

# Journal of the House

Saturday, May 10, 2014

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

## Devotional Exercises

Devotional exercises were conducted by Rep. Carolyn Partridge of Windham, Vt.

## Senate Proposal of Amendment Concurred in

### H. 596

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

An act relating to the conversion of assets of a nonprofit hospital

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

\* \* \* Principles \* \* \*

#### Sec. 1. PRINCIPLES FOR HEALTH CARE FINANCING

The General Assembly adopts the following principles to guide the financing of health care in Vermont:

(1) All Vermont residents have the right to high-quality health care.

(2) To the extent that Green Mountain Care is financed through taxes, including mandatory premiums, the taxes shall be levied equitably, taking into account an individual's ability to pay and the value of the health benefits provided.

(3) As provided in 33 V.S.A. § 1827, Green Mountain Care shall be the payer of last resort for Vermont residents who continue to receive health care through plans provided by an employer, by another state, by a foreign government, or as a retirement benefit.

(4) Vermont's system for financing health care shall raise revenue sufficient to provide medically necessary health care services to all enrolled Vermont residents, including maternity and newborn care, pediatric care, vision and dental care for children, surgery and hospital care, emergency care, outpatient care, treatment for mental health conditions, and prescription drugs.

\* \* \* Vermont Health Benefit Exchange \* \* \*

Sec. 2. 33 V.S.A. § 1803 is amended to read:

§ 1803. VERMONT HEALTH BENEFIT EXCHANGE

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\* \* \*

(b)(1)(A) The Vermont Health Benefit Exchange shall provide qualified individuals and qualified employers with qualified health benefit plans, including the multistate plans required by the Affordable Care Act, with effective dates beginning on or before January 1, 2014. The Vermont Health Benefit Exchange may contract with qualified entities or enter into intergovernmental agreements to facilitate the functions provided by the Vermont Health Benefit Exchange.

\* \* \*

(4) To the extent permitted by the U.S. Department of Health and Human Services, the Vermont Health Benefit Exchange shall permit qualified employers to purchase qualified health benefit plans through the Exchange website, through navigators, by telephone, or directly from a health insurer under contract with the Vermont Health Benefit Exchange.

\* \* \*

Sec. 3. 33 V.S.A. § 1811(b) is amended to read:

(b)(1) No person may provide a health benefit plan to an individual ~~or small employer~~ unless the plan is offered through the Vermont Health Benefit Exchange ~~and complies with the provisions of this subchapter.~~

(2) To the extent permitted by the U.S. Department of Health and Human Services, a small employer or an employee of a small employer may purchase a health benefit plan through the Exchange website, through navigators, by telephone, or directly from a health insurer under contract with the Vermont Health Benefit Exchange.

(3) No person may provide a health benefit plan to an individual or small employer unless the plan complies with the provisions of this subchapter.

#### Sec. 4. PURCHASE OF SMALL GROUP PLANS DIRECTLY FROM CARRIERS

To the extent permitted by the U.S. Department of Health and Human Services and notwithstanding any provision of State law to the contrary, the Department of Vermont Health Access shall permit employers purchasing qualified health benefit plans on the Vermont Health Benefit Exchange to purchase the plans through the Exchange website, through navigators, by telephone, or directly from a health insurer under contract with the Vermont Health Benefit Exchange.

\* \* \* Health Insurance Rate Review \* \* \*

Sec. 5. 8 V.S.A. § 4062(h) is amended to read:

(h)(1) This ~~The authority of the Board under this~~ section shall apply only to the rate review process for policies for major medical insurance coverage and shall not apply to the policy forms for major medical insurance coverage or to the rate and policy form review process for policies for specific disease, accident, injury, hospital indemnity, dental care, vision care, disability income, long-term care, student health insurance coverage, or other limited benefit coverage; ~~to Medicare supplemental insurance;~~ or to benefit plans that are paid directly to an individual insured or to his or her assigns and for which the amount of the benefit is not based on potential medical costs or actual costs incurred.

(2) The policy forms for major medical insurance coverage, as well as the policy forms, premium rates, and rules for the classification of risk for the other lines of insurance described in subdivision (1) of this subsection shall be reviewed and approved or disapproved by the Commissioner. In making his or her determination, the Commissioner shall consider whether a policy form, premium rate, or rule is affordable and is not unjust, unfair, inequitable, misleading, or contrary to the laws of this State. The Commissioner shall make his or her determination within 30 days after the date the insurer filed the policy form, premium rate, or rule with the Department. At the expiration of the 30-day period, the form, premium rate, or rule shall be deemed approved unless prior to then it has been affirmatively approved or disapproved by the Commissioner or found to be incomplete. The Commissioner shall notify an insurer in writing if the insurer files any form, premium rate, or rule containing a provision that does not meet the standards expressed in this subsection. In such notice, the Commissioner shall state that a hearing will be granted within 20 days upon the insurer's written request.

(3) Medicare supplemental insurance policies shall be exempt only from the requirement in subdivisions (a)(1) and (2) of this section for the Green Mountain Care Board's approval on rate requests and shall be subject to the remaining provisions of this section.

\* \* \* Green Mountain Care \* \* \*

Sec. 6. 33 V.S.A. § 1827 is amended to read:

§ 1827. ADMINISTRATION; ENROLLMENT

\* \* \*

(e) [Repealed.]

(f) Green Mountain Care shall be the ~~secondary~~ payer of last resort with

respect to any health service that may be covered in whole or in part by any other health benefit plan, including Medicare, private health insurance, retiree health benefits, or federal health benefit plans offered by ~~the Veterans<sup>2</sup> Administration,~~ by the military, or to federal employees.

\* \* \*

Sec. 7. CONTRACT FOR ADMINISTRATION OF CERTAIN ELEMENTS OF GREEN MOUNTAIN CARE; REPORT

On or before January 15, 2015, the Secretary of Human Services shall report to the General Assembly the elements of Green Mountain Care, such as claims administration and provider relations, for which the Agency plans to solicit bids for administration pursuant to 33 V.S.A. § 1827(a), as well as the dates by which the Agency will solicit bids for administration of those elements and by which it will award the contracts.

Sec. 8. CONCEPTUAL WAIVER APPLICATION

On or before November 15, 2014, the Secretary of Administration or designee shall submit to the federal Center for Consumer Information and Insurance Oversight a conceptual waiver application expressing the intent of the State of Vermont to pursue a Waiver for State Innovation pursuant to Sec. 1332 of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, and the State's interest in commencing the application process.

\* \* \* Green Mountain Care Board \* \* \*

Sec. 9. 2000 Acts and Resolves No. 152, Sec. 117b, as amended by 2013 Acts and Resolves No. 79, Sec. 42, is further amended to read:

Sec. 117b. MEDICAID COST SHIFT REPORTING

\* \* \*

(b) Notwithstanding 2 V.S.A. § 20(d), annually on or before ~~December~~ January 15, the ~~chair~~ Chair of the Green Mountain Care Board, the Commissioner of Vermont Health Access, and each acute care hospital shall file with the Joint Fiscal Committee, the House Committee on Health Care, and the Senate Committee on Health and Welfare, in the manner required by the Joint Fiscal Committee, such information as is necessary to carry out the purposes of this section. Such information shall pertain to the provider delivery system to the extent it is available. The Green Mountain Care Board may satisfy its obligations under this section by including the information

required by this section in the annual report required by 18 V.S.A. § 9375(d).

\* \* \*

Sec. 10. 2013 Acts and Resolves No. 79, Sec. 5b is amended to read:

Sec. 5b. STANDARDIZED HEALTH INSURANCE CLAIMS AND  
EDITS

(a)(1) As part of moving away from fee-for-service and toward other models of payment for health care services in Vermont, the Green Mountain Care Board, in consultation with the Department of Vermont Health Access, health care providers, health insurers, and other interested stakeholders, shall develop a complete set of standardized edits and payment rules based on Medicare or on another set of standardized edits and payment rules appropriate for use in Vermont. The Board and the Department shall adopt by rule the standards and payment rules that health care providers, health insurers, and other payers shall use beginning on January 1, ~~2015~~ 2016 and that Medicaid shall use beginning on January 1, 2017.

\* \* \*

\* \* \* Non-Emergency Walk-In Centers \* \* \*

Sec. 11. 18 V.S.A. § 9492 is added to read:

§ 9492. NON-EMERGENCY WALK-IN CENTERS;  
NONDISCRIMINATION

(a) A non-emergency walk-in center shall accept patients of all ages for diagnosis and treatment of illness, injury, and disease during all hours that the center is open to see patients. A non-emergency walk-in center shall not discriminate against any patient or prospective patient on the basis of insurance status or type of health coverage.

(b) As used in this section, "non-emergency walk-in center" means an outpatient or ambulatory diagnostic or treatment center at which a patient without making an appointment may receive medical care that is not of an emergency, life threatening nature. The term includes facilities that are self-described as urgent care centers, retail health clinics, and convenient care clinics.

\* \* \* Pharmacy Benefit Managers \* \* \*

Sec. 12. 18 V.S.A. § 9472 is amended to read:

§ 9472. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES  
WITH RESPECT TO HEALTH INSURERS

(c) ~~Unless the contract provides otherwise, a~~ A pharmacy benefit manager that provides pharmacy benefit management for a health plan shall:

\* \* \*

(4) ~~If Unless the contract provides otherwise, if~~ the pharmacy benefit manager derives any payment or benefit for the dispensation of prescription drugs within the ~~state~~ State based on volume of sales for certain prescription drugs or classes or brands of drugs within the ~~state~~ State, pass that payment or benefit on in full to the health insurer.

\* \* \*

(d) At least annually, a pharmacy benefit manager that provides pharmacy benefit management for a health plan shall disclose to the health insurer, the Department of Financial Regulation, and the Green Mountain Care Board the aggregate amount the pharmacy benefit manager retained on all claims charged to the health insurer for prescriptions filled during the preceding calendar year in excess of the amount the pharmacy benefit manager reimbursed pharmacies.

(e) Compliance with the requirements of this section is required for pharmacy benefit managers entering into contracts with a health insurer in this ~~state~~ State for pharmacy benefit management in this ~~state~~ State.

Sec. 13. 18 V.S.A. § 9473 is redesignated to read:

§ ~~9473~~ 9474. ENFORCEMENT

Sec. 14. 18 V.S.A. § 9473 is added to read:

§ 9473. PHARMACY BENEFIT MANAGERS; REQUIRED PRACTICES WITH RESPECT TO PHARMACIES

(a) Within 14 calendar days following receipt of a pharmacy claim, a pharmacy benefit manager or other entity paying pharmacy claims shall do one of the following:

(1) Pay or reimburse the claim.

(2) Notify the pharmacy in writing that the claim is contested or denied. The notice shall include specific reasons supporting the contest or denial and a description of any additional information required for the pharmacy benefit manager or other payer to determine liability for the claim.

(b) A pharmacy benefit manager or other entity paying pharmacy claims shall not:

(1) impose a higher co-payment for a prescription drug than the co-payment applicable to the type of drug purchased under the insured's health

plan;

(2) impose a higher co-payment for a prescription drug than the maximum allowable cost for the drug; or

(3) require a pharmacy to pass through any portion of the insured's co-payment to the pharmacy benefit manager or other payer.

Sec. 15. 9 V.S.A. § 2466a is amended to read:

§ 2466a. CONSUMER PROTECTIONS; PRESCRIPTION DRUGS

(a) A violation of 18 V.S.A. § 4631 shall be considered a prohibited practice under section 2453 of this title.

(b) As provided in 18 V.S.A. § ~~9473~~ 9474, a violation of 18 V.S.A. § 9472 or ~~9473~~ shall be considered a prohibited practice under section 2453 of this title.

\* \* \*

\* \* \* Adverse Childhood Experiences \* \* \*

Sec. 16. ADVERSE CHILDHOOD EXPERIENCES; REPORT

On or before January 15, 2015, the Director of the Blueprint for Health and the Chair of the Green Mountain Care Board or their designees shall review evidence-based materials on the relationship between adverse childhood experiences (ACEs) and population health and recommend to the General Assembly whether, how, and at what expense ACE-informed medical practice should be integrated into Blueprint practices and community health teams. The Director and the Chair or their designees shall also develop a methodology by which the Blueprint will evaluate emerging health care delivery quality initiatives to determine whether, how, and to what extent they should be integrated into the Blueprint for Health.

\* \* \* Reports \* \* \*

Sec. 17. CHRONIC CARE MANAGEMENT; BLUEPRINT; REPORT

On or before October 1, 2014, the Secretary of Administration or designee shall recommend to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance whether and to what extent to increase payments to health care providers and community health teams for their participation in the Blueprint for Health and whether to expand the Blueprint to include additional services or chronic conditions such as obesity, mental conditions, and oral health.

