaceutical manufacturer or labeler of prescription drugs that are paid for by the ~~office~~ department of Vermont health access for individuals participating in Medicaid, the Vermont Health Access Program, Dr. Dynasaur, VPharm, or Vermont Rx shall pay a fee to the agency of human services. The fee shall be 0.5 percent of the previous calendar year's prescription drug spending by the ~~office~~ department and shall be assessed based on manufacturer labeler codes as used in the Medicaid rebate program.

Sec. I.68 33 V.S.A. § 2007 is amended to read:

§ 2007. CANADIAN PRESCRIPTION DRUG INFORMATION PROGRAM

The ~~office~~ department of Vermont health access shall establish a website and prepare written information to offer guidance to Vermont residents seeking information about ordering prescription drugs through the mail or otherwise from a participating Canadian pharmacy.

Sec. I.69 33 V.S.A. § 2010 is amended to read:

§ 2010. ACTUAL PRICE DISCLOSURE AND CERTIFICATION

(a) A manufacturer of prescription drugs dispensed in this state under a health program directed or administered by the state shall, on a quarterly basis, report by National Drug Code the following pharmaceutical pricing criteria to the ~~director~~ commissioner of ~~the office of~~ Vermont health access for each of its drugs:

\* \* \*

(b) When reporting the prices as provided for in subsection (a) of this section, the manufacturer shall include a summary of its methodology in determining the price. The ~~office~~ department may accept the standards of the National Drug Rebate agreement entered into by the U.S. Department of Health and Human Services and Section 1927 of the Social Security Act for reporting pricing methodology.

(c) The pricing information required under this section is for drugs defined under the Medicaid drug rebate program and must be submitted to the ~~director~~ commissioner following its submission to the federal government in accordance with 42 U.S.C. § 1396r-8(b)(3).

(d) When a manufacturer of prescription drugs dispensed in this state reports the information required under subsection (a) of this section, the president, chief executive officer, or a designated employee of the manufacturer shall certify to the ~~office~~ department, on a form provided by the ~~director~~ commissioner of ~~the office of~~ Vermont health access, that the reported prices are the same as those reported to the federal government as required by 42 U.S.C. § 1396r-8(b)(3) for the applicable rebate period. A designated employee shall be an employee who reports directly to the chief executive officer or president and who has been delegated to make the certification under this section.

(e) Notwithstanding any provision of law to the contrary, information submitted to the ~~office~~ department under this section is confidential and is not a public record as defined in ~~subsection 1 V.S.A. § 317(b) of Title 1.~~ Disclosure may be made by the ~~office~~ department to an entity providing services to the ~~office~~ department under this section; however, that disclosure does not change the confidential status of the information. The information may be used by the entity only for the purpose specified by the ~~office~~ department in its contract with the entity. Data compiled in aggregate form by the ~~office~~ department for the purposes of reporting required by this section are public records as defined in ~~subsection 1 V.S.A. § 317(b) of Title 1,~~ provided

they do not reveal trade information protected by state or federal law.

\* \* \*

Sec. I.70 33 V.S.A. § 2071 is amended to read:

§ 2071. DEFINITIONS

For purposes of this subchapter:

\* \* \*

(4) ~~“OVHA”~~ “DVHA” means the ~~office~~ department of Vermont health access.

\* \* \*

Sec. I.71 33 V.S.A. § 2073 is amended to read:

§ 2073. VPHARM ASSISTANCE PROGRAM

\* \* \*

(c) VPharm shall provide supplemental benefits by paying or subsidizing:

\* \* \*

(4) pharmaceuticals that are not covered after the individual has exhausted the Medicare part D prescription drug plan’s appeal process or the prescription drug plan’s transition plan approved by the Centers for Medicare and Medicaid Services, and that are deemed medically necessary by the individual’s prescriber in a manner established by the ~~director~~ commissioner of ~~the office~~ of Vermont health access. The coverage decision under this subdivision shall not be subject to the exceptions process established under Medicaid. An individual may appeal to the human services board or pursue any other remedies provided by law.

\* \* \*

(e) In order to ensure the appropriate payment of claims, ~~OVHA~~ DVHA may expand the Medicare advocacy program established under chapter 67 of this title to individuals receiving benefits from the VPharm program.

