

# Journal of the Senate

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MONDAY, APRIL 26, 2010

The Senate was called to order by the President *pro tempore*.

## Message from the House No. 61

A message was received from the House of Representatives by Mr. William M. McGill, its First Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered a bill originating in the Senate of the following title:

**S. 88.** An act relating to health care financing and universal access to health care in Vermont.

And has passed the same in concurrence with proposal of amendment in the adoption of which the concurrence of the Senate is requested.

## Devotional Exercises

A moment of silence was observed in lieu of devotions.

## Pledge of Allegiance

The President *pro tempore* then led the members of the Senate in the pledge of allegiance.

## Proposal of Amendment; Bill Passed in Concurrence with Proposals of Amendment

### H. 647.

House bill entitled:

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

Was taken up.

Thereupon, pending third reading of the bill, Senators Racine, Choate Flanagan, Kittell and Lyons moved to amend the Senate proposal of amendment as follows:

First: In Sec. 17b. 18 V.S.A. § 906(8) by striking out subparagraph (B) in its entirety and inserting in lieu thereof a new subparagraph (B) to read as follows:

(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.

Second: By striking out Sec. 17d in its entirety and inserting in lieu thereof a new Sec. 17d to read as follows:

#### Sec. 17d. 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.

Which was agreed to.

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

**Proposal of Amendment; Third Reading Ordered**

**H. 789.**

Senator Bartlett, for the Committee on Appropriations, to which was referred House bill entitled:

An act making appropriations for the support of government.

Reported recommending that the Senate propose to the House to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

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

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**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:

B.100–B.199 and E.100–E.199                      General Government

B.200–B.299 and E.200–E.299                      Protection to Persons and Property

B.300–B.399 and E.300–E.399                      Human Services

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<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
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

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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
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>
Total	880,587
Source of funds	
General fund	<u>880,587</u>
Total	880,587

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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

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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>
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

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
Operating expenses	1,281,790
Grants	<u>55,000</u>
Total	6,290,033
Source of funds	

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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>
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
Special funds	5,550,448
Federal funds	<u>4,010,399</u>
Total	11,251,104

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 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
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

Personal services	2,768,091
Operating expenses	<u>433,803</u>
Total	3,201,894

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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
Special funds	4,834,524
Federal funds	2,000,000

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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

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

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

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Source of funds	
Federal funds	<u>541,685</u>
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

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>
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
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

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 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
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	
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

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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	
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

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

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 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
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

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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>
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

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 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>
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
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

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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
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

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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
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

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 Sec. B.603 Vermont state colleges - allied health

Grants	<u>1,116,503</u>
Total	1,116,503
Source of funds	
General fund	711,096
Global Commitment fund	<u>405,407</u>
Total	1,116,503

## Sec. B.604 Vermont interactive television

Grants	<u>785,679</u>
Total	785,679
Source of funds	
General fund	<u>785,679</u>
Total	785,679

## Sec. B.605 Vermont student assistance corporation

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

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

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

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

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

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

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

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 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>
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

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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
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	
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

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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	
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	
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>

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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

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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

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
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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	
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

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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:

<u>General fund</u>	<u>\$75,000</u>
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(3) To the secretary of state for the 2010 elections:

<u>General fund</u>	<u>\$610,000</u>
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(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:

<u>General fund</u>	<u>\$600,000</u>
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(5) To the department of environmental conservation for transition of the geological survey program to the University of Vermont:

<u>General fund</u>	<u>\$125,000</u>
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(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:

<u>General fund</u>	<u>\$30,000</u>
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(7) To the department of finance and management for ARRA audits:

<u>General fund</u>	<u>\$351,000</u>
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(8) To the University of Vermont: General fund \$2,587,646

(9) To the Vermont State Colleges: General fund \$1,722,837

<u>(10) To the Vermont Student Assistance Corporation:</u>		
	<u>General fund</u>	<u>\$1,244,995</u>
<u>(11) To the department of health to be allocated by the tobacco evaluation and review board:</u>		
	<u>General fund</u>	<u>\$1,250,000</u>
<u>(12) To the state treasurer for deposit in the Emergency Personnel Survivors Benefit Fund:</u>		
	<u>General fund</u>	<u>\$43,333</u>
<u>(13) To the department of tourism and marketing for a grant to the Shires of Vermont:</u>		
	<u>General fund</u>	<u>\$35,000</u>
<u>(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:</u>		
	<u>General fund</u>	<u>\$100,000</u>
<u>(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:</u>		
	<u>General fund</u>	<u>\$30,000</u>
<u>(16) To the department of Vermont health access for a grant to Porter Hospital for costs incurred related to closure of the Crown Point Lake Champlain Bridge:</u>		
	<u>General fund</u>	<u>\$40,000</u>
<u>(17) To the agency of commerce and community development for a grant to the Bennington county industrial corporation for expansion of the composites industry cluster:</u>		
	<u>General fund</u>	<u>\$35,000</u>
<u>(b) In fiscal year 2011, the following amount is appropriated to the secretary of administration (DeptID 1100020000) from the American Recovery and Reinvestment Act: State Fiscal Stabilization Fund to be transferred and expended in Sec. B.505 – adjusted education payment:</u>		
		<u>\$38,575,036</u>

Sec. C.100 Sec. B.309 of No. 1 of the Acts of the 2009 Special Session as amended by Sec. 21 of No. 67 of the Acts of 2010 is further amended to read:

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

Grants	<u>34,701,782</u>	<u>24,801,782</u>
Total	<u>34,701,782</u>	<u>24,801,782</u>
Source of funds		
General fund	<u>26,015,203</u>	<u>16,115,203</u>
Global Commitment fund	<u>1,550,377</u>	<u>1,550,377</u>
Catamount fund	<u>7,136,202</u>	<u>7,136,202</u>
Total	<u>34,701,782</u>	<u>24,801,782</u>