Sec. 18. HEALTH INSURER SURPLUS; LEGAL CONSIDERATIONS;

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REPORT

The Department of Financial Regulation, in consultation with the Office of the Attorney General, shall identify the legal and financial considerations involved in the event that a private health insurer offering major medical insurance plans, whether for-profit or nonprofit, ceases doing business in this State, including appropriate disposition of the insurer's surplus funds. On or before July 15, 2014, the Department shall report its findings to the House Committees on Health Care, on Commerce, and on Ways and Means and the Senate Committees on Health and Welfare and on Finance.

## Sec. 19. INDEPENDENT PHYSICIAN PRACTICES; REPORT

On or before December 1, 2014, the Secretary of Administration or designee shall recommend to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance whether the State should prohibit health insurers from reimbursing physicians in independent practices at lower rates than those at which they reimburse physicians in hospital-owned practices for providing the same services.

## Sec. 20. INCREASING MEDICAID RATES; REPORT

On or before January 15, 2015, the Secretary of Administration or designee, in consultation with the Green Mountain Care Board, shall report to the House Committees on Health Care and on Ways and Means and the Senate Committees on Health and Welfare and on Finance regarding the impact of increasing Medicaid reimbursement rates to providers to match Medicare rates. The issues to be addressed in the report shall include:

- (1) the amount of State funds needed to effect the increase;
- (2) the projected impact of the increase on health insurance premiums; and
- (3) to the extent that premium reductions would likely result in a decrease in the aggregate amount of federal premium tax credits for which Vermont residents would be eligible, whether there are specific timing considerations for the increase as it relates to Vermont's application for a Waiver for State Innovation pursuant to Section 1332 of the Patient Protection and Affordable Care Act.

## Sec. 21. HEALTH INFORMATION TECHNOLOGY AND INTELLECTUAL PROPERTY; REPORT

On or before October 1, 2014, the Office of the Attorney General, in consultation with the Vermont Information Technology Leaders, shall report to



the House Committees on Health Care, on Commerce and Economic Development, and on Ways and Means and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Finance regarding the need for intellectual property protection with respect to Vermont's Health Information Exchange and other health information technology initiatives, including the potential for receiving patent, copyright, or trademark protection for health information technology functions, the estimated costs of obtaining intellectual property protection, and projected revenues to the State from protecting intellectual property assets or licensing protected interests to third parties.

\* \* \* Health Care Workforce Symposium \* \* \*

#### Sec. 22. HEALTH CARE WORKFORCE SYMPOSIUM

On or before January 15, 2015, the Secretary of Administration or designee, in collaboration with the Vermont Medical Society, the Vermont Association of Hospitals and Health Systems, and the Vermont Assembly of Home Health and Hospice Agencies, shall organize and conduct a symposium to address the impacts of moving toward universal health care coverage on Vermont's health care workforce and on its projected workforce needs.

\* \* \* Global Hospital Budgets \* \* \*

#### Sec. 23. GREEN MOUNTAIN CARE BOARD; GLOBAL HOSPITAL PILOT PROJECTS

(a) The Green Mountain Care Board may develop and implement global budgeting pilot projects involving multiple payers at up to two hospitals in this State. The Board shall ensure that a hospital's existing or pending contracts with accountable care organizations and any shared savings or other financial arrangements related to such contracts are accurately accounted for when establishing global hospital budgets pursuant to this section.

(b) The Green Mountain Care Board may take such steps as are necessary to include all payers in the global hospital budget pilot projects, including negotiating with the federal Center for Medicare & Medicaid Innovation to involve Medicare and Medicaid.

(c) In the event that at least one pilot project authorized under this section is being developed or implemented on or before January 15, 2015, on that date and quarterly thereafter through January 2017, the Green Mountain Care Board shall provide updates to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, and the Health Care Oversight Committee regarding the development and implementation of the

global hospital budget pilot projects authorized by this section, including any effect on hospital budget growth, any impact on care delivery and patient outcomes, and recommendations about whether to continue global hospital budgets at the participating hospital or hospitals and whether to implement global hospital budgets for other Vermont hospitals.

\* \* \* Repeal \* \* \*

#### Sec. 24. REPEAL

3 V.S.A. § 635a (legislators and session-only legislative employees eligible to purchase State Employees Health Benefit Plan at full cost) is repealed.

\* \* \* Effective Dates \* \* \*

#### Sec. 25. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) notwithstanding 1 V.S.A. § 214, Sec. 24 (repeal of legislator eligibility to purchase State Employees Health Benefit Plan) shall take effect on passage and shall apply retroactively to January 1, 2014, except that members and session-only employees of the General Assembly who were enrolled in the State Employees Health Benefit Plan on January 1, 2014 may continue to receive coverage under the plan through the remainder of the 2014 plan year; and

(2) Sec. 14 (18 V.S.A. § 9473; pharmacy benefit managers) shall take effect on July 1, 2014 and shall apply to contracts entered into or renewed on or after that date.

And that after passage the title of the bill be amended to read: “An act relating to miscellaneous amendments to health care laws”.

Pending the question, Shall the House concur in Senate proposal of amendment? **Rep. Gage of Rutland City** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House concur in Senate proposal of amendment? was decided in the affirmative. Yeas, 83. Nays, 45.

Those who voted in the affirmative are:

Ancel of Calais  
Bissonnette of Winooski  
Botzow of Pownal  
Burke of Brattleboro  
Buxton of Tunbridge  
Campion of Bennington  
Carr of Brandon

Christie of Hartford  
Clarkson of Woodstock  
Cole of Burlington  
Connor of Fairfield  
Conquest of Newbury  
Cross of Winooski  
Dakin of Chester

Davis of Washington  
Deen of Westminster  
Donovan of Burlington  
Ellis of Waterbury  
Emmons of Springfield  
Evans of Essex  
Fay of St. Johnsbury

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Fisher of Lincoln	Manwaring of Wilmington	Ram of Burlington
Frank of Underhill	Marek of Newfane	Russell of Rutland City
French of Randolph	Martin of Wolcott	Ryerson of Randolph
Gallivan of Chittenden	Masland of Thetford	Sharpe of Bristol
Haas of Rochester	McCarthy of St. Albans City	Stevens of Waterbury
Head of South Burlington	McCormack of Burlington	Sweaney of Windsor
Heath of Westford	McCullough of Williston	Toll of Danville
Hooper of Montpelier	Michelsen of Hardwick	Townsend of South
Huntley of Cavendish	Miller of Shaftsbury	Burlington
Jerman of Essex	Mook of Bennington	Trieber of Rockingham
Jewett of Ripton	Moran of Wardsboro	Vowinkel of Hartford
Johnson of South Hero	Mrowicki of Putney *	Waite-Simpson of Essex
Keenan of St. Albans City	Nuovo of Middlebury	Walz of Barre City
Kitzmiller of Montpelier	O'Brien of Richmond	Webb of Shelburne
Klein of East Montpelier	O'Sullivan of Burlington	Weed of Enosburgh
Krowinski of Burlington	Partridge of Windham	Wilson of Manchester
Lanpher of Vergennes	Pearson of Burlington	Wizowaty of Burlington
Lenes of Shelburne	Peltz of Woodbury	Woodward of Johnson
Lippert of Hinesburg	Potter of Clarendon	Yantachka of Charlotte
Macaig of Williston	Pugh of South Burlington	Young of Glover
Malcolm of Pawlet	Rachelson of Burlington	Zagar of Barnard

Those who voted in the negative are:

Batchelor of Derby	Goodwin of Weston	Myers of Essex
Beyor of Highgate	Greshin of Warren	Pearce of Richford
Bouchard of Colchester	Hebert of Vernon	Quimby of Concord
Branagan of Georgia	Higley of Lowell	Savage of Swanton
Brennan of Colchester	Hubert of Milton	Scheuermann of Stowe
Browning of Arlington *	Johnson of Canaan	Shaw of Pittsford
Canfield of Fair Haven	Juskiewicz of Cambridge	Shaw of Derby
Consejo of Sheldon	Kilmartin of Newport City	Smith of New Haven
Corcoran of Bennington	Koch of Barre Town	South of St. Johnsbury
Cupoli of Rutland City	Larocque of Barnet	Strong of Albany
Devereux of Mount Holly	Lawrence of Lyndon	Terenzini of Rutland Town
Dickinson of St. Albans	Lewis of Berlin	Turner of Milton
Town	Marcotte of Coventry	Van Wyck of Ferrisburgh
Donahue of Northfield	McFaun of Barre Town	Wright of Burlington *
Feltus of Lyndon	Mitchell of Fairfax	
Gage of Rutland City	Morrissey of Bennington	

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

Bartholomew of Hartland	Grad of Moretown	Martin of Springfield
Burditt of West Rutland	Helm of Fair Haven	Poirier of Barre City
Condon of Colchester	Hoyt of Norwich	Ralston of Middlebury
Copeland-Hanzas of	Komline of Dorset	Spengler of Colchester
Bradford	Krebs of South Hero	Stevens of Shoreham
Donaghy of Poultney	Kupersmith of South	Stuart of Brattleboro
Fagan of Rutland City	Burlington	Till of Jericho

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Toleno of Brattleboro

Winters of Williamstown

**Rep. Browning of Arlington** explained her vote as follows:

“Mr. Speaker:

I vote no. Despite some useful elements this bill is profoundly flawed by the lack of enforcement of the requirement for a GMC financing plan. Yet the bill then allows for more planning and waiver applications for a GMC program that does not really exist.

Vermonters deserve certainty and security for their future health insurance, not vague promises and good intentions.”

**Rep. Mrowicki of Putney** explained his vote as follows:

“Mr. Speaker:

I vote for this to support all the good work included and especially for including the ACE process to help address trauma and break the cycles of dysfunction in some families. In my work with families, I’ve realized it is not a good thing that cannot stand to have some light shined on it – and shining light is exactly what this helpful process achieves.”

**Rep. Wright of Burlington** explained his vote as follows:

“Mr. Speaker:

I vote no. The majority has allowed the administration to repeatedly miss deadlines; now we are allowing them to make it through another election season with voters in the dark as to how they plan to finance the 2 billion dollars in health care costs. This is truly disappointing.”

### **Message from the Senate No. 76**

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

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon Senate bills of the following titles:

**S. 287.** An act relating to involuntary treatment and medication.

**S. 299.** An act relating to sampler flights.

And has accepted and adopted the same on its part.

The Senate has considered the reports of the Committees of Conference upon the disagreeing votes of the two Houses upon House bills of the following titles:

**H. 790.** An act relating to Reach Up eligibility.

**H. 884.** An act relating to miscellaneous tax changes.

And has accepted and adopted the same on its part.

**Rules Suspended; Report of Committee of Conference Adopted;  
Rules Suspended; Bill Messaged to Senate Forthwith**

**S. 299**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to sampler flights

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon the bill respectfully reported that it has met and considered the same and recommended that the House recede from its Proposal of Amendment to the Senate Proposal of Amendment to the House Proposal of Amendment, and the House accede to the Senate Proposal of Amendment to House Proposal of Amendment, and that the Senate accede to the House Proposal of Amendment, and that the bill be further amended by striking out Sec. 8 in its entirety and inserting in lieu thereof a new Sec. 8 to read:

Sec. 8. EFFECTIVE DATE

This act shall take effect on passage.

COMMITTEE ON THE PART OF  
THE SENATE

SEN. KEVIN J. MULLIN  
SEN. CHRISTOPHER A. BRAY  
SEN. DONALD COLLINS

COMMITTEE ON THE PART OF  
THE HOUSE

REP. HELEN J. HEAD  
REP. THOMAS S. STEVENS  
REP. WARREN VAN WYCK

Which was considered and adopted on the part of the House.

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

**Bill Ordered to Lie**

**S. 252**

House bill, entitled

An act relating to financing for Green Mountain Care

Having appeared on the Calendar one day for notice, was taken up and pending the question, Shall the report of the Committee of Conference be adopted? on motion of **Rep. Fisher of Lincoln** the bill was ordered to lie.

**Recess**

At twelve o'clock and six minutes in the afternoon, the Speaker declared a recess until one o'clock in the afternoon.