\* \* \*

Sec. I.72 33 V.S.A. § 2074 is amended to read:

§ 2074. VERMONTRX PROGRAM

(a) Effective January 1, 2006, VermontRx is established within the ~~office~~ department of Vermont health access and shall be the continuation of the state pharmaceutical programs in existence upon passage of this subchapter for

those individuals not eligible for Medicare part D. VermontRx is a pharmaceutical assistance program for individuals age 65 or older who are not eligible for Medicare and for individuals with disabilities who are receiving Social Security disability benefits and who are not eligible for Medicare. VermontRx may retain the current program names of VHAP-Pharmacy, VScript, and VScript Expanded if it is cost-effective to retain the current names in lieu of combining the current programs into one program.

(1) The program shall be administered by ~~OVHA~~ DVHA which, to the extent funding permits, shall establish application, eligibility, coverage, and payment standards. In addition to the general eligibility requirements established in section 2072 of this title, an individual must not be eligible for Medicare in order to be eligible for benefits under VermontRx.

(2) To the extent necessary under federal law, ~~OVHA~~ DVHA shall administer VermontRx in such a manner as to ensure that any permissible federal funding may be received to support the program. ~~OVHA~~ DVHA may establish a division of the VermontRx program to administer federal Medicaid funds separately in accordance with a federal waiver pursuant to Section 1115 of the Social Security Act.

(3) If permissible under federal law, ~~OVHA~~ DVHA shall use the same forms and application process for individuals to enroll in VermontRx, regardless of the funding source for the program.

\* \* \*

(e) Under VermontRx, a pharmaceutical may be dispensed to an eligible recipient provided such dispensing is pursuant to and in accordance with any contractual arrangement that ~~OVHA~~ DVHA may enter into or approve for the group discount purchase of pharmaceuticals. When a person or business located in Vermont and employing citizens of this state has submitted a bid for the group discount purchase of pharmaceuticals and has not been selected, the ~~director~~ commissioner of ~~OVHA~~ DVHA shall record the reason for nonselection. The ~~director's~~ commissioner's report shall be a public record available to any interested person. All bids or quotations shall be kept on file in the ~~director's~~ commissioner's office and open to public inspection.

Sec. I.73 33 V.S.A. § 2076(c) is amended to read:

(c) ~~OVHA~~ DVHA shall seek any waivers of federal law, rule, or regulation necessary to implement the provisions of this section.

Sec. I.74 33 V.S.A. § 2077 is amended to read:

§ 2077. ADMINISTRATION

(a) The programs established under this subchapter shall be designed to provide maximum access to program participants, to incorporate mechanisms that are easily understood and require minimum effort for applicants and health care providers, and to promote quality, efficiency, and effectiveness through cost controls and utilization review. Applications may be filed at any time and shall be reviewed annually. ~~OVHA~~ DVHA may contract with a fiscal agent for the purpose of processing claims and performing related functions required in the administration of the pharmaceutical programs established under this subchapter.

(b) Upon determining that an applicant is eligible under this subchapter, ~~OVHA~~ DVHA shall issue an identification card to the applicant.

(c) A pharmacy which dispenses a pharmaceutical to an individual eligible for a pharmaceutical program established under this subchapter shall collect payment for the pharmaceutical from ~~OVHA~~ DVHA.

Sec. I.75 33 V.S.A. § 2081(b) is amended to read:

(b) ~~OVHA~~ DVHA shall report on the status of the pharmaceutical assistance programs established by this subchapter to the health access oversight committee.

Sec. I.76 33 V.S.A. § 6501 is amended to read:

#### § 6501. DEFINITIONS

For purposes of this chapter:

(1) "Balance bill" means to charge to or collect from a Medicare or general assistance beneficiary any amount in excess of the reasonable charge for that service as determined by the United States Secretary of Health and Human Services, or the ~~director~~ commissioner of ~~the office of~~ Vermont health access, as the case may be.

\* \* \*

Sec. I.77 33 V.S.A. § 6703 is amended to read:

#### § 6703. CONTRACT FOR SERVICES

(a) Subject to the provisions of subsection (b) of this section, the ~~director~~ commissioner of ~~the office of~~ Vermont health access shall contract on an annual basis with individuals or private organizations to provide services authorized by this chapter to dual eligible individuals including pursuit of subrogation claims under section 6705 of this chapter.

(b) The ~~director~~ commissioner shall not be required to enter into contracts under this section if:

(1) the amount of the state's share of recoveries to the Medicaid program from awards obtained under this chapter during the preceding year did not exceed the payments to the contractors during that year; and

(2) the ~~director~~ commissioner determines that the program is not accomplishing its goal of protecting dual eligible individuals from improper denials of Medicare coverage. The ~~director~~ commissioner shall base his or her determination under this subdivision on information obtained from the contractors, providers of health care, area agencies on aging, and other individuals and organizations affected by the program.