Sec. C.100.1 Sec. B.345 of No. 1 of the Acts of the 2009 Special Session as amended by Sec. 40 of No. 67 of the Acts of 2010 is further amended to read:

Sec. B.345 Total human services	<del>2,882,737,164</del>	2,872,837,164
Source of funds		
ARRA funds	167,300,631	167,300,631
General fund	<del>454,794,342</del>	444,894,342
Special funds	62,339,324	62,339,324
Tobacco fund	40,173,740	40,173,740
Global Commitment fund	967,449,491	967,449,491
State health care resources fund	154,368,435	154,368,435
Catamount fund	27,895,990	27,895,990
Federal funds	988,751,818	988,751,818
Permanent trust funds	10,000	10,000
Internal service funds	1,709,076	1,709,076
Interdepartmental transfers	<u>17,944,317</u>	<u>17,944,317</u>
Total	<del>2,882,737,164</del>	2,872,837,164

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>	

21994	Clean Energy Development Fund	143,672
21500	<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.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.~~

(e) ~~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.

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 juvenile 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 eligibility for the child care services program established in 33 V.S.A. § 3212.

(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 and so that community-based agencies can achieve \$200,000 in savings.

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:

§ 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 decedents that meet the requirements of this section in an amount not to exceed a maximum established by rule. 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,~~ pursuant to the process established by rule. This section 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.

(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.

\* \* \*

~~(e) 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) In all other cases the department shall arrange for and pay for the burial of persons who die in this state or residents of this state who die within the state or elsewhere when such persons are without sufficient known assets to pay for their burial.~~

~~(e) [Omitted.]~~

~~(f)(c)~~ In all cases where the department is responsible for funeral ~~and/or~~ or burial expenses or both under this chapter, the department shall ~~provide~~ specify, by rule, the ~~specific~~ 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 interring or cremating the human dead 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.

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**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.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.

## \* \* \* 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.

\* \* \* 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:

#### 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, no additional consideration shall be given to projects which intend to serve households which exceed the CDBG income limits.

(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 ~~1228~~ 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.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.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(1)(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

\* \* \*

(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 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 that the bill ought to pass in concurrence with such proposal of amendment.

**Senator Illuzzi Assumes the Chair**

**Senator Shumlin Assumes the Chair**

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the proposal of amendment was agreed to.

Thereupon, Senator Illuzzi, moved to amend the Senate proposal of amendment by striking out Sec. E.321.1 in its entirety and inserting in lieu thereof the following:

Sec. E.321.1. 33 V.S.A. § 2301 is amended to read:

§ 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.

\* \* \*

~~(e) 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 ~~aet~~ 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.

Which was agreed to.

Thereupon, Senator Bartlett moved to amend the Senate proposal of amendment by adding two new sections to be numbered Secs. E.401.1 and E.401.2 to read as follows:

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 ~~11~~ 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.

Which was agreed to.

Thereupon, third reading of the bill was ordered.

**Proposals of Amendment; Bill Passed in Concurrence with Proposals of Amendment**

**H. 783.**

House bill entitled:

An act relating to miscellaneous tax provisions.

Was taken up.

Thereupon, pending third reading of the bill, Senator Cummings moved that the Senate proposal of amendment be amended 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.

Which was agreed to.

Thereupon, pending third reading of the bill, Senator Cummings, on behalf of the Committee on Finance, moved that the Senate proposal of amendment be amended by adding the following:

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.

Which was agreed to.

Thereupon, pending third reading of the bill, Senator Cummings moved that the Senate proposal of amendment be amended in Sec. 41, in 32 V.S.A. § 5930ll(f)(2) by striking out subdivision (f)(2) in its entirety and inserting in lieu thereof the a new subdivision (f)(2) to read as follows:

(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.

Which was agreed to.

Thereupon, pending third reading of the bill, Senator MacDonald moved that the Senate proposal of amendment be amended in the *twelfth* proposal of amendment by adding the following:

\* \* \*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.

Which was agreed to.

Thereupon, pending third reading of the bill, Senators Racine, Campbell, Sears and Shumlin moved to reinstate Sec. 46 by striking out the *tenth* Senate proposal of amendment in its entirety and inserting in lieu thereof the following:

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

Which was agreed to.

Thereupon, pending third reading of the bill, Senators Sears and Shumlin moved to amend the Senate proposal of amendment by striking out the *eleventh* Senate proposal of amendment and inserting in lieu thereof a new *eleventh* proposal of amendment to read as follows:

Eleventh: In Sec. 47, by striking out “20 V.S.A. § 1606 is added to read: § 1606. VERMONT VETERANS’ FUND” and inserting in lieu thereof

20 V.S.A. § 1548 is added to read:

§ 1548. VERMONT VETERANS’ FUND

Which was disagreed to.

### **Senator Ayer Assumes the Chair**

Thereupon, pending third reading of the bill, Senators Shumlin, Mazza, Ashe, Campbell, Carris, Flanagan, Kittell, Lyons, Miller, Racine, Scott, Sears and White moved that the Senate propose to the House to amend the bill as follows:

First: By adding a new section to be numbered Sec. 48a to read as follows:  
Sec. 48a. 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.

Second: By adding a new subsection to the effective dates section to read as follows:

(19) Sec. 48a 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.

Which was agreed to.

#### **Senator Shumlin Assumes the Chair**

Thereupon, pending third reading of the bill, Senators Hartwell and Sears moved to amend the Senate Proposal of amendment in the *eleventh* proposal of amendment, in Sec. 47, in subsection (a), by striking out the following: "seven-member committee" and inserting in lieu thereof the following: nine-member committee; and at the end of subdivision (a)(6) by striking out the word "and" and before the period at the end of subdivision (a)(7) by inserting the following: ; and (8) two members of the governor's veterans' council to be appointed by that council

Which was agreed to.