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

**Report of Committee of Conference Adopted;  
Rules Suspended; and Bill Ordered Messaged to the Senate Forthwith**

**S. 220**

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

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

An act relating to furthering economic development

Respectfully reported that it has met and considered the same and recommended that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

\* \* \* One-Stop Business Support Services \* \* \*

**Sec. 1. ONE-STOP SHOP WEB PORTAL**

(a) Purpose. The State of Vermont seeks to simplify and expedite the process for business creation and growth by providing:

(1) a clear guide to resources and technical assistance for all phases of business development;

(2) a directory of financial assistance, including grants, funding capital, tax credits, and incentives;

(3) a directory of workforce development assistance, including recruiting, job postings, and training;

(4) a link to centralized business services available from the Secretary of State, the Department of Labor, the Department of Taxes, and others; and

(5) agency contacts and links for available services and resources.

(b) Administration. On or before June 30, 2015, the Secretary of State, the Department of Taxes, the Department of Labor, the Vermont Attorney General, the Agency of Commerce and Community Development, and the Agency of Administration shall coordinate with other relevant agencies and departments within State government and outside partners, including regional development corporations, regional planning commissions, and small business development centers, to provide comprehensive business services, regional coaching teams, print materials, other outreach, and a “One-Stop Shop” website.

(c) On or before January 15, 2015, the Secretary of State and partners shall report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development to inform the committees of the status of the project and a timeline for its completion.

Secs. 2–3. RESERVED

\* \* \* Vermont Economic Development Authority \* \* \*

Sec. 4. 10 V.S.A. chapter 12 is amended to read:

## CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT AUTHORITY

\* \* \*

### Subchapter 12. ~~Technology Loan~~ Vermont Entrepreneurial Lending Program

#### § 280aa. FINDINGS AND PURPOSE

(a)(1) ~~Technology-based companies~~ Vermont-based businesses in seed, start-up, and growth stages are a vital source of innovation, employment, and economic growth in Vermont. The continued development and success of this

~~increasingly important sector of Vermont's economy~~ these businesses is dependent upon the availability of flexible, risk-based capital.

(2) ~~Because the primary assets of technology-based companies sometimes~~ Vermont-based businesses in seed, start-up, and growth stages often consist almost entirely of intellectual property or insufficient tangible assets to support conventional lending, such ~~these~~ companies frequently do ~~may~~ not have access to conventional means of raising capital, such as asset-based bank financing.

(b) ~~To support the growth of technology-based companies~~ Vermont-based businesses in seed, start-up, and growth stages and the resultant creation of ~~high-wage~~ higher wage employment in Vermont, ~~a technology loan program is established under this subchapter~~ the General Assembly hereby creates in this subchapter the Vermont Entrepreneurial Lending Program.

§ 280bb. TECHNOLOGY LOAN VERMONT ENTREPRENEURIAL LENDING PROGRAM

(a) ~~There is created a technology (TECH) loan program~~ the Vermont Entrepreneurial Lending Program to be administered by the Vermont ~~economic development authority~~ Economic Development Authority. ~~The program~~ Program shall seek to meet the working capital and capital-asset financing needs of ~~technology-based companies~~ Vermont-based businesses in seed, start-up, and growth stages. The Program shall specifically seek to fulfill capital requirement needs that are unmet in Vermont, including:

(1) loans up to \$100,000.00 to manufacturing businesses and software developers with innovative products that typically reflect long-term, organic growth;

(2) loans up to \$1,000,000.00 in growth-stage companies who do not meet the underwriting criteria of other public and private entrepreneurial financing sources; and

(3) loans to businesses that are unable to access adequate capital resources because the primary assets of these businesses are typically intellectual property or similar nontangible assets.

(b) ~~The economic development authority~~ Authority shall ~~establish such adopt regulations, policies, and procedures for the program~~ Program as are necessary to ~~carry out the purposes of this subchapter~~. ~~The authority's lending criteria shall include consideration of in-state competition and whether a company has made reasonable efforts to secure capital in the private sector~~



increase the amount of investment funds available to Vermont businesses whose capital requirements are not being met by conventional lending sources.

(c) When considering entrepreneurial lending through the Program, the Authority shall give additional consideration and weight to an application of a business whose business model and practices will have a demonstrable effect in achieving other public policy goals of the State, including:

(1) The business will create jobs in strategic sectors such as the knowledge-based economy, renewable energy, advanced manufacturing, wood products manufacturing, and value-added agricultural processing.

(2) The business is located in a designated downtown, village center, growth center, industrial park, or other significant geographic location recognized by the State.

(3) The business adopts energy and thermal efficiency practices in its operations or otherwise operates in a way that reflects a commitment to green energy principles.

(4) The business will create jobs that pay a livable wage and significant benefits to Vermont employees.

(d) The Authority shall include provisions in the terms of an loan made under the Program to ensure that a loan recipient shall maintain operations within the State for a minimum of five years from the date on which the recipient receives the loan funds from the Authority or shall otherwise be required to repay the outstanding funds in full.

\* \* \*

#### Sec. 5. VERMONT ENTREPRENEURIAL LENDING PROGRAM; LOAN LOSS RESERVE FUNDS; CAPITALIZATION

(a) The Vermont Economic Development Authority shall capitalize loan loss reserves for the Vermont Entrepreneurial Lending Program created in 10 V.S.A. § 280bb with the following funding from the following sources:

(1) up to \$1,000,000.00 from Authority funds or eligible federal funds currently administered by the Authority; and

(2) any fiscal year 2014 or fiscal year 2015 funds, or both, appropriated or authorized by the General Assembly.

(b) The Authority shall use the funds in subsection (a) of this section solely for the purpose of establishing and maintaining loan loss reserves to guarantee loans made pursuant to 10 V.S.A. § 280bb.

Sec. 6. 10 V.S.A. chapter 16A is amended to read:

CHAPTER 16A. VERMONT AGRICULTURAL CREDIT PROGRAM

§ 374a. CREATION OF THE VERMONT AGRICULTURAL CREDIT PROGRAM

\* \* \*

(b) No borrower shall be approved for a loan from the corporation that would result in the aggregate principal balances outstanding of all loans to that borrower exceeding the then-current maximum Farm Service Agency loan guarantee limits, or \$2,000,000.00, whichever is greater.

§ 374b. DEFINITIONS

As used in this chapter:

(1) “Agricultural facility” means land and rights in land, buildings, structures, machinery, and equipment which is used for, or will be used for producing, processing, preparing, packaging, storing, distributing, marketing, or transporting agricultural products which have been primarily produced in this ~~state~~ State, and working capital reasonably required to operate an agricultural facility.

(2) “Agricultural land” means real estate capable of supporting commercial farming or forestry, or both.

(3) “Agricultural products” mean crops, livestock, forest products, and other farm or forest commodities produced as a result of farming or forestry activities.

(4) “Farm ownership loan” means a loan to acquire or enlarge a farm or agricultural facility, to make capital improvements including construction, purchase, and improvement of farm and agricultural facility buildings that can be made fixtures to the real estate, to promote soil and water conservation and protection, and to refinance indebtedness incurred for farm ownership or operating loan purposes, or both.

(5) “Authority” means the Vermont ~~economic development authority~~ Economic Development Authority.

(6) “Cash flow” means, on an annual basis, all income, receipts, and revenues of the applicant or borrower from all sources and all expenses of the applicant or borrower, including all debt service and other expenses.

(7) "Farmer" means an individual directly engaged in the management or operation of an agricultural facility or farm operation for whom the agricultural facility or farm operation constitutes two or more of the following:

(A) is or is expected to become a significant source of the farmer's income;

(B) the majority of the farmer's assets; and

(C) an occupation in which the farmer is actively engaged ~~in~~, either on a seasonal or year-round basis.

(8) "Farm operation" shall mean the cultivation of land or other uses of land for the production of food, fiber, horticultural, silvicultural, orchard, maple syrup, Christmas trees, forest products, or forest crops; the raising, boarding, and training of equines, and the raising of livestock; or any combination of the foregoing activities. Farm operation also includes the storage, preparation, retail sale, and transportation of agricultural or forest commodities accessory to the cultivation or use of such land.

\* \* \*

\* \* \* Connecting Capital Providers and Entrepreneurs \* \* \*

#### Sec. 7. NETWORKING INITIATIVES

(a) The Agency of Commerce and Community Development shall support networking events offered by one or more regional economic development providers designed to connect capital providers with one another or with Vermont entrepreneurs, or both, and shall take steps to facilitate outreach and matchmaking opportunities between investors and entrepreneurs.

(b) The Agency shall submit to the House Committee on Commerce and Economic Development and to the Senate Committee on Economic Development, Housing and General Affairs a report on or before January 15, 2015 concerning the structure of networking initiatives, the relevant provisions of governing performance contracts, the benchmarks and measures of performance, and the outcomes of and further recommendations for the program.

\* \* \* Downtown Tax Credits \* \* \*

Sec. 8. 32 V.S.A. § 5930aa(3) is amended to read:

(3) "Qualified code or technology improvement project" means a project:

(A)(i) ~~To~~ to install or improve platform lifts suitable for transporting personal mobility devices, elevators, sprinkler systems, and capital improvements in a qualified building, and the installations or improvements are required to bring the building into compliance with the statutory requirements and rules regarding fire prevention, life safety, and electrical, plumbing, and accessibility codes as determined by the ~~department of public safety~~. Department of Public Safety; or

(ii) to install or improve data or network wiring, or heating, ventilating, or cooling systems reasonably related to data or network installations or improvements, in a qualified building, provided that a professional engineer licensed under 26 V.S.A. chapter 20 certifies as to the fact and cost of the installation or improvement;

(B) ~~To~~ to abate lead paint conditions or other substances hazardous to human health or safety in a qualified building; or

(C) ~~To~~ to redevelop a contaminated property in a designated downtown or village center under a plan approved by the Secretary of Natural Resources pursuant to 10 V.S.A. § 6615a.

Sec. 9. 32 V.S.A. § 5930aa(7) is amended to read:

(7) “Qualified project” means a qualified code or technology improvement, qualified façade improvement, qualified technology infrastructure project, or qualified historic rehabilitation project as defined by this subchapter.

Sec. 10. 32 V.S.A. § 5930bb is amended to read:

#### § 5930bb. ELIGIBILITY AND ADMINISTRATION

(a) Qualified applicants may apply to the State Board to obtain the tax credits provided by this subchapter for ~~qualified code improvement, façade improvement, or historic rehabilitation projects~~ a qualified project at any time before one year after completion of the qualified project.

\* \* \*

Sec. 11. 32 V.S.A. § 5930cc(c) is amended to read:

(c) Code or technology improvement tax credit. The qualified applicant of a qualified code or technology improvement project shall be entitled, upon the approval of the State Board, to claim against the taxpayer’s State individual income tax, State corporate income tax, or bank franchise or insurance premiums tax liability a credit of 50 percent of qualified expenditures up to a maximum tax credit of \$12,000.00 for installation or improvement of a

platform lift, a maximum tax credit of \$50,000.00 for installation or improvement of an elevator, a maximum tax credit of \$50,000.00 for installation or improvement of a sprinkler system, a maximum tax credit of \$30,000.00 for the combined costs of installation or improvement of data or network wiring or a heating, ventilating, or cooling system, and a maximum tax credit of \$25,000.00 for the combined costs of all other qualified code improvements.

Sec. 12. 30 V.S.A. § 218e is added to read:

§ 218e. IMPLEMENTING STATE ENERGY POLICY;  
MANUFACTURING

To give effect to the policies of section 202a of this title to provide reliable and affordable energy and assure the State's economic vitality, it is critical to retain and recruit manufacturing and other businesses and to consider the impact on manufacturing and other businesses when issuing orders, adopting rules, and making other decisions affecting the cost and reliability of electricity and other fuels. Implementation of the State's energy policy should:

(1) encourage recruitment and retention of employers providing high-quality jobs and related economic investment and support the State's economic welfare; and

(2) appropriately balance the objectives of this section with the other policy goals and criteria established in this title.

Sec. 13. INVESTIGATION; ELECTRICITY COSTS; MANUFACTURING

(a) The Commissioner of Public Service and the Secretary of Commerce and Community Development, in consultation with the Public Service Board, a private organization that represents the interests of manufacturers, a cooperative electric company, an efficiency utility, a shareholder-owned utility, the Vermont Public Power Supply Authority (VPPSA), a municipal utility that is not a member of VPPSA, and the Vermont Electric Power Company (VELCO), shall conduct an investigation of how best to advance the public good through consideration of the competitiveness of Vermont's industrial or manufacturing businesses with regard to electricity costs.