Sec. I.78 33 V.S.A. § 6705 is amended to read:

#### § 6705. SUBROGATION

(a) Upon furnishing medical assistance under chapter 19 of this title to any individual, the ~~office~~ department of Vermont health access shall be subrogated, to the extent of the expenditure for medical care furnished, to any rights such individual may have to third party reimbursement for such care.

(b) The ~~office~~ department of Vermont health access or its designee shall be entitled to obtain from any medical service provider any records of the treatment of any individual covered by subsection (a) of this section which are in any way relevant to the treatment paid for through medical assistance without regard to any other privilege or right of confidentiality or privacy which may exist. The ~~office~~ department shall ensure that any records obtained are not released to any other individual, agency or other entity except insofar as is necessary to pursue the ~~office's~~ department's rights of subrogation.

(c) The ~~office~~ department of Vermont health access may contract with a private attorney or attorneys, or other private persons, for the purpose of obtaining third party reimbursement for Medicaid expenditures under this section. In awarding contracts under this section, the ~~office~~ department shall give preference to bidders who maintain a place of business in this state.

Sec. I.79 33 V.S.A. chapter 4 is added to read:

### CHAPTER 4. DEPARTMENT OF VERMONT HEALTH ACCESS

#### § 401. COMPOSITION OF DEPARTMENT

The department of Vermont health access, created under 3 V.S.A. § 3088, shall consist of the commissioner of Vermont health access, the medical director, and all divisions within the department, including the divisions of managed care; health care reform; and Medicaid policy, fiscal, and support services.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Heath of Westford** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

**Rep. Heath of Westford**  
**Rep. Larson of Burlington**  
**Rep. Acinapura of Brandon**

**Rules Suspended; Senate Proposal of Amendment Not Concurred in;  
Committee of Conference Requested and Appointed**

**H. 647**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Komline of Dorset**, the rules were suspended and House bill, entitled

An act relating to misclassification of employees to lower premiums for workers' compensation and unemployment compensation

Was taken up for immediate consideration.

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

Sec. 1. DEPARTMENT OF LABOR MISCLASSIFICATION;  
ENFORCEMENT PERSONNEL; FUNDING

(a) No later than August 1, 2010, the department of labor shall have a total of four limited service workers' compensation fraud investigator employees to investigate classifications and enforce the laws relating to worker, business, and job duty classifications.

(b) In addition to the percentage of premiums to be paid by employers into the workers' compensation administration fund pursuant to 21 V.S.A. § 711, employers shall pay an additional 0.055 percent to fund one of the investigator positions required pursuant to subsection (a) of this section.

Sec. 2. 13 V.S.A. § 2024 is amended to read:

§ 2024. WORKERS' COMPENSATION FRAUD; CRIMINAL PENALTIES

Any person, including an employee, employer, medical case manager, health care provider, vocational rehabilitation provider, or workers'

compensation insurance carrier who, knowingly and with intent to defraud makes a false statement or representation for the purpose of obtaining, affecting, or denying any benefit or payment under the provisions of chapter 9 of Title 21 or the provisions of Part 3, relating to Insurance, of Title 8, either for ~~her~~ herself or himself or for any other person, shall forfeit all benefits or payments obtained as a result of the false statement or representation and all or a portion of any right to compensation under the provisions of chapter 9 of Title 21 as determined by the commissioner and:

(1) For fraud involving \$10,000.00 or more, be fined not more than \$100,000.00 or imprisoned not more than three years, or both.

(2) For fraud involving less than \$10,000.00, be fined not more than \$10,000.00 or imprisoned not more than two years, or both.

Sec. 3. 21 V.S.A. § 692 is amended to read:

§ 692. PENALTIES; FAILURE TO INSURE; STOP WORK ORDERS

(a) Failure to insure. If after hearing under section 688 of this title, the commissioner determines that an employer has failed to comply with the provisions of section 687 of this title, the employer shall be assessed an administrative penalty of not more than \$100.00 for every day the employer neglected to secure liability.