#### **Senator Ayer Assumes the Chair**

Thereupon, pending third reading of the bill, Senators Shumlin, Campbell, Ashe and Brock move that the Senate proposal of amendment be amended 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 under the pains of penalties of perjury 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 both the value of and the liability, if any, on the claimant's primary residence.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senators Shumlin, Campbell, Ashe and Brock?, Senator Shumlin requested and granted leave to withdraw the proposal of amendment.

Thereupon, pending third reading of the bill, Senators Shumlin, Campbell, Ashe and Brock moved that the bill be amended by adding a new 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 under the pains of penalties of perjury 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:

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

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

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senators Shumlin, Campbell, Ashe and Brock?, Senator Racine moved to amend the proposal of amendment of Senators Shumlin, Campbell, Ashe and Brock in Sec. 47a, 32 V.S.A. § 6067 subsection (b) by striking out the following: “under the pains of penalties of perjury”

Which was agreed to.

Thereupon, the pending question, Shall the Senate proposal of amendment be amended as recommended by Senators Shumlin, Campbell, Ashe and Brock, as amended?, was agreed to on a roll call, Yeas 21, Nays 5.

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

#### **Roll Call**

**Those Senators who voted in the affirmative were:** Ashe, Bartlett, Brock, Campbell, Carris, Choate, Doyle, Flanagan, Flory, Illuzzi, Kitchel, Kittell, Mazza, Miller, Nitka, Scott, Sears, Shumlin, Snelling, Starr, White.

**Those Senators who voted in the negative were:** Cummings, Giard, Hartwell, MacDonald, Racine.

**Those Senators absent or not voting were:** Ayer (presiding), Lyons, McCormack, Mullin.

Thereupon, pending third reading of the bill, Senator Miller moved that the Senate proposal of amendment be amended by adding three new sections to be numbered new Secs. 47a, 47b, and 47c, to read as follows:

Sec. 47a. 32 V.S.A. § 5811(21) is amended to read:

(21) “Taxable income” means federal taxable income determined without regard to Section 168(k) of the Internal Revenue Code and:

(A) Increased by the following items of income (to the extent such income is excluded from federal adjusted gross income):

(i) interest income from non-Vermont state and local obligations;

(ii) dividends or other distributions from any fund to the extent they are attributable to non-Vermont state or local obligations; and

(iii) the amount in excess of \$5,000.00 of state and local income taxes deducted from federal adjusted gross income for the taxable year, but in no case in an amount that will reduce total itemized deductions below the standard deduction allowable to the taxpayer; and

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from United States government obligations;

(ii) with respect to adjusted net capital gain income as defined in Section 1(h) of the Internal Revenue Code:

(I) for adjusted net capital gain income from the sale of a farm or from the sale of standing timber, each as defined in subdivision (27) of this section, 40 percent of adjusted net capital gain income but the total amount of decrease under this subdivision (B)(ii)(I) shall not exceed 40 percent of federal taxable income;

(II) provided that the total amount of decrease under this subdivision (B)(ii)(II) does not exceed the percentage of exclusion provided for in the following table, for adjusted net capital gain income from the sale of an interest in a business that has been incorporated or otherwise registered to do business in Vermont not less than seven years:

<u>If the net proceeds of</u> <u>the sale are:</u>	<u>The percent</u> <u>excluded shall be:</u>
<u>Up to \$500,000.00</u>	<u>40</u>
<u>More than \$500,000.00 but</u> <u>Less than \$2,000,000.00</u>	<u>30</u>
<u>More than \$2,000,000.00 but</u> <u>Less than \$5,000,000.00</u>	<u>20</u>
<u>More than \$5,000,000.00</u>	<u>15</u>

~~(H)~~ (III) for all other capital gain income, the first \$5,000.00 of adjusted net capital gain income; and

(iii) recapture of state and local income tax deductions not taken against Vermont income tax.

Sec. 47b. 32 V.S.A. § 9701(48) and (49) are added to read:

(48) Candy: means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. “Candy” shall not include any preparation containing flour and shall require no refrigeration.

(49) Soft drinks: means nonalcoholic beverages that contain natural or artificial sweeteners. “Soft drinks” do not include beverages that contain milk

or milk products, soy, rice, or similar milk substitutes, or greater than 50 percent of vegetable or fruit juice by volume.

Sec. 47c. 32 V.S.A. § 9741(13) is amended to read:

(13) Sales of food, food stamps, purchases made with food stamps, food products, and beverages (other than candy and soft drinks), sold for human consumption off the premises where sold.

Thereupon, pending the question, Shall the Senate proposal of amendment be amended as recommended by Senator Miller?, Senator Miller requested and was granted leave withdraw the proposal of amendment.

Thereupon, the bill was read the third time and passed in concurrence with proposals of amendment on a roll call, Yeas 24, Nays 2.

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

#### **Roll Call**

**Those Senators who voted in the affirmative were:** Ashe, Ayer, Bartlett, Brock, Campbell, Carris, Choate, Cummings, Doyle, Flanagan, Giard, Hartwell, Illuzzi, Kitchel, Kittell, MacDonald, Mazza, Miller, Nitka, Scott, Sears, Snelling, Starr, White.

**Those Senators who voted in the negative were:** Flory, Racine.

**Those Senators absent or not voting were:** Lyons, McCormack, Mullin, Shumlin (presiding).

#### **Consideration Postponed**

House bill entitled:

#### **H. 213.**

An act to provide fairness to tenants in cases of contested housing security deposit withholding.

Was taken up.

Thereupon, without objection consideration of the bill was postponed until the next legislative day.

#### **Bills Passed in Concurrence with Proposals of Amendment**

#### **H. 507.**

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

An act relating to fostering connections to success in guardianships.

**H. 590.**

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

An act relating to mediation in foreclosure proceedings.

**Proposals of Amendment; Third Reading Ordered**

**H. 562.**

Senator White, for the Committee on Government Operations, to which was referred House bill entitled:

An act relating to the regulation of professions and occupations.