(b) In conducting the investigation required by this section, the Commissioner and Secretary shall consider:

(1) how best to incorporate into rate design proceedings the impact of electricity costs on business competitiveness and the identification of the costs of service incurred by businesses;

(2) with regard to the energy efficiency programs established under 30 V.S.A. § 209, potential changes to their delivery, funding, financing, and participation requirements;

(3) the history and outcome of any evaluations of the Energy Savings Account or Customer Credit programs, as well as best practices for customer self-directed energy efficiency programs;

(4) the history and outcome of any evaluations of retail choice programs or policies, as related to business competitiveness, that have been undertaken in Vermont and in other jurisdictions;

(5) any other programs or policies the Commissioner and the Secretary deem relevant;

(6) whether and to what extent any programs or policies considered by the Commissioner and the Secretary under this section would impose cost shifts onto other customers, result in stranded costs (costs that cannot be recovered by a regulated utility due to a change in regulatory structure or policy), or conflict with renewable energy requirements in Vermont and, if so, whether such programs or policies would nonetheless promote the public good;

(7) whether and to what extent costs have shifted to residential and business ratepayers following the loss of large utility users, and potential scenarios for additional cost shifts of this type; and

(8) the potential benefits and potential cost shift to residential and business ratepayers if a large utility user undertakes efficiency measures and thereby reduces its share of fixed utility costs.

(c) In conducting the investigation required by this section, the Commissioner and Secretary shall provide the following persons and entities an opportunity for written and oral comments:

(1) consumer and business advocacy groups;

(2) regional development corporations and regional planning commissions; and

(3) any other person or entity as determined by the Commissioner and Secretary.

(d) On or before December 15, 2014, the Commissioner and Secretary shall provide a status report to the General Assembly of its findings and recommendations regarding regulatory or statutory changes that would reduce energy costs for Vermont businesses and promote the public good. On or

before December 15, 2015, the Commissioner and Secretary shall provide a final report to the General Assembly of such findings and recommendations.

\* \* \* Domestic Export Program \* \* \*

Sec. 14. DOMESTIC MARKET ACCESS PROGRAM FOR VERMONT  
AGRICULTURE AND FOREST PRODUCTS

(a) The Secretary of Agriculture, Food and Markets, in collaboration with the Agency of Commerce and Community Development and the Chief Marketing Officer, shall, subject to available funding, create a Domestic Export Program Pilot Project within the "Made in Vermont" designation program, the purpose of which shall be to:

(1) connect Vermont producers with brokers, buyers, and distributors in other U.S. state and regional markets;

(2) provide technical and marketing assistance to Vermont producers to convert these connections into increased sales and sustainable commercial relationships; and

(3) provide one-time matching grants of up to \$2,000.00 per business to attend trade shows and similar events to expand producers' market presence in other U.S. states, subject to available funding.

(b) The Secretary shall collect data on the activities and outcomes of the pilot project authorized under this section and shall report his or her findings and recommendations for further action on or before January 15, 2015, to the House Committees on Agriculture and Forest Products and on Commerce and Economic Development and to the Senate Committees on Agriculture and on Economic Development, Housing and General Affairs.

\* \* \* Criminal Penalties for Computer Crimes \* \* \*

Sec. 15. 13 V.S.A. chapter 87 is amended to read:

CHAPTER 87. COMPUTER CRIMES

\* \* \*

§ 4104. ALTERATION, DAMAGE, OR INTERFERENCE

(a) A person shall not intentionally and without lawful authority, alter, damage, or interfere with the operation of any computer, computer system, computer network, computer software, computer program, or data contained in such computer, computer system, computer program, or computer network.

(b) Penalties. A person convicted of violating this section shall be:

(1) if the damage or loss does not exceed \$500.00 for a first offense, imprisoned not more than one year or fined not more than ~~\$500.00~~ \$5,000.00, or both;

(2) if the damage or loss does not exceed \$500.00 for a second or subsequent offense, imprisoned not more than two years or fined not more than ~~\$1,000.00~~ \$10,000.00, or both; or

(3) if the damage or loss exceeds \$500.00, imprisoned not more than 10 years or fined not more than ~~\$10,000.00~~ \$25,000.00, or both.

#### § 4105. THEFT OR DESTRUCTION

(a)(1) A person shall not intentionally and without claim of right deprive the owner of possession, take, transfer, copy, conceal, or retain possession of, or intentionally and without lawful authority, destroy any computer system, computer network, computer software, computer program, or data contained in such computer, computer system, computer program, or computer network.

(2) Copying a commercially available computer program or computer software is not a crime under this section, provided that the computer program and computer software has a retail value of \$500.00 or less and is not copied for resale.

(b) Penalties. A person convicted of violating this section shall be:

(1) if the damage or loss does not exceed \$500.00 for a first offense, imprisoned not more than one year or fined not more than ~~\$500.00~~ \$5,000.00, or both;

(2) if the damage or loss does not exceed \$500.00 for a second or subsequent offense, imprisoned not more than two years or fined not more than ~~\$1,000.00~~ \$10,000.00, or both; or

(3) if the damage or loss exceeds \$500.00, imprisoned not more than 10 years or fined not more than ~~\$10,000.00~~ \$25,000.00, or both.

#### § 4106. CIVIL LIABILITY

A person damaged as a result of a violation of this chapter may bring a civil action against the violator for damages, costs, and fees, including reasonable attorney's fees, and such other relief as the court deems appropriate.

\* \* \*



## \* \* \* Statute of Limitations to Commence Action

## for Misappropriation of Trade Secrets \* \* \*

Sec. 16. 12 V.S.A. § 523 is amended to read:

§ 523. TRADE SECRETS

An action for misappropriation of trade secrets under 9 V.S.A. chapter 143 ~~of Title 9~~ shall be commenced within ~~three~~ six years after the cause of action accrues, and not after. The cause of action shall be deemed to accrue as of the date the misappropriation was discovered or reasonably should have been discovered.

## \* \* \* Protection of Trade Secrets \* \* \*

Sec. 17. 9 V.S.A. chapter 143 is amended to read:

CHAPTER 143. TRADE SECRETS

§ 4601. DEFINITIONS

As used in this chapter:

(1) “Improper means” includes theft, bribery, misrepresentation, breach or inducement of a breach of a duty to maintain secrecy, or espionage through electronic or other means.

(2) “Misappropriation” means:

(A) acquisition of a trade secret of another by a person who knows or has reason to know that the trade secret was acquired by improper means; or

(B) disclosure or use of a trade secret of another without express or implied consent by a person who:

(i) used improper means to acquire knowledge of the trade secret; or

(ii) at the time of disclosure or use, knew or had reason to know that his or her knowledge of the trade secret was:

(I) derived from or through a person who had utilized improper means to acquire it;

(II) acquired under circumstances giving rise to a duty to maintain its secrecy or limit its use; or

(III) derived from or through a person who owed a duty to the person seeking relief to maintain its secrecy or limit its use; or

(iii) before a material change of his or her position, knew or had reason to know that it was a trade secret and that knowledge of it had been acquired by accident or mistake.

(3) “Trade secret” means information, including a formula, pattern, compilation, program, device, method, technique, or process, that:

(A) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and

(B) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

#### § 4602. INJUNCTIVE RELIEF

(a) ~~Actual~~ A court may enjoin actual or threatened misappropriation ~~may be enjoined of a trade secret.~~ Upon application to the court, an injunction shall be terminated when the trade secret has ceased to exist, but the injunction may be continued for an additional reasonable period of time in order to eliminate commercial advantage that otherwise would be derived from the misappropriation.

(b) In exceptional circumstances, an injunction may condition future use upon payment of a reasonable royalty for no longer than the period of time for which use could have been prohibited. Exceptional circumstances include, ~~but are not limited to,~~ a material and prejudicial change of position prior to acquiring knowledge or reason to know of misappropriation that renders a prohibitive injunction inequitable.

(c) In appropriate circumstances, affirmative acts to protect a trade secret may be compelled by court order.

#### § 4603. DAMAGES

(a)(1) Except to the extent that a material and prejudicial change of position prior to acquiring knowledge or reason to know of misappropriation renders a monetary recovery inequitable, a complainant is entitled to recover damages for misappropriation.

(2) Damages can include both the actual loss caused by misappropriation and the unjust enrichment caused by misappropriation that is not taken into account in computing actual loss.

(3) In lieu of damages measured by any other methods, the damages caused by misappropriation may be measured by imposition of liability for a

reasonable royalty for a misappropriator's unauthorized disclosure or use of a trade secret.

(4) A court shall award a substantially prevailing party his or her costs and fees, including reasonable attorney's fees, in an action brought pursuant to this chapter.

(b) If malicious misappropriation exists, the court may award punitive damages.

#### § 4605. PRESERVATION OF SECRECY

In an action under this chapter, a court shall preserve the secrecy of an alleged trade secret by reasonable means, which may include granting protective orders in connection with discovery proceedings, holding in-camera hearings, sealing the records of the action, and ordering any person involved in the litigation not to disclose an alleged trade secret without prior court approval.

#### § 4607. EFFECT ON OTHER LAW

(a) Except as provided in subsection (b) of this section, this chapter displaces conflicting tort, restitutionary, and any other law of this ~~state~~ State providing civil remedies for misappropriation of a trade secret.

(b) This chapter does not affect:

(1) contractual remedies, whether or not based upon misappropriation of a trade secret;

(2) other civil remedies that are not based upon misappropriation of a trade secret; or

(3) criminal remedies, whether or not based upon misappropriation of a trade secret.

\* \* \*

\* \* \* Intellectual Property; Businesses and Government Contracting \* \* \*

Sec. 18. 3 V.S.A. § 346 is added to read:

#### § 346. STATE CONTRACTING; INTELLECTUAL PROPERTY, SOFTWARE DESIGN, AND INFORMATION TECHNOLOGY

(a) The Secretary of Administration shall include in Administrative Bulletin 3.5 a policy direction applicable to State procurement contracts that include services for the development of software applications, computer coding, or other intellectual property, which would allow the State of Vermont

to grant permission to the contractor to use or own the intellectual property created under the contract for the contractor's commercial purposes.

(b) The Secretary may recommend contract provisions that authorize the State to negotiate with a contractor to secure license terms and license fees, royalty rights, or other payment mechanism for the contractor's commercial use of intellectual property developed under a State contract.

(c) If the Secretary authorizes a contractor to own intellectual property developed under a State contract, the Secretary may recommend language to ensure the State retains a perpetual, irrevocable, royalty-free, and fully paid right to continue to use the intellectual property.

\* \* \* Department of Financial Regulation \* \* \*

#### Sec. 19. SMALL BUSINESS ACCESS TO CAPITAL

(a) Crowdfunding study. The Department of Financial Regulation shall study the opportunities and limitations for crowdfunding to increase access to capital for Vermont's small businesses. On or before January 15, 2015, the Department shall report its findings and recommendations to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

(b) Small business issuer education and outreach. On or before January 15, 2015, the Department of Financial Regulation shall conduct at least two educational events to inform the legal, small business, and investor communities and other interested parties, of opportunities for small businesses to access capital in Vermont, including, the Vermont Small Business Offering Exemption regulation and other securities registration exemptions.

(c) Vermont Small Business Offering Exemption. The Commissioner of Financial Regulation shall exercise his or her rulemaking authority under 9 V.S.A. chapter 150 to review and revise the Vermont Small Business Offering Exemption and any other state securities exemptions, specifically including those designed to complement exemptions from federal registration requirements available under Regulation D, in order to recognize and reflect the evolution of capital markets and to ensure that Vermont remains current and competitive in its securities regulations, particularly with respect to access to capital for small businesses.

#### Sec. 20. STUDY; DEPARTMENT OF FINANCIAL REGULATION; LICENSED LENDER REQUIREMENTS; COMMERCIAL LENDERS

On or before January 15, 2015, the Department of Financial Regulation shall solicit public comment on, evaluate, and report to the House Committee on Commerce and Economic Development and to the Senate Committees on Finance and on Economic Development, Housing and General Affairs any statutory and regulatory changes to the State's licensed lender requirements that are necessary to open private capital markets and remove unnecessary barriers to business investment in Vermont.

\* \* \* Licensed Lender Requirements; Exemption for De Minimis  
Lending Activity \* \* \*

Sec. 21. 8 V.S.A. § 2201 is amended to read:

2201. LICENSES REQUIRED

(a) No person shall without first obtaining a license under this chapter from the ~~commissioner~~ Commissioner:

(1) engage in the business of making loans of money, credit, goods, or things in action and charge, contract for, or receive on any such loan interest, a finance charge, discount, or consideration ~~therefore~~ therefor;

(2) act as a mortgage broker;

(3) engage in the business of a mortgage loan originator; or

(4) act as a sales finance company.