(b) Stop work orders. ~~Additionally, If an employer who fails to comply with the provisions of section 687 of this title for a period of five days after notice from investigation by the commissioner, the commissioner shall issue an emergency order to that employer to stop work until the employer has secured workers' compensation insurance. If the commissioner determines that issuing a stop-work order would immediately threaten the safety or health of the public, the commissioner may permit work to continue until the immediate threat to public safety or health is removed. The commissioner shall document the reasons for permitting work to continue, and the document shall be available to the public. In addition, the employer shall be assessed an administrative penalty of not more than \$250.00 for every day after five days that the employer fails to secure workers' compensation coverage as required in section 687 of this title. The~~ When a stop work order is issued, the commissioner may, after giving notice and after the expiration of the five-day period, shall post a notice at a conspicuous place on the premises worksite of the employer informing the employees that their employer has failed to comply with the provisions of section 687 of this title and ordering the premises closed that work at the worksite has been ordered to cease until workers' compensation insurance is secured. The stop-work order shall be rescinded as

soon as the commissioner determines that the employer is in compliance with section 687 of this title.

~~(c) If any employer fails to secure or retain workers' compensation insurance within two years after receiving an order to obtain insurance or a notice that the commissioner intends to order the premises closed as described in subsection (b) of this section, without further notice the commissioner shall order the premises of that employer closed and that all business operations cease until the employer has secured workers' compensation insurance.~~

Penalty for violation of stop work order. An employer who violates a stop work order described in subsection (b) of this section is subject to:

(1) A civil penalty of not more than \$5,000.00 for the first violation and a civil penalty of not more than \$10,000.00 for a second or subsequent violation; or

(2) A criminal fine of not more than \$10,000.00 or imprisonment for not more than 180 days, or both.

Sec. 4. 4 V.S.A. § 1102(b) is amended to read:

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

\* \* \*

(19) Violations of 21 V.S.A. § 692(c)(1).

Sec. 5. 21 V.S.A. § 708 is amended to read:

§ 708. PENALTY FOR FALSE REPRESENTATIONS

(a) Action by the commissioner of labor. A person who willfully makes a false statement or representation, for the purpose of obtaining any benefit or payment under the provisions of this chapter, either for ~~her~~ herself or himself or for any other person, after notice and opportunity for hearing, may be assessed an administrative penalty of not more than \$5,000.00 ~~total~~, and shall forfeit all or a portion of any right to compensation under the provisions of this chapter, as determined to be appropriate by the commissioner after a determination by the commissioner that the person has willfully made a false statement or representation of a material fact.

(b) When the department of labor has sufficient reason to believe that an employer has made a false statement or representation for the purpose of obtaining a lower workers' compensation premium, the department shall refer the alleged violation to the commissioner of banking, insurance, securities, and health care administration for the commissioner's consideration of enforcement pursuant to 8 V.S.A. § 3661(c).

(c) Any penalty assessed or order issued under this chapter or 8 V.S.A. § 3661 shall continue in effect against any successor employer that has one or more of the same principals or corporate officers as the employer against which the penalties were assessed or order issued and is engaged in the same or similar business.

(d) Notwithstanding the assessment of an administrative penalty under this section, a person may be prosecuted under 13 V.S.A. § 2024.

Sec. 6. 21 V.S.A. § 1314 is amended to read:

§ 1314. —REPORTS AND RECORDS; FAILURE TO REPORT EMPLOYMENT INFORMATION

\* \* \*

(h) Any employing unit ~~which~~ that fails to report employment and separation information with respect to a claimant and wages paid to a claimant required under subsection (b) of this section shall be subject to a penalty of ~~\$35.00~~ \$100.00 for each ~~such~~ report not received by the prescribed due date, which penalty shall be collected in the manner provided for the collection of contributions in section 1329 of this title and shall be paid into the contingent fund provided in section 1365 of this title. If the employing unit demonstrates that its failure was due to a reasonable cause, the commissioner may, ~~in his or her discretion,~~ waive the penalty.

Sec. 7. DEPARTMENT OF LABOR; EMPLOYEE MISCLASSIFICATION REPORTING SYSTEM

The department of labor shall create and maintain an online employee misclassification reporting system. The system shall be designed to allow individuals to report suspected cases of employee misclassification, failure to have appropriate insurance coverage, and claimant fraud to the department to ensure that this information is distributed to appropriate departments and agencies.

Sec. 8. 21 V.S.A. § 710 is amended to read:

§ 710. UNLAWFUL DISCRIMINATION

\* \* \*

(c) At the request of an individual who has alleged that an employer has made a false statement or misclassified one or more employees, the department shall not include the individual's name or contact information in any publication or public report, unless it is required by law or necessary to enable enforcement of this chapter.