Reported recommending that the Senate propose to the House to amend the bill as follows:

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

Sec. 4. 18 V.S.A. § 4606 is amended to read:

§ 4606. BRAND CERTIFICATION

~~If the prescriber does not wish substitution to take place, he or she shall write "brand necessary" or "no substitution" in his or her own handwriting on the prescription blank, together with a written statement that the generic equivalent has not been effective, or with reasonable certainty is not expected to be effective, in treating the patient's medical condition or causes or is reasonably expected to cause adverse or harmful reactions in the patient. In the case of an unwritten prescription, there shall be no substitution if the prescriber expressly indicates to the pharmacist that the brand name drug is necessary and substitution is not allowed because the generic equivalent has not been effective, or with reasonable certainty is not expected to be effective, in treating the patient's medical condition or causes or is reasonably expected to cause adverse or harmful reactions in the patient.~~

If the prescriber has determined that the generic equivalent of a drug being prescribed has not been effective or with reasonable certainty is not expected to be effective in treating the patient's medical condition or causes or is reasonably expected to cause adverse or harmful reactions in the patient, the prescriber shall indicate "brand necessary," "no substitution," "dispense as written," or "DAW" in the prescriber's own handwriting on the prescription

blank and the pharmacist shall not substitute the generic equivalent. If a prescription is unwritten and the prescriber has determined that the generic equivalent of the drug being prescribed has not been effective or with reasonable certainty is not expected to be effective in treating the patient's medical condition or causes or is reasonably expected to cause adverse or harmful reactions in the patient, the prescriber shall expressly indicate to the pharmacist that the brand-name drug is necessary and substitution is not allowed and the pharmacist shall not substitute the generic equivalent.

Second: By striking out Sec. 5 in its entirety and inserting in lieu thereof a new Sec. 5 to read as follows:

Sec. 5. 18 V.S.A. § 4607 is amended to read:

§ 4607. INFORMATION; LABELING

(a) Every pharmacy in the state shall have posted a sign in a prominent place that is in clear unobstructed view which shall read: "Vermont law requires pharmacists in some cases to select a less expensive generic equivalent for the drug prescribed unless you or your physician direct otherwise. ~~Substitution will be noted on your prescription label by an "S" in the lower left corner.~~ Ask your pharmacist."

\* \* \*

~~(e) If a generically equivalent substitution has been made, an "S" will be noted in the lower left corner of the prescription label.~~

Third: By adding a new section to be numbered Sec. 8a to read as follows:

Sec. 8a. 26 V.S.A. § 805(b) is amended to read:

(b) Notwithstanding the provisions of subsection (a) of this section and any other provision of law, a dentist or dental hygienist who holds an unrestricted license in all jurisdictions in which the dentist or dental hygienist is currently licensed, who certifies to the Vermont board of dental examiners that he or she will limit his or her practice in Vermont to providing pro bono services at a free or reduced fee clinic in Vermont and who meets the criteria of the board, shall be licensed by the board within 60 days of the licensee's certification without further examination, interview, fee or any other requirement for board licensure. The dentist or dental hygienist shall file with the board, on forms provided by the board and based on criteria developed by the board, information on dental qualifications, professional discipline, criminal record, malpractice claims or any other such information as the board may require. A license granted under this subsection shall authorize the licensee to practice dentistry or dental hygiene on a voluntary basis in Vermont.

Fourth: By adding a new section to be numbered Sec. 8b to read as follows:

Sec. 8b. 26 V.S.A. § 761 is amended to read:

§ 761. STATE BOARD OF DENTAL EXAMINERS;  
CREATION; QUALIFICATIONS

The state board of dental examiners is created and shall consist of ~~five~~ six dental practitioners of good standing, who have practiced in this state for a period of five years or more, are in active practice, and are legal residents of the state of Vermont, two registered dental hygienists certified pursuant to subchapter 4 of this chapter, who have practiced in the state of Vermont for a period of three years immediately preceding the appointment, are in active practice and are legal residents of the state of Vermont, one dental assistant registered pursuant to section 863 of this title who has practiced in the state of Vermont for a period of three years immediately preceding the appointment, is in active practice, and is a legal resident of the state of Vermont, and two members of the public not associated with the practice of dentistry. Board members shall be appointed by the governor pursuant to sections 129b and 2004 of Title 3. No member of the board may be an officer or serve on a committee of his or her respective state or local professional dental or dental hygienist organization nor shall any member of the board be on the faculty of a school of dentistry or dental hygiene.

Fifth: By striking out Sec. 31 in its entirety and inserting in lieu thereof a new Sec. 31 to read as follows:

Sec. 31. 26 V.S.A. § 3175 is amended to read:

§ 3175a. ~~FIREARMS AND GUARD DOG TRAINING;~~ INSTRUCTOR  
LICENSURE; PROGRAM OF INSTRUCTION

~~(a) An applicant for a private detective or security guard license to provide armed services shall demonstrate to the board competence in the safe use of firearms in a firearms training program approved by the board and taught by an instructor currently licensed under this section. Firearms training may include evidence of law enforcement or military training in firearms. An applicant for a license to provide guard dog services shall demonstrate to the board competence in the handling of guard dogs in a guard dog training program approved by the board and taught by an instructor currently licensed under this section.~~

~~(b)~~ The board shall license firearms training course instructors of such training courses private investigators and security guards licensed under this chapter and shall adopt rules governing the licensure of instructors and the approval of firearms and guard dog training programs.

~~(e)(b)~~ The board shall not issue a license as a firearms training program instructor without first obtaining and approving all of the following:

\* \* \*

~~(d)~~ The board shall not issue a license as a guard dog training program instructor without first obtaining and approving the following:

- ~~(1)~~ The application filed in the proper form.
- ~~(2)~~ The application fee established in subdivision 3178a(5)(A) of this title.
- ~~(3)~~ Evidence that the applicant has obtained the age of majority.
- ~~(4)~~ A copy of the applicant's training program.
- ~~(5)~~ Proof of certification as an instructor from an instructor's course approved by the board.
- ~~(6)~~ A federal background check.