(b) Each licensed mortgage loan originator must register with and maintain a valid unique identifier with the Nationwide Mortgage Licensing System and Registry and must be either:

(1) ~~an~~ An employee actively employed at a licensed location of, and supervised and sponsored by, only one licensed lender or licensed mortgage broker operating in this ~~state~~; State.

(2) ~~an~~ An individual sole proprietor who is also a licensed lender or licensed mortgage broker; ~~or~~.

(3) ~~an~~ An employee engaged in loan modifications employed at a licensed location of, and supervised and sponsored by, only one third-party loan servicer licensed to operate in this ~~state~~ State pursuant to chapter 85 of this title. ~~For purposes of~~ As used in this subsection, "loan modification" means an adjustment or compromise of an existing residential mortgage loan. The term "loan modification" does not include a refinancing transaction.

(c) A person licensed pursuant to subdivision (a)(1) of this section may engage in mortgage brokerage and sales finance if such person informs the

~~commissioner~~ Commissioner in advance that he or she intends to engage in sales finance and mortgage brokerage. Such person shall inform the ~~commissioner~~ Commissioner of his or her intention on the original license application under section 2202 of this title, any renewal application under section 2209 of this title, or pursuant to section 2208 of this title, and shall pay the applicable fees required by subsection 2202(b) of this title for a mortgage broker license or sales finance company license.

(d) No lender license, mortgage broker license, or sales finance company license shall be required of:

(1) ~~a state~~ State agency, political subdivision, or other public instrumentality of the ~~state~~; State.

(2) ~~a~~ A federal agency or other public instrumentality of the United States;.

(3) ~~a~~ A gas or electric utility subject to the jurisdiction of the ~~public service board~~ Public Service Board engaging in energy conservation or safety loans;.

(4) ~~a~~ A depository institution or a financial institution as defined in 8 V.S.A. § 11101(32);.

(5) ~~a~~ A pawnbroker;.

(6) ~~an~~ An insurance company;.

(7) ~~a~~ A seller of goods or services that finances the sale of such goods or services, other than a residential mortgage loan;.

(8) ~~any~~ Any individual who offers or negotiates the terms of a residential mortgage loan secured by a dwelling that served as the individual's residence, including a vacation home, or inherited property that served as the deceased's dwelling, provided that the individual does not act as a mortgage loan originator or provide financing for such sales so frequently and under such circumstances that it constitutes a habitual activity and acting in a commercial context;.

(9) ~~lenders~~ Lenders that conduct their lending activities, other than residential mortgage loan activities, through revolving loan funds, that are nonprofit organizations exempt from taxation under Section 501(c) of the Internal Revenue Code, 26 U.S.C. § 501(c), and that register with the ~~commissioner of economic development~~ Commissioner of Economic Development under 10 V.S.A. § 690a;.

(10) ~~persons~~ Persons who lend, other than residential mortgage loans, an aggregate of less than \$75,000.00 in any one year at rates of interest of no more than 12 percent per annum;.

(11) ~~a~~ A seller who, pursuant to 9 V.S.A. § 2355(f)(1)(D), includes the amount paid or to be paid by the seller to discharge a security interest, lien interest, or lease interest on the traded-in motor vehicle in a motor vehicle retail installment sales contract, provided that the contract is purchased, assigned, or otherwise acquired by a sales finance company licensed pursuant to this title to purchase motor vehicle retail installment sales contracts or a depository institution;.

(12)(A) ~~a~~ A person making an unsecured commercial loan, which loan is expressly subordinate to the prior payment of all senior indebtedness of the commercial borrower regardless of whether such senior indebtedness exists at the time of the loan or arises thereafter. The loan may or may not include the right to convert all or a portion of the amount due on the loan to an equity interest in the commercial borrower;.

(B) ~~for purposes of~~ As used in this subdivision (12), “senior indebtedness” means:

(i) all indebtedness of the commercial borrower for money borrowed from depository institutions, trust companies, insurance companies, and licensed lenders, and any guarantee thereof; and

(ii) any other indebtedness of the commercial borrower that the lender and the commercial borrower agree shall constitute senior indebtedness;.

(13) ~~nonprofit~~ Nonprofit organizations established under testamentary instruments, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. § 501(c)(3), and which make loans for postsecondary educational costs to students and their parents, provided that the organizations provide annual accountings to the Probate Division of the Superior Court;.

(14) ~~any~~ Any individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual;.

(15) ~~a~~ A housing finance agency.

(16) A person who makes no more than three mortgage loans in any consecutive three-year period beginning on or after July 1, 2011.

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(e) No mortgage loan originator license shall be required of:

(1) Registered mortgage loan originators, when employed by and acting for an entity described in subdivision 2200(22) of this chapter.

(2) Any individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual.

(3) Any individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that served as the individual's residence, including a vacation home, or inherited property that served as the deceased's dwelling, provided that the individual does not act as a mortgage loan originator or provide financing for such sales so frequently and under such circumstances that it constitutes a habitual activity and acting in a commercial context.

(4) An individual who is an employee of a federal, ~~state~~ State, or local government agency, or an employee of a housing finance agency, who acts as a mortgage loan originator only pursuant to his or her official duties as an employee of the federal, ~~state~~ State, or local government agency or housing finance agency.

(5) A licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of such lender, mortgage broker, or other mortgage loan originator. To the extent an attorney licensed in this State undertakes activities that are covered by the definition of a mortgage loan originator, such activities do not constitute engaging in the business of a mortgage loan originator, provided that:

(A) such activities are considered by the State governing body responsible for regulating the practice of law to be part of the authorized practice of law within this State;

(B) such activities are carried out within an attorney-client relationship; and

(C) the attorney carries them out in compliance with all applicable laws, rules, ethics, and standards.

(6) A person who makes no more than three mortgage loans in any consecutive three-year period beginning on or after July 1, 2011.



(f) If a person who offers or negotiates the terms of a mortgage loan is exempt from licensure pursuant to subdivision (d)(16) or (e)(6) of this section, there is a rebuttable presumption that he or she is not engaged in the business of making loans or being a mortgage loan originator.

(g) Independent contractor loan processors or underwriters. A loan processor or underwriter who is an independent contractor may not engage in the activities of a loan processor or underwriter unless such independent contractor loan processor or underwriter obtains and maintains a mortgage loan originator license. Each independent contractor loan processor or underwriter licensed as a mortgage loan originator must have and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.

~~(g)~~(h) This chapter shall not apply to commercial loans of \$1,000,000.00 or more.

\* \* \* Vermont State Treasurer; Credit Facilities; 10 Percent for Vermont \* \* \*

Sec. 22. 2013 Acts and Resolves No. 87, Sec. 8 is amended to read:

#### Sec. 8. INVESTMENT OF STATE MONIES

The Treasurer is hereby authorized to establish a ~~short-term~~ credit facility for the benefit of the Vermont Economic Development Authority in an amount of up to \$10,000,000.00.

#### Sec. 23. VERMONT STATE TREASURER; CREDIT FACILITY FOR LOCAL INVESTMENTS

(a) Notwithstanding any other provision of law to the contrary, the Vermont State Treasurer shall have the authority to establish a credit facility of up to 10 percent of the State's average cash balance on terms acceptable to the Treasurer consistent with the provisions of the Uniform Prudent Investor Act, 14A V.S.A. chapter 9.

(b) The amount authorized in subsection (a) of this section shall include all credit facilities authorized by the General Assembly and established by the Treasurer prior to or subsequent to the effective date of this section, and the renewal or replacement of those credit facilities.

#### Sec. 24. TREASURER'S LOCAL INVESTMENT ADVISORY COMMITTEE; REPORT

(a) Creation of committee. The Treasurer's Local Investment Advisory Committee is established to advise the Treasurer on funding priorities and address other mechanisms to increase local investment.

(b) Membership.

(1) The Advisory Committee shall be composed of six members as follows:

(A) the State Treasurer or designee;

(B) the Chief Executive Officer of the Vermont Economic Development Authority or designee;

(C) the Chief Executive Officer of the Vermont Student Assistance Corporation or designee;

(D) the Executive Director of the Vermont Housing Finance Agency or designee;

(E) the Director of the Municipal Bond Bank or designee; and

(F) the Director of Efficiency Vermont or designee.

(2) The State Treasurer shall be the Chair of the Advisory Committee and shall appoint a vice chair and secretary. The appointed members of the Advisory Committee shall be appointed for terms of six years and shall serve until their successors are appointed and qualified.

(c) Powers and duties. The Advisory Committee shall:

(1) meet regularly to review and make recommendations to the State Treasurer on funding priorities and using other mechanisms to increase local investment in the State of Vermont;

(2) invite regularly State organizations, citizens groups, and members of the public to Advisory Committee meetings to present information on needs for local investment, capital gaps, and proposals for financing; and

(3) consult with constituents and review feedback on changes and needs in the local and State investment and financing environments.

(d) Meetings.

(1) Meetings of the Advisory Committee shall occur at the call of the Treasurer.

(2) A majority of the members of the Advisory Committee who are physically present at the same location or available electronically shall constitute a quorum, and a member may participate and vote electronically.

(3) To be effective, action of the Advisory Committee shall be taken by majority vote of the members at a meeting in which a quorum is present.

(e) Report. On or before January 15, 2015, and annually thereafter, the Advisory Committee shall submit a report to the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, on Finance, and on Government Operations and the House Committees on Appropriations, on Commerce and Economic Development, on Ways and Means, and on Government Operations. The report shall include the following:

(1) the amount of the subsidies associated with lending through each credit facility authorized by the General Assembly and established by the Treasurer;

(2) a description of the Advisory Committee's activities; and

(3) any information gathered by the Advisory Committee on the State's unmet capital needs, and other opportunities for State support for local investment and the community.

Sec. 25. SUNSET

Secs. 23–24 of this act shall be repealed on July 1, 2015.

Sec. 26. 9 V.S.A. § 2481w is amended to read:

§ 2481w. UNLICENSED LOAN TRANSACTIONS

(a) In this subchapter:

(1) “Financial account” means a checking, savings, share, stored value, prepaid, payroll card, or other depository account.

(2) “Lender” means a person engaged in the business of making loans of money, credit, goods, or things in action and charging, contracting for, or receiving on any such loan interest, a finance charge, a discount, or consideration.

(3) “Process” or “processing” includes printing a check, draft, or other form of negotiable instrument drawn on or debited against a consumer's financial account, formatting or transferring data for use in connection with the debiting of a consumer's financial account by means of such an instrument or an electronic funds transfer, or arranging for such services to be provided to a lender.

(4) “Processor” means a person who engages in processing, as defined in subdivision (3) of this subsection. In this section, “processor” does not include an interbank clearinghouse.

(5) “Interbank clearinghouse” means a person that operates an exchange of automated clearinghouse items, checks, or check images solely between insured depository institutions.

(b) It is an unfair and deceptive act and practice in commerce for a lender directly or through an agent to solicit or make a loan to a consumer by any means unless the lender is in compliance with all provisions of 8 V.S.A. chapter 73 or is otherwise exempt from the requirements of 8 V.S.A. chapter 73.

(c) It is an unfair and deceptive act and practice in commerce for a processor, other than a federally insured depository institution, to process a check, draft, other form of negotiable instrument, or an electronic funds transfer from a consumer’s financial account in connection with a loan solicited or made by any means to a consumer unless the lender is in compliance with all provisions of 8 V.S.A. chapter 73 or is otherwise exempt from the requirements of 8 V.S.A. chapter 73.

(d) It is an unfair and deceptive act and practice in commerce for any person, including the lender’s financial institution as defined in 8 V.S.A. § 10202(5), but not including the consumer’s financial institution as defined in 8 V.S.A. § 10202(5) or an interbank clearinghouse as defined in subsection (a) of this section, to provide substantial assistance to a lender or processor when the person or the person’s authorized agent receives notice from a regulatory, law enforcement, or similar governmental authority, or knows from its normal monitoring and compliance systems, or consciously avoids knowing that the lender or processor is in violation of subsection (b) or (c) of this section, or is engaging in an unfair or deceptive act or practice in commerce.

Sec. 27. 30 V.S.A. § 248a is amended to read:

§ 248a. CERTIFICATE OF PUBLIC GOOD FOR COMMUNICATIONS FACILITIES

\* \* \*

(b) Definitions. ~~For the purposes of~~ As used in this section:

\* \* \*

(4) “Telecommunications facility” means a communications facility that transmits and receives signals to and from a local, State, national, or international network used primarily for two-way communications for commercial, industrial, municipal, county, or State purposes and any associated support structure that is proposed for construction or installation which is primarily for communications purposes, and any ancillary

improvements that are proposed for construction or installation and are primarily intended to serve the communications facilities or support structure. An applicant may seek approval of construction or installation of a telecommunications facility whether or not the telecommunications facility is attached to an existing structure.