(d) An employer shall not retaliate or take any other negative action against an individual because the employer knows or suspects that the individual has filed a complaint with the department or other authority, or reported a violation of this chapter, or cooperated in an investigation of misclassification, discrimination, or other violation of this chapter.

(e) The attorney general or a state's attorney may enforce the provisions of this section by restraining prohibited acts, seeking civil penalties, obtaining assurance and conducting civil investigations in accordance with the procedures established in sections 2458-2461 of Title 9 9 V.S.A. §§ 2458-2461 as though discrimination under this section were an unfair act in commerce.

Sec. 9. 21 V.S.A. § 1314a is amended to read:

§ 1314a. —QUARTERLY WAGE REPORTING REQUIRED ; MISCLASSIFICATION; PENALTIES

\* \* \*

(f)(1) Any employing unit or employer ~~which~~ that fails to file:

(A) File any report required by this section shall be subject to a penalty of ~~\$35.00~~ \$100.00 for each ~~such~~ report not received by the prescribed due dates, ~~which~~.

(B) Properly classify an individual regarding the status of employment is subject to a penalty of not more than \$5,000.00 for each improperly classified employee.

(2) Penalties under this subsection shall be collected in the manner provided for the collection of contributions in section 1329 of this title and shall be paid into the contingent fund provided in section 1365 of this title. If the employing unit demonstrates that its failure was due to a reasonable cause, the commissioner may waive the penalty.

\* \* \*

Sec. 10. 21 V.S.A. § 1328 is amended to read:

§ 1328. FILING EMPLOYER QUARTERLY TAX CONTRIBUTION REPORTS; FAILURE

The commissioner shall impose a penalty of ~~\$35.00~~ \$100.00 for each failure by an employer to file any contribution report required under section 1322 of this title on or before the date on which the report is due, which shall be collected in the manner provided for the collection of contributions in section 1329 of this title and shall be paid into the contingent fund provided in section

1365 of this title. If the employer demonstrates that its failure was due to a reasonable cause, the commissioner may waive the penalty.

Sec. 11. 21 V.S.A. § 1369 is amended to read:

§ 1369. FALSE STATEMENTS TO AVOID CHAPTER UNEMPLOYMENT PROGRAM OBLIGATIONS

A person shall not who wilfully and intentionally make makes a material false statement or representation to avoid becoming or remaining subject to this chapter, or to avoid or reduce a contribution or other payment required of an employer under this chapter for either herself or himself or for any other person, after notice and opportunity for hearing, may be assessed an administrative penalty of not more than \$5,000.00.

Sec. 12. 21 V.S.A. § 1373 is amended to read:

§ 1373. GENERAL PENALTY; CIVIL

A person who violates a provision of this chapter or any lawful rule or regulation of the board, for which no other penalty is provided, shall be fined assessed an administrative penalty of not more than \$50.00 or be imprisoned not more than 30 days, or both \$5,000.00.

Sec. 13. EMPLOYEE MISCLASSIFICATION; INVESTIGATION AND ENFORCEMENT; INTERAGENCY REPORT

The department of banking, insurance, securities, and health care administration and the department of labor shall report on or before January 15, 2011, and again on January 15, 2012, to the house committee on commerce and economic development and the senate committee on economic development, housing and general affairs regarding their investigation and enforcement efforts as they relate to employee misclassification and the enforcement of Vermont labor standards, including all the following:

- (1) The number and outcome of departmental audits and investigations.
- (2) An assessment of the efficacy of the new workers' compensation fraud staff positions created in Sec. 106 of No. 54 of the Acts of 2009.
- (3) The financial costs of misclassification and miscoding.
- (4) The success of the employee misclassification public education and outreach program.