~~(e)(c)~~ Instructors licensed under this section are subject to the same renewal requirements as others licensed under this chapter, and prior to renewal are required to show proof of current instructor licensure and pay the renewal fee established in subdivision 3178a(5)(B) of this title.

~~(f)~~ Hunter safety instructors shall be exempt from the licensure requirements of this section for the purpose of hunter safety instruction.

Sixth: In Sec. 48, 26 V.S.A. § 3323(b)(4), at the end of the subdivision, by inserting the following: This subdivision shall not affect a licensee's or a registrant's professional liability to consumers or to other licensees or registrants.

Seventh: By adding five new section to be numbered Secs. 19a, 19b, 19c, 19d and 19e, to read as follows:

Sec. 19a. 26 V.S.A. chapter 52 is added to read:

## CHAPTER 52. RADIOLOGIST ASSISTANTS

### § 2851. DEFINITIONS

As used in this chapter:

- (1) "ARRT" means the American Registry of Radiologic Technologists or its successor, as recognized by the board.
- (2) "Board" means the state board of medical practice established under chapter 23 of this title.

(3) “Contract” means a legally binding written agreement containing the terms of employment of a radiologist assistant.

(4) “Disciplinary action” means any action taken by the board against a certified radiologist assistant or an applicant or an appeal of that action when that action suspends, revokes, limits, or conditions certification in any way or when it results in a reprimand of the person.

(5) “Protocol” means a detailed description of the duties and scope of practice delegated by a radiologist to a radiologist assistant.

(6) “Radiologist” means a person licensed to practice medicine or osteopathy under chapter 23 or 33 of this title and who is certified by or eligible for certification by the American Board of Radiology or the American Osteopathic Board of Radiology or their predecessors or successors or who is credentialed by a hospital to practice radiology and engages in the practice of radiology at that hospital full-time.

(7) “Radiologist assistant” means a person certified by the state of Vermont under this chapter who is qualified by education, training, experience, and personal character to provide medical services under the direction and supervision of a radiologist.

(8) “Supervision” means the direction and review by a supervising radiologist, as determined to be appropriate by the board, of the medical services provided by the radiologist assistant. At a minimum, supervision shall mean that a radiologist is readily available for consultation and intervention. A radiologist assistant may provide services under the direction and review of more than one supervising radiologist during the course of his or her employment, subject to the limitations on his or her scope of practice as set forth in this chapter and the protocol filed under subsection 2853(b) of this title.

#### § 2852. CERTIFICATION AND RULEMAKING

The board shall certify radiologist assistants, and the commissioner of health shall adopt rules regarding the training, practice, supervision, qualification, scope of practice, places of practice, and protocols for radiologist assistants and regarding patient notification and consent.

#### § 2853. APPLICATION

(a) An application for certification shall be accompanied by an application by the proposed primary supervising radiologist that shall contain a statement that the radiologist shall be responsible for all professional activities of the radiologist assistant.

(b) An application for certification shall be accompanied by a protocol signed by one proposed supervising radiologist and proof of employment of the radiologist assistant by that radiologist or by the hospital at which the radiologist practices. The supervising radiologist who signs the protocol shall be deemed the primary supervisor of the radiologist assistant for the purposes of this chapter.

(c) The applicant shall submit to the board any other information the board considers necessary to evaluate the applicant's qualifications.

#### § 2854. ELIGIBILITY

To be eligible for certification as a radiologist assistant, an applicant shall:

(1) have obtained a degree from a radiologist assistant educational program that is recognized by the ARRT under its "Recognition Criteria for Radiologist Assistant Educational Programs" adopted on July 1, 2005, as periodically revised and updated;

(2) have satisfactorily completed the radiologist assistant certification examination given by the ARRT and be currently certified by the ARRT;

(3) be certified as a radiologic technologist in radiography by the ARRT; and

(4) be licensed as a radiologic technologist in radiography in this state under chapter 51 of this title.

#### § 2855. TEMPORARY CERTIFICATION

(a) The board may issue a temporary certification to a person who applies for certification for the first time in this state and meets the educational requirements under subsection 2854 of this title.

(b) Temporary certification may be issued only for the purpose of allowing an otherwise qualified applicant to practice as a radiologist assistant until the applicant takes and passes the next ARRT certification examination and a determination is made that he or she is qualified to practice in this state.

(c) Temporary certification shall be issued upon payment of the specified fee for a fixed period of time to be determined by the board and shall only be renewed by the board if the applicant demonstrates proof of an exceptional cause.

#### § 2856. RENEWAL OF CERTIFICATION

(a) Certifications shall be renewable every two years upon payment of the required fee and submission of proof of current, active ARRT certification, including compliance with continuing education requirements.

(b) A certification that has lapsed may be reinstated on payment of a renewal fee and a late renewal fee. The applicant shall not be required to pay back renewal fees for the periods when certification was lapsed. However, if certification remains lapsed for a period of three years, the board may, after notice and an opportunity for hearing, require reexamination as a condition of renewal.

#### § 2857. SUPERVISION AND SCOPE OF PRACTICE

(a) The number of radiologist assistants permitted to practice under the direction and supervision of a radiologist shall be determined by the board after review of the system of care delivery in which the supervising radiologist and radiologist assistants propose to practice. Scope of practice and levels of supervision shall be consistent with guidelines adopted by the American College of Radiology, the American Society of Radiologic Technologists, and the ARRT. The authority of a radiologist assistant to practice shall terminate immediately upon termination of the radiologist assistant's employment, and the primary supervising radiologist shall immediately notify the board and the commissioner of the department of health of the termination. The radiologist assistant's authority to practice shall not resume until he or she provides proof of other employment and a protocol as required under this chapter.