(5) "Wireless service" means any commercial mobile radio service, wireless service, common carrier wireless exchange service, cellular service, personal communications service (PCS), specialized mobile radio service, paging service, wireless data service, or public or private radio dispatch service.

\* \* \*

(c) Findings. Before the Public Service Board issues a certificate of public good under this section, it shall find that:

(1) The proposed facility will not have an undue adverse effect on aesthetics, historic sites, air and water purity, the natural environment, and the public health and safety, and the public's use and enjoyment of the I-89 and I-91 scenic corridors or of any highway that has been designated as a scenic road pursuant to 19 V.S.A. § 2501 or a scenic byway pursuant to 23 U.S.C. § 162, with due consideration having been given to the relevant criteria specified in 10 V.S.A. §§ 1424a(d) and 6086(a)(1) through (8) and (9)(K). However, with respect to telecommunications facilities of limited size and scope, the Board shall waive all criteria of this subdivision other than 10 V.S.A. § 6086(a)(1)(D)(floodways) and (a)(8)(aesthetics, scenic beauty, historic sites, rare and irreplaceable natural areas; endangered species; necessary wildlife habitat). Such waiver shall be on condition that:

(A) ~~The~~ the Board may determine, pursuant to the procedures described in subdivision (j)(2)(A) of this section, that a petition raises a significant issue with respect to any criterion of this subdivision; and

(B) ~~A~~ a telecommunications facility of limited size and scope shall comply, at a minimum, with the requirements of the Low Risk Site Handbook for Erosion Prevention and Sediment Control issued by the Department of Environmental Conservation, regardless of any provisions in that handbook that limit its applicability.

(2) Unless there is good cause to find otherwise, substantial deference has been given to the land conservation measures in the plans of the affected municipalities and the recommendations of the municipal legislative bodies and the municipal and regional planning commissions regarding the municipal and regional plans, respectively. Nothing in this section or other provision of

law shall prevent a municipal body from basing its recommendations on an ordinance adopted under 24 V.S.A. § 2291(19) or bylaw adopted under 24 V.S.A. chapter 117 by the municipality in which the facility is located. A rebuttable presumption respecting compliance with the applicable plan shall be created by a letter from an affected municipal legislative body or municipal planning commission concerning compliance with the municipal plan and by a letter from a regional planning commission concerning compliance with the regional plan.

(3) If the proposed facility relates to the provision of wireless service, the proposed facility reasonably cannot be collocated on or at an existing telecommunications facility, or such collocation would cause an undue adverse effect on aesthetics.

\* \* \*

(e) Notice. No less than 45 days prior to filing an application for a certificate of public good under this section, the applicant shall serve written notice of an application to be filed with the Board pursuant to this section to the legislative bodies and municipal and regional planning commissions in the communities in which the applicant proposes to construct or install facilities; the Secretary of Natural Resources; the Secretary of Transportation; the Division for Historic Preservation; the Commissioner of Public Service and its Director for Public Advocacy; the Natural Resources Board if the application concerns a telecommunications facility for which a permit previously has been issued under 10 V.S.A. chapter 151; and the landowners of record of property adjoining the project sites. In addition, at least one copy of each application shall be filed with each of these municipal and regional planning commissions.

(1) Upon motion or otherwise, the Public Service Board shall direct that further public or personal notice be provided if the Board finds that such further notice will not unduly delay consideration of the merits and that additional notice is necessary for fair consideration of the application.

(2) On the request of the municipal legislative body or the planning commission, the applicant shall attend a public meeting with the municipal legislative body or planning commission, or both, within the 45-day notice period before filing an application for a certificate of public good. The Department of Public Service shall attend the public meeting on the request of the municipality. The Department shall consider the comments made and information obtained at the meeting in making recommendations to the Board on the application and in determining whether to retain additional personnel under subsection (o) of this section.

\* \* \*

(i) Sunset of Board authority. Effective on July 1, 2014 2017, no new applications for certificates of public good under this section may be considered by the Board.

\* \* \*

(m) Municipal bodies; participation. The legislative body and the planning commission for the municipality in which a telecommunications facility is located shall have the right to appear and participate on any application under this section seeking a certificate of public good for the facility.

(n) Municipal recommendations. The Board shall consider the comments and recommendations submitted by the municipal legislative body and planning commission. The Board's decision to issue or deny a certificate of public good shall include a detailed written response to each recommendation of the municipal legislative body and planning commission.

(o) Retention; experts. The Department of Public Service may retain experts and other personnel as identified in section 20 of this title to provide information essential to a full consideration of an application for a certificate of public good under this section. The Department may allocate the expenses incurred in retaining these personnel to the applicant in accordance with section 21 of this title. The Department may commence retention of these personnel once the applicant has filed the 45-day notice under subsection (e) of this section. A municipal legislative body or planning commission may request that the Department retain these personnel. Granting such a request shall not oblige the Department or the personnel it retains to agree with the position of the municipality.

(p) Review process; guide. The Department of Public Service, in consultation with the Board, shall create, maintain, and make available to the public a guide to the process of reviewing telecommunications facilities under this section for use by local governments and regional planning commissions and members of the public who seek to participate in the process. On or before September 1, 2014, the Department shall complete the creation of this guide and make it publically available.

#### Sec. 28. PUBLIC SERVICE BOARD; ORDER REVISION

The Public Service Board (the Board) shall define the terms "good cause" and "substantial deference" for the purpose of 30 V.S.A. § 248a(c)(2) in accordance with the following process:

(1) Within 30 days of the effective date of this section, the Board shall provide direct notice to each municipal legislative body and planning commission, the Vermont League of Cities and Towns, the Department of Public Service, and such other persons as the Board considers appropriate, that it will be amending its procedures order issued under 30 V.S.A. § 248a(1) to include definitions of these terms. The notice shall provide an opportunity for submission of comments and recommendations and include the date and time of the workshop to be held.

(2) Within 60 days of giving notice under subdivision (1) of this section, the Board shall amend its procedures order to include definitions of these terms.

Sec. 29. REPORT; TELECOMMUNICATIONS FACILITY REVIEW  
PROCESS

On or before October 1, 2015, the Department of Public Service shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Finance a report assessing the telecommunications facility review process under 30 V.S.A § 248a. The report shall include the number of applications for the construction or installation of telecommunications facilities filed with the Board, the number of applications for which a certificate of public good was granted, the number of applications for which notice was filed but were then withdrawn, and the number of times the Department used its authority under 30 V.S.A. § 248(o) to allocate expenses incurred in retaining expert personnel to the applicant, during the year ending August 31, 2015.

Sec. 30. 10 V.S.A. § 1264(j) is amended to read:

(j) Notwithstanding any other provision of law, if an application to discharge stormwater runoff pertains to a telecommunications facility as defined in 30 V.S.A. § 248a and is filed before July 1, ~~2014~~ 2017 and the discharge will be to a water that is not principally impaired by stormwater runoff:

(1) The Secretary shall issue a decision on the application within 40 days of the date the Secretary determines the application to be complete, if the application seeks authorization under a general permit.

(2) The Secretary shall issue a decision on the application within 60 days of the date the Secretary determines the application to be complete, if the application seeks or requires authorization under an individual permit.

Sec. 31. 10 V.S.A. § 8506 is amended to read:



§ 8506. RENEWABLE ENERGY PLANT; TELECOMMUNICATIONS FACILITY; APPEALS

(a) Within 30 days of the date of the act or decision, any person aggrieved by an act or decision of the ~~secretary~~ Secretary, under the provisions of law listed in section 8503 of this title, or any party by right may appeal to the ~~public service board~~ Public Service Board if the act or decision concerns a renewable energy plant for which a certificate of public good is required under 30 V.S.A. § 248 or a telecommunications facility for which the applicant has applied or has served notice under 30 V.S.A. § 248a(e) that it will apply for approval under 30 V.S.A. § 248a. This section shall not apply to a facility that is subject to section 1004 (dams before the Federal Energy Regulatory Commission) or 1006 (certification of hydroelectric projects) or chapter 43 (dams) of this title. This section shall not apply to an appeal of an act or decision of the secretary regarding a telecommunications facility made on or after July 1, ~~2014~~ 2017.

\* \* \*

Sec. 32. REPEAL

2011 Acts and Resolves No. 53, Sec. 14d (repeal of limitations on municipal bylaws; municipal ordinances; wireless telecommunications facilities) is repealed.

Sec. 33. 3 V.S.A. § 2809 is amended to read:

§ 2809. REIMBURSEMENT OF AGENCY COSTS

(a)(1) The Secretary may require an applicant for a permit, license, certification, or order issued under a program that the Secretary enforces under 10 V.S.A. § 8003(a) to pay for the cost of research, scientific, programmatic, or engineering expertise provided by the Agency of Natural Resources, provided that the following apply:

(A) ~~the~~ The Secretary does not have such expertise or services and such expertise is required for the processing of the application for the permit, license, certification, or order; ~~or,~~

(B) ~~the~~ The Secretary does have such expertise but has made a determination that it is beyond the ~~agency's~~ Agency's internal capacity to effectively utilize that expertise to process the application for the permit, license, certification, or order. In addition, the Secretary shall determine that such expertise is required for the processing of the application for the permit, license, certification, or order.

(2) The Secretary may require an applicant under 10 V.S.A. chapter 151 to pay for the time of Agency of Natural Resources personnel providing research, scientific, or engineering services or for the cost of expert witnesses when ~~agency~~ Agency personnel or expert witnesses are required for the processing of the permit application.

(3) In addition to the authority set forth under 10 V.S.A. chapters 59 and 159 and § section 1283, the Secretary may require a person who caused the ~~agency~~ Agency to incur expenditures or a person in violation of a permit, license, certification, or order issued by the Secretary to pay for the time of ~~agency~~ Agency personnel or the cost of other research, scientific, or engineering services incurred by the ~~agency~~ Agency in response to a threat to public health or the environment presented by an emergency or exigent circumstance.

\* \* \*

(g) Concerning an application for a permit to discharge stormwater runoff from a telecommunications facility as defined in 30 V.S.A. § 248a that is filed before July 1, ~~2014~~ 2017:

(1) Under subdivision (a)(1) of this section, the ~~agency~~ Agency shall not require an applicant to pay more than \$10,000.00 with respect to a facility.

(2) The provisions of subsection (c) (mandatory meeting) of this section shall not apply.

#### Sec. 34. JFO ACCD DEMOGRAPHIC STUDY

The Agency of Commerce and Community Development, with consultation and review by the legislative economist and the Joint Fiscal Office, shall conduct an economic impact analysis, including study of demographic and infrastructure impacts associated with recently announced development projects in the Northeast Kingdom of Vermont, and shall submit its findings to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the Joint Fiscal Committee on or before December 1, 2014.

\* \* \* Tourism Funding; Study \* \* \*

#### Sec. 35. TOURISM FUNDING; PILOT PROJECT STUDY

On or before January 15, 2015, the Secretary of Commerce and Community Development shall submit to the House Committees on Appropriations and on Commerce and Economic Development and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs a

report that analyzes the results of the performance-based funding pilot project for the Department of Tourism and Marketing and recommends appropriate legislative or administrative changes to the funding mechanism for tourism and marketing programs.

\* \* \* Land Use; Housing; Industrial Development \* \* \*

Sec. 36. 10 V.S.A. chapter 12 is amended to read:

## CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT AUTHORITY

\* \* \*

### § 212. DEFINITIONS

As used in this chapter:

\* \* \*

(6) “Eligible facility” or “eligible project” means any industrial, commercial, or agricultural enterprise or endeavor approved by the authority that meets the criteria established in the Vermont Sustainable Jobs Strategy adopted by the Governor under section 280b of this title, including land and rights in land, air, or water, buildings, structures, machinery, and equipment of such eligible facilities or eligible projects, except that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to the sale of goods at retail where such goods are manufactured primarily out of state, and except further that an eligible facility or project shall not include the portion of an enterprise or endeavor relating to housing. Such enterprises or endeavors may include:

\* \* \*

(M) Sustainably Priced Energy Enterprise Development (SPEED) resources, as defined in 30 V.S.A. § 8002; ~~or~~

(N) any combination of the foregoing activities, uses, or purposes. An eligible facility may include structures, appurtenances incidental to the foregoing such as utility lines, storage accommodations, offices, dependent care facilities, or transportation facilities; or

(O) industrial park planning, development, or improvement.