Sec. 14. 21 V.S.A. § 643a is amended to read:

§ 643a. DISCONTINUANCE OF BENEFITS

Unless an injured worker has successfully returned to work, an employer shall notify both the commissioner and the employee prior to terminating benefits under either section 642 or 646 of this title. The notice of intention to discontinue payments shall be filed on forms prescribed by the commissioner and shall include the date of the proposed discontinuance ~~and~~, the reasons for it, and, if the employee has been out of work for 90 days, a verification that the employer offered vocational rehabilitation screening and services as required under this chapter. All relevant evidence, including evidence that does not support discontinuance in the possession of the employer not already filed, shall be filed with the notice. The liability for the payments shall continue for seven days after the notice is received by the commissioner and the employee. Those payments shall be made without prejudice to the employer and may be deducted from any amounts due pursuant to section 648 of this title if the commissioner determines that the discontinuance is warranted or if otherwise ordered by the commissioner. Every notice shall be reviewed by the commissioner to determine the sufficiency of the basis for the proposed discontinuance. If, ~~upon~~ after review of all the evidence in the file, the commissioner finds that a preponderance of all the evidence in the file does not reasonably support the proposed discontinuance, the commissioner shall order that payments continue until a hearing is held and a decision is rendered. Prior to a formal hearing, an injured worker may request reinstatement of benefits by providing additional new evidence to the department that establishes that a preponderance of all evidence now supports the claim. If the commissioner's decision, after a hearing, is that the employee was not entitled to any or all benefits paid between the discontinuance and the final decision, upon request of the employer, the commissioner may order that the employee repay all benefits to which the employee was not entitled. The employer may enforce ~~such~~ a repayment order in any court of law having jurisdiction ~~of the amount involved~~.

Sec. 15. 21 V.S.A. § 650 is amended to read:

§ 650. PAYMENT; AVERAGE WAGE; COMPUTATION

\* \* \*

(e) If weekly compensation benefits or weekly accrued benefits are not paid within 21 days after becoming due and payable pursuant to an order of the commissioner, or in cases in which the overdue benefit is not in dispute, 10 percent of the overdue amount shall be added and paid to the employee, in addition to interest and any other penalties. In the case of an initial claim,

benefits are due and payable upon entering into an agreement pursuant to subsection 662(a) of this title, upon issuance of an order of the commissioner pursuant to subsection 662(b) of this title, or if the employer has not denied the claim within 21 days after the claim is filed. Benefits are in dispute if the claimant has been provided actual written notice of the dispute within 21 days of the benefit being due and payable and the evidence reasonably supports the denial. Interest shall accrue and be paid on benefits that are found to be compensable during the period of nonpayment. The commissioner shall promptly review requests for payment under this section and, consistent with ~~the criteria in department rule 10.13~~ subsection 678(d) of this title, shall allow for the recovery of reasonable attorney fees associated with an employee's successful request for payment under this subsection.

(f) When benefits have been awarded or are not in dispute as provided in subsection (e) of this section, the employer shall establish a weekday on which payment shall be mailed or deposited and notify the claimant and the department of that day. The employer shall ensure that each weekly payment is mailed or deposited on or before the day established. If the benefit payment is not mailed or deposited on the day established, the employer shall pay to the claimant a late fee of \$10.00 or five percent of the benefit amount, whichever is greater, for each weekly payment that is made after the established day. For the purposes of this subsection, "paid" means the payment is mailed to the claimant's mailing address or, in the case of direct deposit, transferred into the designated account. In the event of a dispute, proof of payment shall be established by affidavit.

Sec. 16. 21 V.S.A. § 655 is amended to read:

§ 655. PROCEDURE IN OBTAINING COMPENSATION; MEDICAL EXAMINATION; VIDEO AND AUDIO RECORDING

After an injury and during the period of disability, if so requested by his or her employer, or ordered by the commissioner, the employee shall submit ~~himself or herself~~ to examination, at reasonable times and places, ~~to~~ by a duly licensed physician or surgeon designated and paid by the employer. The employee ~~shall have the right to~~ may make a video or audio recording of any examination performed by the insurer's physician or surgeon or have a physician or surgeon licensed health care provider designated and paid by himself or herself the employee present at such the examination. Such The employer may make an audio recording of the examination. The right, however, of the employee to record the examination shall not be construed to deny to the employer's physician the right to visit the injured employee at all reasonable times and under all reasonable conditions during total disability. If

an employee refuses to submit ~~himself or herself~~ to or in any way obstructs ~~such the~~ examination, ~~his or her~~ the employee's right to ~~take or~~ prosecute any proceeding under the provisions of this chapter shall be suspended until ~~such the~~ refusal or obstruction ceases, and compensation shall not be payable for the period during which ~~such the~~ refusal or obstruction continues.