(b) Subject to the limitations set forth in subsection (a) of this section, the radiologist assistant's scope of practice shall be limited to that delegated to the radiologist assistant by the primary supervising radiologist and for which the radiologist assistant is qualified by education, training, and experience. At no time shall the practice of the radiologist assistant exceed the normal scope of the supervising radiologist's practice. A radiologist assistant may not interpret images, make diagnoses, or prescribe medications or therapies.

#### § 2858. UNPROFESSIONAL CONDUCT

(a) The following conduct by a certified radiologist assistant constitutes unprofessional conduct. When that conduct is by an applicant or person who later becomes an applicant, it may constitute grounds for denial of certification:

(1) fraudulent procuring or use of certification;

(2) occupational advertising that is intended or has a tendency to deceive the public;

(3) exercising undue influence on or taking improper advantage of a person using the radiologist assistant's services or promoting the sale of professional goods or services in a manner that exploits a person for the financial gain of the radiologist assistant or of a third party;

(4) failing to comply with provisions of federal or state law governing the profession;

(5) conviction of a crime related to the profession or conviction of a felony, whether or not related to the practice of the profession;

(6) conduct that evidences unfitness to practice in the profession;

(7) making or filing false professional reports or records, impeding or obstructing the proper making or filing of professional reports or records, or failing to file the proper professional report or record;

(8) practicing the profession when mentally or physically unfit to do so;

(9) professional negligence;

(10) accepting and performing responsibilities that the person knows or has reason to know that he or she is not competent to perform;

(11) making any material misrepresentation in the practice of the profession, whether by commission or omission;

(12) holding one's self out as or permitting one's self to be represented as a licensed physician;

(13) performing otherwise than at the direction and under the supervision of a radiologist licensed by the board;

(14) accepting the delegation of or performing or offering to perform a task or tasks beyond the person's scope of practice as defined by the board;

(15) administering, dispensing, or prescribing any controlled substance other than as authorized by law;

(16) failing to comply with an order of the board or violating any term or condition of a certification restricted by the board;

(17) delegating professional responsibilities to a person whom the certified professional knows or has reason to know is not qualified by training, experience, education, or licensing credentials to perform;

(18) in the course of practice, gross failure to use and exercise on a particular occasion or the failure to use and exercise on repeated occasions that degree of care, skill, and proficiency that is commonly exercised by the ordinary skillful, careful, and prudent professional engaged in similar practice under the same or similar conditions, whether or not actual injury to a patient has occurred; or

(19) revocation of certification to practice as a radiologist assistant in another jurisdiction on one or more of the grounds specified in subdivisions

(1)–(18) of this subsection.

(b) A person aggrieved by a final order of the board may, within 30 days of the order, appeal that order to the Vermont supreme court on the basis of the record created before the board.

#### § 2859. DISPOSITION OF COMPLAINTS

(a) Complaints and allegations of unprofessional conduct shall be processed in accordance with the rules of procedure of the board.

(b) The board shall accept complaints from a member of the public, a physician, a hospital, a radiologist assistant, a state or federal agency, or the attorney general. The board shall initiate an investigation of a radiologist assistant when a complaint is received or may act on its own initiative without having received a complaint.

(c) If the board determines that the action of a radiologist assistant that is the subject of a complaint falls entirely within the scope of practice of a radiologic technologist in radiography, the board shall refer the complaint to the board of radiologic technology for review under chapter 51 of this title.

(d) After giving opportunity for hearing, the board shall take disciplinary action against a radiologist assistant or applicant found guilty of unprofessional conduct.

(e) The board may approve a negotiated agreement between the parties when it is in the best interest of the public health, safety, or welfare to do so. That agreement may include any of the following conditions or restrictions which may be in addition to or in lieu of suspension:

(1) a requirement that the person submit to care or counseling;

(2) a restriction that the person practice only under supervision of a named person or a person with specified credentials;

(3) a requirement that the person participate in continuing education in order to overcome specified practical deficiencies;

(4) a requirement that the scope of practice permitted be restricted to a specified extent.

(f) Upon application, the board may modify the terms of an order under this section and, if certification has been revoked or suspended, order reinstatement on terms and conditions it deems proper.



§ 2863. NOTICE OF USE OF RADIOLOGIST ASSISTANTS

A radiologist who uses the services of a radiologist assistant shall post a notice to that effect in an appropriate place and include language in the patient consent form that the radiologist uses a radiologist assistant.

§ 2864. PENALTY

(a) A person who, not being certified, holds himself or herself out to the public as being certified under this chapter shall be liable for a fine of not more than \$1,000.00.

(b) In addition to the penalty provided in subsection (a) of this section, the attorney general or a state's attorney may bring a civil action to restrain continuing violations of this section.

Sec. 19b. 26 V.S.A. § 1842(b)(12) is added to read:

(12) Use of the services of a radiologist assistant in a manner that is inconsistent with the provisions of chapter 52 of this title.

Sec. 19c. 26 V.S.A. § 1354(a) is amended to read:

(a) The board shall find that any one of the following, or any combination of the following, whether or not the conduct at issue was committed within or outside the state, constitutes unprofessional conduct:

\* \* \*

(31) use of the services of an anesthesiologist assistant by an anesthesiologist in a manner that is inconsistent with the provisions of chapter 29 of this title;

(32) use of the services of a radiologist assistant by a radiologist in a manner that is inconsistent with the provisions of chapter 52 of this title.

Sec. 19d. 26 V.S.A. § 1351(e) is amended to read:

(e) The commissioner of health shall adopt, amend, and repeal rules of the board which the commissioner determines necessary to carry out the provisions of this chapter and chapters 7, 29, ~~and 31~~, and 52 of this title.

Sec. 19e. 26 V.S.A. § 1352(a) is amended to read:

(a) The commissioner of health shall issue annually a report to the secretary of human services and the secretary of the Vermont medical society which shall contain:

(1) a separate record of the name, residence, college, and date of graduation of each individual licensed or certified by the board;

(2) a list of all physicians, physician's assistants, podiatrists, radiologist assistants, and anesthesiologist assistants practicing in the state;

(3) a summary of all disciplinary actions undertaken by the board during the year of the report; and

(4) an accounting of all fees and fines received by the board and all expenditures and costs of the board for such year. A sufficient number of copies shall be printed to supply the needs of the board and the state library.