\* \* \*

### § 261. ADDITIONAL POWERS

In addition to powers enumerated elsewhere in this chapter, the authority may:

---

\* \* \*

(6) provide loans and assistance under this subchapter for the planning, development, or improvement of an industrial park or an eligible project within an industrial park.

Sec. 37. 10 V.S.A. § 6001(35) is added to read:

(35) "Industrial park" means an area of land permitted under this chapter that is planned, designed, and zoned as a location for one or more industrial buildings, that includes adequate access roads, utilities, water, sewer, and other services necessary for the uses of the industrial buildings, and includes no retail use except that which is incidental to an industrial use, and no office use except that which is incidental or secondary to an industrial use.

Sec. 38. REVIEW OF MASTER PLAN POLICY

On or before January 1, 2015, the Natural Resources Board shall review its master plan policy and commence the policy's adoption as a rule. The proposed rule shall include provisions for efficient master plan permitting and master plan permit amendments for industrial parks. The Board shall consult with affected parties when developing the proposed rule.

\* \* \* Primary Agricultural Soils; Industrial Parks \* \* \*

Sec. 39. 10 V.S.A. § 6093(a)(4) is amended to read:

(4) Industrial parks.

(A) Notwithstanding any provision of this chapter to the contrary, a conversion of primary agricultural soils located in an industrial park ~~as defined in subdivision 212(7) of this title and~~ permitted under this chapter and in existence as of January 1, 2006, shall be allowed to pay a mitigation fee computed according to the provisions of subdivision (1) of this subsection, except that it shall be entitled to a ratio of 1:1, protected acres to acres of affected primary agricultural soil. If an industrial park is developed to the fullest extent before any expansion, this ratio shall apply to any contiguous expansion of such an industrial park that totals no more than 25 percent of the area of the park or no more than 10 acres, whichever is larger; provided any expansion based on percentage does not exceed 50 acres. Any expansion larger than that described in this subdivision shall be subject to the mitigation provisions of this subsection at ratios that depend upon the location of the expansion.

(B) In any application to a ~~district commission for expansion of~~ District Commission to amend a permit for an existing industrial park, compact

~~development patterns shall be encouraged that assure the most efficient and full use of land and the realization of maximum economic development potential through appropriate densities shall be allowed consistent with all applicable criteria of subsection 6086(a) of this title. Industrial park expansions and industrial park infill shall not be subject to requirements established in subdivision 6086(a)(9)(B)(iii) of this title, nor to requirements established in subdivision 6086(a)(9)(C)(iii).~~

Sec. 40. RESERVED

\* \* \* Workforce Education and Training \* \* \*

Sec. 41. 10 V.S.A. chapter 22A is amended to read:

#### CHAPTER 22A. WORKFORCE EDUCATION AND TRAINING

##### § 540. WORKFORCE EDUCATION AND TRAINING LEADER

The Commissioner of Labor shall be the leader of workforce education and training in the State, and shall have the authority and responsibility for the coordination of workforce education and training within State government, including the following duties:

(1) Perform the following duties in consultation with the State Workforce Investment Board:

(A) advise the Governor on the establishment of an integrated system of workforce education and training for Vermont;

(B) create and maintain an inventory of all existing workforce education and training programs and activities in the State;

(C) use data to ensure that State workforce education and training activities are aligned with the needs of the available workforce, the current and future job opportunities in the State, and the specific credentials needed to achieve employment in those jobs;

(D) develop a State plan, as required by federal law, to ensure that workforce education and training programs and activities in the State serve Vermont citizens and businesses to the maximum extent possible;

(E) ensure coordination and non-duplication of workforce education and training activities;

(F) identify best practices and gaps in the delivery of workforce education and training programs;

(G) design and implement criteria and performance measures for workforce education and training activities; and

(H) establish goals for the integrated workforce education and training system.

(2) Require from each business, training provider, or program that receives State funding to conduct workforce education and training a report that evaluates the results of the training. Each recipient shall submit its report on a schedule determined by the Commissioner and shall include at least the following information:

(A) name of the person who receives funding;

(B) amount of funding;

(C) activities and training provided;

(D) number of trainees and their general description;

(E) employment status of trainees; and

(F) future needs for resources.

(3) Review reports submitted by each recipient of workforce education and training funding.

(4) Issue an annual report to the Governor and the General Assembly on or before December 1 that includes a systematic evaluation of the accomplishments of the State workforce investment system and the performance of participating agencies and institutions.

(5) Coordinate public and private workforce programs to assure that information is easily accessible to students, employees, and employers, and that all information and necessary counseling is available through one contact.

(6) Facilitate effective communication between the business community and public and private educational institutions.

(7) Notwithstanding any provision of State law to the contrary, and to the fullest extent allowed under federal law, ensure that in each State and State-funded workforce education and training program, the program administrator collects and reports data and outcomes at the individual level by Social Security Number or an equivalent.

~~§ 541. WORKFORCE DEVELOPMENT COUNCIL; STATE WORKFORCE INVESTMENT BOARD; MEMBERS, TERMS~~

~~(a) The Workforce education and training Council is created as the successor to and the continuation of the Governor's Human Resources Investment Council and shall be the State Workforce Investment Board under~~

~~Public Law 105-220, the Workforce Investment Act of 1998, and any reauthorization of that act. The Council shall consist of the members required under the federal act and the following: the President of the University of Vermont or designee; the Chancellor of the Vermont State Colleges or designee; the President of the Vermont Student Assistance corporation or designee; the President of the Association of Vermont Independent Colleges or designee; a representative of the Abenaki Self Help Organization; at least two representatives of labor appointed by the Governor in addition to the two required under the federal act, who shall be chosen from a list of names submitted by Vermont AFL-CIO, Vermont NEA, and the Vermont State Employees Association; one representative of the low income community appointed by the Governor; two members of the Senate appointed by the Senate Committee on Committees; and two members of the house appointed by the speaker. In addition, the Governor shall appoint enough other members who are representatives of business or employers so that one half plus one of the members of the council are representatives of business or employers. At least one third of those appointed by the Governor as representatives of business or employers shall be chosen from a list of names submitted by the regional technical centers. As used in this section, "representative of business" means a business owner, a chief executive operating officer, or other business executive, and "employer" means an individual with policy making or hiring authority, including a public school superintendent or school board member and representatives from the nonprofit, social services, and health sectors of the economy. If there is a dispute as to who is to represent an interest as required under the federal law, the Governor shall decide who shall be the member of the Council.~~

~~(b) Appointed members, except legislative appointees, shall be appointed for three-year terms and serve at the pleasure of the Governor.~~

~~(c) A vacancy shall be filled for the unexpired term in the same manner as the initial appointment.~~

~~(d) The Governor shall appoint one of the business or employer members to chair the council for a term of two years. A member shall not serve more than three consecutive terms as chair.~~

~~(e) Legislative members shall be entitled to compensation and expenses as provided in 2 V.S.A. § 406, and other members shall be entitled to compensation and expenses as provided in 32 V.S.A. § 1010.~~

~~(f) The Department of Labor shall provide the Council with administrative support.~~

~~(g) The Workforce education and training Council shall be subject to 1 V.S.A. chapter 5, subchapters 2 and 3, relating to public meetings and access to public records.~~

~~(h) [Repealed.]~~

~~(i) The Workforce education and training Council shall:~~

~~(1) Advise the Governor on the establishment of an integrated network of workforce education and training for Vermont.~~

~~(2) Coordinate planning and services for an integrated network of workforce education and training and oversee its implementation at State and regional levels.~~

~~(3) Establish goals for and coordinate the State's workforce education and training policies.~~

~~(4) Speak for the workforce needs of employers.~~

~~(5) Negotiate memoranda of understanding between the Council and agencies and institutions involved in Vermont's integrated network of workforce education and training in order to ensure that each is working to achieve annual objectives developed by the Council.~~

~~(6) Carry out the duties assigned to the State Workforce Investment Board, as required for a single service delivery state, under P.L. 105-220, the Workforce Investment Act of 1998, and any amendments that may be made to it. [Repealed.]~~

#### § 541a. STATE WORKFORCE INVESTMENT BOARD

(a) Board established; duties. Pursuant to the requirements of 29 U.S.C. § 2821, the Governor shall establish a State Workforce Investment Board to assist the Governor in the execution of his or her duties under the Workforce Investment Act of 1998 and to assist the Commissioner of Labor as specified in section 540 of this title.

(b) Additional duties; planning; process. In order to inform its decision-making and to provide effective assistance under subsection (a) of this section, the Board shall:

(1) conduct an ongoing public engagement process throughout the State that brings together employers and potential employees, including students, the unemployed, and incumbent employees seeking further training, to provide feedback and information concerning their workforce education and training needs; and



(2) maintain familiarity with the federal Comprehensive Economic Development Strategy (CEDS) and other economic development planning processes, and coordinate workforce and education activities in the State, including the development and implementation of the State plan required under the Workforce Investment Act of 1998, with economic development planning processes occurring in the State, as appropriate.

(c) Membership. The Board shall consist of the Governor and the following members who are appointed by the Governor and serve at his or her pleasure, unless otherwise indicated:

(1) two Members of the Vermont House of Representatives appointed by the Speaker of the House;

(2) two Members of the Vermont Senate appointed by the Senate Committee on Committees;

(3) the President of the University of Vermont or designee;

(4) the Chancellor of the Vermont State Colleges or designee;

(5) the President of the Vermont Student Assistance Corporation or designee;

(6) a representative of an independent Vermont college or university;

(7) the Secretary of Education or designee;

(8) a director of a regional technical center;

(9) a principal of a Vermont high school;

(10) two representatives of labor organizations who have been nominated by State labor federations;

(11) two representatives of individuals and organizations who have experience with respect to youth activities, as defined in 29 U.S.C. § 2801(52);

(12) two representatives of individuals and organizations who have experience in the delivery of workforce investment activities, as defined in 29 U.S.C. § 2801(51);

(13) the lead State agency officials with responsibility for the programs and activities carried out by one-stop partners, as described in 29 U.S.C. § 2841(b), or if no official has that responsibility, a representative in the State with expertise relating to these programs and activities;

(14) the Commissioner of Economic Development;

(15) the Commissioner of Labor;

(16) the Secretary of Human Services or designee;

(17) two individuals who have experience in, and can speak for, the training needs of underemployed and unemployed Vermonters; and

(18) a number of appointees sufficient to constitute a majority of the Board who:

(A) are owners, chief executives, or operating officers of businesses, and other business executives or employers with optimum policymaking or hiring authority;

(B) represent businesses with employment opportunities that reflect the employment opportunities of the State; and

(C) are appointed from among individuals nominated by State business organizations and business trade associations.

(d) Operation of Board.

(1) Member representation.

(A) Members of the State Board who represent organizations, agencies, or other entities shall be individuals with optimum policymaking authority within the organizations, agencies, or entities.

(B) The members of the Board shall represent diverse regions of the State, including urban, rural, and suburban areas.

(2) Chair. The Governor shall select a chair for the Board from among the business representatives appointed pursuant to subdivision (c)(18) of this section.

(3) Meetings. The Board shall meet at least three times annually and shall hold additional meetings upon call of the Chair.

(4) Work groups; task forces. The Chair, in consultation with the Commissioner of Labor, may:

(A) assign one or more members to work groups to carry out the work of the Board; and

(B) appoint one or more members of the Board, or nonmembers of the Board, or both, to one or more task forces for a discrete purpose and duration.

(5) Quorum; meetings; voting.

(A) A majority of the sitting members of the Board shall constitute a quorum, and to be valid any action taken by the Board shall be authorized by a

majority of the members present and voting at any regular or special meeting at which a quorum is present.

(B) The Board may permit one or more members to participate in a regular or special meeting by, or conduct the meeting through the use of, any means of communication, including an electronic, telecommunications, and video- or audio-conferencing conference telephone call, by which all members participating may simultaneously or sequentially communicate with each other during the meeting. A member participating in a meeting by this means is deemed to be present in person at the meeting.

(C) The Board shall deliver electronically the minutes for each of its meetings to each member of the Board and to the Chairs of the House Committees on Education and on Commerce and Economic Development, and to the Senate Committees on Education and on Economic Development, Housing and General Affairs.

(6) Reimbursement.

(A) Legislative members of the Board shall be entitled to compensation and expenses as provided in 2 V.S.A. § 406.

(B) Unless otherwise compensated by his or her employer for performance of his or her duties on the Board, a nonlegislative member of the Board shall be eligible for per diem compensation of \$50.00 per day for attendance at a meeting of the Board, and for reimbursement of his or her necessary expenses, which shall be paid by the Department of Labor solely from funds available for that purpose under the Workforce Investment Act of 1998.