Sec. 17. Sec. 32 of No. 54 of the Acts of 2009 is amended to read:

Sec. 32. WORKERS' COMPENSATION; STATE CONTRACTS; COMPLIANCE WITH DAVIS-BACON

(a) The agencies of administration and transportation shall establish procedures to assure that state contracting procedures and contracts are designed to minimize the incidents of miscoding of employees in NCCI job codes and misclassification of the status of workers as independent contractors rather than employees by state contractors on projects with a total project cost of more than \$250,000.00 by requiring those contractors to provide, at a minimum, all the following:

\* \* \*

(3) For construction and transportation projects over \$250,000.00, a payroll process by which during every pay period the contractor collects from the subcontractors or independent contractors a list of all workers who were on the jobsite during the pay period, the work performed by those workers on the jobsite, and a daily census of the jobsite. This information, including confirmation that contractors, subcontractors, and independent contractors have the appropriate workers' compensation coverage for all workers at the jobsite, and similar information for the subcontractors regarding their subcontractors shall also be provided to the department of labor and to the department of banking, insurance, securities, and health care administration, upon request, and shall be available to the public.

\* \* \*

(c) The agencies shall assure that any state contract funded in whole or in part with American Recovery and Reinvestment Act of 2009 (ARRA) monies or any project for which the state granted, allocated, or awarded ARRA monies shall comply with the payment of Davis-Bacon wages when required by ARRA. However, in the event the applicable Davis-Bacon wages in any county have not been updated in the previous three years, the minimum state required wage for a state contract subject to Davis-Bacon wages under ARRA shall be that of the Vermont county that has most recently updated its applicable Davis-Bacon wages, provided this provision does not result in the loss of ARRA funds and is not otherwise contrary to federal law. In the event

that the most recently updated Davis-Bacon wages cannot be determined due to the simultaneous updating by two or more counties, the agencies may select the minimum state-required wage for a state contract subject to Davis-Bacon wages under ARRA from among those counties.

Sec. 18. 18 V.S.A. § 906(8) is amended to read:

(8) Establishing, by rule, levels of individual certification and application forms for advanced emergency medical care. The commissioner ~~may~~ shall use the guidelines established by the National Highway ~~Transportation~~ Traffic Safety Administration (NHTSA) in the U.S. Department of Transportation as a standard or other comparable standards, except that a felony conviction shall not necessarily disqualify an applicant. The rules shall also provide that:

(A) An individual may apply for and obtain one or more additional certifications, including certification as an advanced emergency medical technician or as a paramedic.

(B) An individual certified by the commissioner as an emergency medical technician, advanced emergency medical technician, or a paramedic, who is affiliated with a licensed ambulance service, fire department, or rescue service, shall be able to practice fully within the ~~statewide~~ scope of practice for such level of certification as ~~established by the commissioner by rule, which shall be adopted and implemented on a statewide basis no later than January 1, 2011, provided that such person is affiliated with a rescue service, fire department, or licensed ambulance service, or other state licensed medical facility defined by NHTSA's National EMS Scope of Practice Model notwithstanding any law or rule to the contrary, and subject to the medical direction of the commissioner or designee.~~

(C) ~~An~~ Unless otherwise provided under this section, an individual seeking any level of certification shall be required to pass an examination approved by the commissioner for that level of certification.

(D) If there is a hardship imposed on any applicant for a certification under this section because of unusual circumstances, the applicant may apply to the commissioner for a temporary or permanent waiver of one or more of the certification requirements, which the commissioner may ~~waive~~ grant for good cause.

(E) An applicant who ~~has served as an advanced emergency medical technician, such as a hospital corpsman or a medic in the United States Armed Forces, or who~~ is licensed as a registered nurse or a physician's assistant shall be granted a permanent waiver of the training requirements to become a

certified emergency medical technician, an advanced emergency medical technician, or a paramedic, provided the applicant passes the applicable examination approved by the commissioner for that level of certification, and further provided that the applicant is affiliated with a rescue service, fire department, or licensed ambulance service.

(F) An applicant who is certified on the National Registry of Emergency Medical Technicians as an EMT-basic, EMT-intermediate, or a paramedic shall be granted certification as a Vermont EMT-basic, EMT-intermediate, or paramedic without the need for further testing, provided he or she is affiliated with an ambulance service, fire department, or rescue service, or is serving as a medic with the Vermont National Guard.

~~(E)~~(G) No advanced certification shall be required for a trainee in established advanced training programs leading to certification as an advanced emergency medical technician, provided that the trainee is supervised by an individual holding a level of certification for which the trainee is training and the student is enrolled in an approved certification program.