Eighth: By adding a new section to be numbered Sec. 54 to read as follows:

Sec. 54. DEPARTMENT OF HEALTH

The department of health shall evaluate its procedures for application for licensure for under 18 V.S.A. § 1395(c). On or before March 15, 2011 the department shall report to the house and senate committees on government operations its findings regarding facilitating the granting of licenses to qualified physicians who will limit their practice in Vermont to providing pro bono services at a free or reduced fee health care clinic in Vermont while assuring that these physicians meet all the standards required of physicians fully licensed to practice in Vermont.

Ninth: By adding a new section to be numbered Sec. 55 to read as follows:

Sec. 55. EFFECTIVE DATE

This section and Secs. 19a, 19b, 19c, 19d, and 19e of this act shall take effect upon passage.

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Ayer, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Government Operations.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the proposals of amendment were collectively agreed to, and third reading of the bill was ordered.

### **Senator Mazza Assumes the Chair**

### **Proposals of Amendment; Third Reading Ordered**

### **H. 772.**

Senator Miller, for the Committee on Economic Development, Housing and General Affairs, to which was referred House bill entitled:

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

Reported recommending that the Senate propose to the House to amend the bill as follows:

First: In Sec. 1, 7 V.S.A. § 2, by striking out subdivision (28) in its entirety and inserting in lieu thereof a new subdivision (28) to read as follows:

(28) “Fourth class license” or “farmers’ market license”: the license granted by the liquor control board permitting a manufacturer or rectifier of malt or vinous beverages or spirits to sell fortified wines manufactured by the licensed manufacturer or rectifier and vinous beverages by the bottle unopened container and distribute, by the glass with or without charge, these beverages by the glass manufactured by the licensee. No more than a combined total of ten fourth class and farmers’ market licenses may be granted to a licensed manufacturer or rectifier. At only one fourth class license location, a manufacturer or rectifier of vinous beverages may sell by the unopened container and distribute by the glass, with or without charge, vinous beverages produced by no more than three additional manufacturers or rectifiers, provided these beverages are purchased on invoice from the manufacturer or rectifier. A manufacturer or rectifier of vinous beverages may sell its product to no more than three additional manufacturers or rectifiers. A fourth class licensee may distribute by the glass no more than two ounces of malt or vinous beverage with a total of eight ounces to each retail customer and no more than one-quarter ounce of spirits with a total of one ounce to each retail customer for consumption on the manufacturer’s premises or at a farmers’ market. A farmers’ market license is valid for all dates of operation for a specific farmers’ market location.

Second: In Sec. 3, 7 V.S.A. § 67(a) by striking out subdivisions (1) and (2) in their entirety and inserting in lieu thereof new subdivision (1) and (2) to read as follows:

(1) A second class licensee. The permit authorizes the employees of the permit holder to dispense ~~vinous or malt beverages~~ to retail customers of legal age on the licensee’s premises vinous or malt beverages by the glass not to exceed two ounces of each vinous or malt beverage with a total of eight ounces of vinous or malt beverages. Vinous or malt beverages for the tasting shall be from the inventory of the licensee or purchased from a wholesale dealer. Pursuant to this permit, a second class licensee may conduct no more than ~~30~~ 48 tastings a year. In addition to the 48 tastings, a second class licensee may conduct no more than five beverage tastings per week provided the tastings are conducted as part of an educational food preparation class or course conducted

by the licensee on the licensee's premises and the provided licensee has acquired a permit for each tasting.

(2) A licensed manufacturer or rectifier of vinous or malt beverages. The permit authorizes the permit holder to dispense ~~beverages produced by the manufacturer or rectifier~~ to retail customers of legal age for consumption on the premises of a second class licensee ~~or at a farmers' market~~ beverages produced by the manufacturer or rectifier by the glass not to exceed two ounces of each beverage with a total of eight ounces of vinous or malt beverages. Pursuant to this permit, a A manufacturer or rectifier may conduct no more than ~~one tasting a day on the premises of a second class licensee. No more than four tasting permits per month for a tasting event held on the premises of second class licensees shall be permitted~~ 48 tastings per year.

Third: In Sec. 6, 7 V.S.A. § 231(a)(21), by striking out the following: "\$200.00" and inserting in lieu thereof the following: \$15.00

And that the bill ought to pass in concurrence with such proposals of amendment.

Senator Carris, for the Committee on Finance, to which the bill was referred, reported recommending that the bill ought to pass in concurrence with proposal of amendment as recommended by the Committee on Economic Development, Housing and General Affairs.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and the proposals of amendment were collectively agreed to.

Thereupon, pending the question, Shall the bill be read a third time?, Senator Miller, on behalf of the Committee on Economic Development, Housing and General Affairs, moved to amend the Senate proposal of amendment in Sec. 1, in 7 V.S.A. §(2), by striking out subdivision (15) in its entirety and inserting in lieu thereof a new subdivision (15) to read as follows:

(15) "Manufacturer's or rectifier's license": a license granted by the liquor control board that permits the holder to manufacture or rectify, ~~as the case may be,~~ spirituous liquors for export and sale to the liquor control board, or malt beverages and vinous beverages for export and ~~for sale to bottlers or wholesale dealers, or spirituous liquors for export and for sale to the liquor control board,~~ upon application of a manufacturer or rectifier and the payment to the liquor control board of the license fee as required by subdivision 231(1) of this title for either license. This license permits a manufacturer of vinous beverages to receive from another manufacturer licensed in or outside this state bulk shipments of vinous beverages to rectify with the licensee's own product, provided that the vinous beverages produced by a Vermont manufacturer may

contain no more than 25 percent imported vinous beverage. The liquor control board may grant to a licensed manufacturer or rectifier a first class restaurant or cabaret license or first and third class restaurant or cabaret license permitting the licensee to sell alcoholic beverages to the public only at the manufacturer's premises, which for the purposes of a manufacturer of malt beverages, includes up to two licensed establishment that are located on the contiguous real estate of the holder of the manufacturer's license, provided the manufacturer owns or has direct control over those establishments. A manufacturer of malt beverages who also holds a first class restaurant or cabaret license may serve to a customer malt beverage by the glass, not to exceed eight glasses at one time and not to exceed four ounces in each glass. The liquor control board may grant to a licensed manufacturer or a rectifier of malt ~~or vinous~~ beverages a second class license permitting the licensee to sell alcoholic beverages to the public ~~only at~~ anywhere on the manufacturer's or rectifier's premises, ~~which for the purposes of a manufacturer of malt beverages, includes up to two licensed establishment that are located on the contiguous real estate of the holder of the manufacturer's license, provided the manufacturer owns or has direct control over those establishments.~~ A licensed manufacturer or rectifier of vinous beverages may serve, with or without charge, at an event held on premises of the licensee or the vineyard property, spirits and vinous and malt beverages, provided the licensee gives the department written notice of the event, including details required by the department, at least ~~15~~ five days before the event. Any beverages not manufactured by the licensee and served at the event shall be purchased on invoice from a licensed manufacturer or wholesale dealer or liquor control board. ~~Upon application and payment of the license fee as required by subdivision 231(11) of this title, the liquor control board may grant to a licensed manufacturer or rectifier of vinous beverages fourth class or farmers' market licenses permitting the licensee to sell fortified wines and vinous beverages by the bottle to the public at the licensed premises or at a farmers' market, provided that the beverages were produced by the manufacturer or rectifier. No more than a combined total of ten fourth class and farmers' market licenses may be granted to any licensed manufacturer or rectifier. An application for a farmers' market license shall include copies of the farmers' market regulations, the agreement between the farmers' market and the applicant, and the location and dates of operation of the farmers' market. A farmers' market license shall be valid for all dates of operation for a specific farmers' market location. However, in no case may a person with an interest in more than one manufacturer's or rectifier's license have an interest in more than four fourth class licenses. The manufacturer or rectifier shall pay directly to the commissioner of taxes the sum of \$0.265 cents per gallon for every~~

~~gallon of malt beverage and the sum of \$0.55 cents per gallon for each gallon of vinous beverage manufactured by the manufacturer or rectifier and provided for sale pursuant to the first class license or the second class license or the fourth class license or combination thereof held by the manufacturer or rectifier. Holders of a manufacturer's or rectifier's second class license for malt beverages may distribute, with or without charge, malt beverages by the glass, not to exceed two ounces per product and eight ounces in total, to all persons of legal drinking age. The malt beverages must be consumed upon the premises of the holder of the license. At the request of a person holding a first class or second class license, a holder of a manufacturer's or rectifier's license for malt beverages may distribute without charge to the management and staff of the license holder, provided they are of legal drinking age, no more than four ounces per person of a malt beverage for the purpose of promoting the beverage. Written notice shall be provided to the department of liquor control at least 10 days prior to the date of the tasting. A licensed manufacturer or rectifier of spirits may do either or both of the following only on the manufacturer's or rectifier's premises:~~

~~(A) Sell by the glass or bottle to the public spirits manufactured by the licensee.~~

~~(B) Dispense by the glass, with or without charge, spirits manufactured by the licensee, provided that no more than one quarter ounce per product and no more than one ounce in total is dispensed to each individual of legal age.~~

Which was agreed to.

Thereupon, third reading of the bill was ordered.

**House Proposals of Amendment to Senate Proposal of Amendment  
Concurred In**

**H. 765.**

House proposals of amendment to Senate proposal of amendment to House bill entitled:

An act relating to establishing the Vermont agricultural innovation authority.

Were taken up.

The House proposes to the Senate to amend the Senate proposal of amendment as follows:

First: In Sec. 1, 6 V.S.A. § 2962, in subdivision (b)(2), by inserting the word industry after the word “livestock”

Second: In Sec. 1, 6 V.S.A. § 2962, in subdivision (b)(3), by striking out the following: “president pro tempore” and inserting in lieu thereof the following: committee on committees

Third: In Sec. 1, 6 V.S.A. § 2962, in subdivision (b)(3), by relettering “(C)” to (B)

Fourth: In Sec. 1, 6 V.S.A. § 2962, by striking out subsection (d) in its entirety and inserting in lieu thereof a new subsection (d) to read as follows:

(d) Any vacancy occurring among the members of the board shall be filled by the respective appointing authority pursuant to this section. A board member may be reappointed, provided that no board member, except the secretary of agriculture, food and markets, may serve more than two consecutive three-year terms. Each member of the board shall serve a three-year term, except:

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

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

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

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

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

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

**H. 507, H. 590, H. 647, H. 765, H. 783.**

### **Committee of Conference Appointed**

**H. 784.**

An act relating to the state’s transportation program.

Was taken up. Pursuant to the request of the House, the acting President *pro tempore* announced the appointment of

Senator Mazza  
Senator Kitchel  
Senator Scott

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

### **Senate Concurrent Resolution**

The following joint concurrent resolution, having been placed on the consent calendar on the preceding legislative day, and no Senator having requested floor consideration as provided by the Joint Rules of the Senate and House of Representatives, is hereby adopted on the part of the Senate:

By All Members of the Senate,

#### **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 Senate concurrent resolutions appeared in the Senate calendar addendum for April 23, 2010, and, if adopted in concurrence by the House, will appear in the volume of the Public Acts and Resolves to be published for this session of the sixty-ninth biennial session of the Vermont General Assembly.]

### **Adjournment**

On motion of Senator Campbell, the Senate adjourned until ten o'clock and thirty minutes in the morning.