#### Sec. 19. UPDATED RULES FOR ADVANCE EMERGENCY MEDICAL CARE

No later than March 1, 2011, the commissioner of health shall repeal or amend any existing departmental rules on emergency medical care to ensure they are in compliance with the provisions of 18 V.S.A. § 906(8).

#### Sec. 20. STUDY; STATEWIDE LICENSING OF EMS PROVIDERS

(a) The commissioner of health, in consultation with the Vermont secretary of state's office of professional regulation, the Professional Firefighters of Vermont, the Vermont Career Fire Chiefs Association, the Vermont State Firefighters' Association, the Vermont Ambulance Association, the Vermont Association of Hospitals and Health Systems; a representative from the Initiative for Rural Emergency Medical Services program at the University of Vermont, and a representative of three of Vermont's existing 13 EMS districts chosen jointly by the speaker of the house and the president pro tempore of the senate, one of whom shall be a medical director and one of whom shall be a volunteer certified emergency medical technician, shall develop a proposal for a statewide licensing mechanism for emergency medical services (EMS) providers, and shall assess the state's EMS capabilities and training requirements. The commissioner of health shall prepare a report along with other findings and recommendations on Vermont's EMS services to the house committees on commerce and economic development and house human services, and the senate committees on economic development, housing and general affairs and health and welfare no later than January 15, 2012.

(b) The study committee shall also consider whether there should be certain course training requirements for those licensed as a registered nurse or physician's assistant.

Sec. 21. EFFECTIVE DATES

This act shall take effect on July 1, 2010, except for this section and Secs. 1, 7, 8, 14, 17, 18, 19 and 20 which shall take effect on passage.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Kitzmiller of Montpelier** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

**Rep. Shand of Weathersfield**  
**Rep. Marcotte of Coventry**  
**Rep. Kitzmiller of Montpelier**

**Rules Suspended; Bills Messaged to Senate Forthwith**

On motion of **Rep. Komline of Dorset**, the rules were suspended and the following bills were ordered messaged to the Senate forthwith:

**H. 789**

House bill, entitled

An act making appropriations for the support of government

**H. 647**

House bill, entitled

An act relating to misclassification of employees to lower premiums for workers' compensation and unemployment compensation

**Message from the Senate No. 44**

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Mr. Speaker:

I am directed to inform the House that:

Pursuant to the request of the House for a Committee of Conference on the disagreeing votes of the two Houses on House bill entitled:

**H. 789.** An act making appropriations for the support of government.

The President pro tempore announced the appointment as members of such Committee on the part of the Senate:

Senator Bartlett  
Senator Sears  
Senator Snelling

### **Adjournment**

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

### **Concurrent Resolutions Adopted**

The following concurrent resolutions, having been placed on the Consent Calendar on the preceding legislative day, and no member having requested floor consideration as provided by Joint Rules of the Senate and House of Representatives, are hereby adopted in concurrence.

#### **H.C.R. 333**

House concurrent resolution congratulating Kelsey Howard as the Boys & Girls Club 2010 Vermont State Youth of the Year;

#### **H.C.R. 334**

House concurrent resolution honoring Mario Bevacqua on his two decades of exemplary educational leadership in the Weathersfield School District;

#### **H.C.R. 335**

House concurrent resolution commemorating the bicentennial of the town of Dover;

#### **H.C.R. 336**

House concurrent resolution honoring municipal public works departments' employees and designating May 16–22 as Public Works Week in Vermont;

#### **H.C.R. 337**

House concurrent resolution congratulating the Woodford Elementary School on its bicentennial anniversary;

#### **H.C.R. 338**

House concurrent resolution congratulating the Association of Africans Living in Vermont, Inc. on its 10th anniversary;

#### **H.C.R. 339**

House concurrent resolution congratulating the 2010 winning teams of the Jr. Iron Chef Vermont competition;

**H.C.R. 340**

House concurrent resolution recognizing the town of Goshen and the Blueberry Management Area in the Moosalamoo National Recreation Area as the Wild Blueberry Capital of Vermont;

**H.C.R. 341**

House concurrent resolution honoring Molly Ferris for her dedicated peace advocacy, her leadership in theatrical circles, and her outstanding community volunteer work;

**S.C.R. 49**

Senate concurrent resolution honoring former Senator Rita Whalen McCaffrey on her career accomplishments at Dismas of Vermont, Inc;

[The full text of the concurrent resolutions appeared in the House and Senate Calendar Addendum on the preceding legislative day and will appear in the Public Acts and Resolves of the 2010, seventieth Biennial session.]