(7) Conflict of interest. A member of the Board shall not:

(A) vote on a matter under consideration by the Board:

(i) regarding the provision of services by the member, or by an entity that the member represents; or

(ii) that would provide direct financial benefit to the member or the immediate family of the member; or

(B) engage in any activity that the Governor determines constitutes a conflict of interest as specified in the State Plan required under 29 U.S.C. § 2822.

(8) Sunshine provision. The Board shall make available to the public, on a regular basis through open meetings, information regarding the activities of the Board, including information regarding the State Plan adopted

pursuant to 29 U.S.C. § 2822 and prior to submission of the State Plan to the U.S. Secretary of Labor, information regarding membership, and, on request, minutes of formal meetings of the Board.

§ 541b. WORKFORCE EDUCATION AND TRAINING; DUTIES OF  
OTHER STATE AGENCIES, DEPARTMENTS, AND PRIVATE  
PARTNERS

(a) To ensure the Workforce Investment Board and the Commissioner of Labor are able to fully perform their duties under this chapter, each agency and department within State government, and each person who receives funding from the State, shall comply within a reasonable period of time with a request for data and information made by the Board or the Commissioner in furtherance of their duties under this chapter.

(b) The Agency of Commerce and Community Development shall coordinate its work in adopting a statewide economic development plan with the activities of the Board and the Commissioner of Labor, including the development and implementation of the state plan for workforce education and training required under the Workforce Investment Act of 1998.

§ 542. REGIONAL WORKFORCE ~~DEVELOPMENT~~ EDUCATION AND  
TRAINING

(a) The Commissioner of Labor, in coordination with the Secretary of Commerce and Community Development, and in consultation with the Workforce ~~education and training Council~~ Investment Board, is authorized to issue performance grants to one or more persons to perform workforce education and training activities in a region.

(b) Each grant shall specify the scope of the workforce education and training activities to be performed and the geographic region to be served, and shall include outcomes and measures to evaluate the grantee's performance.

(c) The Commissioner of Labor and the Secretary of Commerce and Community Development shall jointly develop a grant process and eligibility criteria, as well as an outreach process for notifying potential participants of the grant program. The Commissioner of Labor shall have final authority to approve each grant.

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT  
PROGRAMS

(a) Creation. There is created a Workforce Education and Training Fund in the ~~department of labor~~ Department of Labor to be managed in accordance with 32 V.S.A. chapter 7, subchapter 5.

(b) Purposes. The Fund shall be used exclusively for the following ~~two~~ purposes:

(1) training ~~to improve the skills of~~ for Vermont workers, including those who are unemployed, underemployed, or in transition from one job or career to another; and

(2) internships to provide students with work-based learning opportunities with Vermont employers; and

(3) apprenticeship-related instruction.

(c) Administrative Support. Administrative support for the grant award process shall be provided by the ~~Departments~~ Department of Labor ~~and of Economic Development~~. Technical, ~~administrative, financial, and other~~ support shall be provided whenever appropriate and reasonable by the Workforce ~~Development Council~~ Investment Board and all other public entities involved in ~~Economic Development, workforce development and training, and education~~ economic development and workforce education and training.

(d) Eligible Activities. Awards from the Fund shall be made to employers and entities that offer programs that require collaboration between employees and businesses, including private, public, and nonprofit entities, institutions of higher education, high schools, technical centers, and workforce education and training programs. Funding shall be for training programs and student internship programs that offer education, training, apprenticeship, mentoring, or work-based learning activities, or any combination; that employ innovative intensive student-oriented competency-based or collaborative approaches to workforce education and training; and that link workforce education and economic development strategies. Training programs or projects that demonstrate actual increased income and economic opportunity for employees and employers may be funded for more than one year. Student internships and training programs that involve the same employer may be funded multiple times, provided that new students participate.

(e) ~~Award Criteria and Process. The Workforce education and training Council, in consultation with the Commissioners of Labor and of Economic Development and the Secretary of Education, shall develop criteria consistent with subsection (d) of this section for making awards under this section. The~~

~~Commissioners of Labor and of Economic Development and the Secretary of Education, shall develop a process for making awards. [Repealed].~~

(f) Awards. ~~Based on guidelines set by the council, the~~ The Commissioner of labor, ~~and the Secretary of Education~~ Labor, in consultation with the Workforce Investment Board, shall ~~jointly~~ develop award criteria and may make awards to the following:

(1) Training Programs.

(A) Public, private, and nonprofit entities for existing or new innovative training programs. Awards may be made to programs that retrain incumbent workers that enhance the skills of Vermont workers and:

(i) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;

(ii) do not duplicate, supplant, or replace other available programs funded with public money;

(iii) articulate clear goals and demonstrate readily accountable, reportable, and measurable results; and

(iv) demonstrate an integrated connection between training and specific new or continuing employment opportunities.

(B) Awards under this subdivision shall be made to programs or projects that do all the following:

~~(A)~~(i) offer innovative programs of intensive, student-centric, competency-based education, training, apprenticeship, mentoring, or any combination of these;

~~(B)~~(ii) address the needs of workers who are unemployed, underemployed, or are at risk of becoming unemployed due to changing workplace demands by increasing productivity and developing new skills for incumbent workers; or

(iii) in the discretion of the Commissioner, otherwise serve the purposes of this chapter.

~~(C) train workers for trades or occupations that are expected to lead to jobs paying at least 200 percent of the current minimum wage or at least 150 percent if benefits are included; this requirement may be waived when warranted based on regional or occupational wages or economic reality;~~

~~(D) do not duplicate, supplant, or replace other available programs funded with public money;~~

~~(E) articulate clear goals and demonstrate readily accountable, reportable, and measurable results;~~

~~(F) demonstrate an integrated connection between training and specific employment opportunities, including an effort and consideration by participating employers to hire those who successfully complete a training program; and~~

(2) Vermont Career Internship Program. Funding for eligible internship programs and activities under the Vermont Career Internship Program established in section 544 of this title.

(3) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

(g) [Repealed.]

#### § 544. VERMONT CAREER INTERNSHIP PROGRAM

(a)(1) The Department of Labor, in consultation with the Agency of Education, shall develop and implement a statewide Vermont Career Internship Program for Vermonters who are in high school or in college and for those who are recent graduates of 24 months or less.

(2) The Department of Labor shall coordinate and provide funding to public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, colleges, and recent graduates of 24 months or less.

(3) Funding awarded through the Vermont Career Internship Program may be used to administer an internship program and to provide participants with a stipend during the internship, based on need. Funds may be made only to programs or projects that do all the following:

(A) do not replace or supplant existing positions;

(B) create real workplace expectations and consequences;

(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;

(D) are designed to motivate and educate secondary and postsecondary students and recent graduates through work-based learning opportunities with Vermont employers that are likely to lead to real employment;

(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools; and

(F) offer participants a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont.

(4) ~~For the purposes of~~ As used in this section, “internship” means a learning experience working with an employer where the intern may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these.

(b) The Department of Labor, in collaboration with the Agencies of Agriculture, Food and Markets and of Education, ~~state-funded~~ State-funded postsecondary educational institutions, the Workforce ~~Development Council~~ Investment Board, and other ~~state~~ State agencies and departments that have workforce education and training and training monies, shall:

(1) identify new and existing funding sources that may be allocated to the Vermont Career Internship Program;

(2) collect data and establish program goals and quantifiable performance measures for internship programs funded through the Vermont Career Internship Program;

(3) develop or enhance a website that will connect students and graduates with internship opportunities with Vermont employers;

(4) engage appropriate agencies and departments of the State in the Internship Program to expand internship opportunities with State government and with entities awarded State contracts; and

(5) work with other public and private entities to develop and enhance internship programs, opportunities, and activities throughout the State.

Sec. 42. 10 V.S.A. chapter 22 is amended to read:

CHAPTER 22. ~~EMPLOYMENT~~ THE VERMONT  
TRAINING PROGRAM

§ 531. ~~EMPLOYMENT~~ THE VERMONT TRAINING PROGRAM



(a)(1) The Secretary of Commerce and Community Development may, in consultation with the Workforce Investment Board, shall have the authority to design and implement a Vermont Training Program, the purpose of which shall be to issue performance-based grants to any employer, consortium of employers, or providers of training, either individuals or organizations, as necessary, to conduct training under the following circumstances: to employers and to education and training providers to increase employment opportunities in Vermont consistent with this chapter.

(2) The Secretary shall structure the Vermont Training Program to serve as a flexible, nimble, and strategic resource for Vermont businesses and workers across all sectors of the economy.

~~(1) when issuing grants to an employer or consortium of employers, the employer promises as a condition of the grant to where eligible facility is defined as in subdivision 212(6) of this title relating to the Vermont Economic Development Authority, or the employer or consortium of employers promises to open an eligible facility within the State which will employ persons, provided that for the purposes of this section, eligible facility may be broadly interpreted to include employers in sectors other than manufacturing; and~~

~~(2) training is required for potential employees, new employees, or long-standing employees in the methods, either singularly or in combination relating to pre-employment training, on-the-job training, upgrade training, and crossover training, or specialized instruction, either in plant or through a training provider.~~

(b) Eligibility for grant. The Secretary of Commerce and Community Development may award a grant to an employer if:

(1) the employer's new or expanded initiative will enhance employment opportunities for Vermont residents; the training is for preemployment, new employees, or incumbent employees in the methods, either singularly or in combination, relating to preemployment training, on-the-job training, upgrade training, crossover training, or specialized instruction, either on-site or through a training provider;

(2) the employer provides its employees with at least three of the following:

- (A) health care benefits with 50 percent or more of the premium paid by the employer;
- (B) dental assistance;
- (C) paid vacation ~~and;~~

- (D) paid holidays;
- ~~(D)~~(E) child care;
- ~~(E)~~(F) other extraordinary employee benefits;
- ~~(F)~~(G) retirement benefits; and
- (H) other paid time off, including paid sick days;

(3) the training is directly related to the employment responsibilities of the trainee; and

(4) compensation for each trainee at the completion of the training program equals or exceeds the livable wage as defined in 2 V.S.A. § 505, provided that the Secretary shall have the authority to modify this requirement if he or she determines that the employer offers compensation or benefits, the value of which exceeds the compensation and benefit assumptions in the basic needs budget and livable wage calculated pursuant to 2 V.S.A. § 505.

~~(c) The employer promises as a condition of the grant to:~~

~~(1) employ new persons at a wage which, at the completion of the training program, is two times the prevailing state or federal minimum wage, whichever is greater, reduced by the value of any existing health benefit package up to a limit of 30 percent of the gross program wage, or for existing employees, to increase the wage to two times the prevailing state and federal minimum wage, whichever is greater, reduced by the value of any existing health benefit package up to a limit of 20 percent of the gross program wage, upon completion of training; provided, however, that in areas defined by the Secretary of Commerce and Community Development in which the Secretary finds that the rate of unemployment is 50 percent greater than the average for the State, the wage rate under this subsection may be set by the Secretary at a rate no less than one and one-half times the federal or state minimum wage, whichever is greater;~~

~~(2) employ persons who have completed the training provided for them and nominated as qualified for a reasonable period at the wages and occupations described in the contract, unless the employer reasonably finds the nominee is not qualified;~~

~~(3) provide its employees with at least three of the following:~~

~~(A) health care benefits with 50 percent or more of the premium paid by the employer;~~

~~(B) dental assistance;~~

- ~~(C) paid vacation and holidays;~~
- ~~(D) child care;~~
- ~~(E) other extraordinary employee benefits; and~~
- ~~(F) retirement benefits.~~

~~(4) submit a customer satisfaction report to the Secretary of Commerce and Community Development, on a form prepared by the Secretary for that purpose, no more than 30 days from the last day of the training program.~~

In the case of a grant to a training provider, the Secretary shall require as a condition of the grant that the provider shall disclose to the Secretary the name of the employer and the number of employees trained prior to final payment for the training.

(d) In order to avoid duplication of programs or services and to provide the greatest return on investment from training provided under this section, the Secretary of Commerce and Community Development shall:

(1) ~~first~~ consult with the Commissioner of Labor regarding whether the grantee has accessed, or is eligible to access, other workforce education and training resources ~~offered by public or private workforce education and training partners;~~

(2) disburse grant funds only for training hours that have been successfully completed by employees; provided that a grant for on-the-job training shall either provide not more than 50 percent of wages for each employee in training, or not more than 50 percent of trainer expense, but not both, and further provided that training shall be performed in accordance with a training plan that defines the subject of the training, the number of training hours, and how the effectiveness of the training will be evaluated; and

(3) use funds under this section only to supplement training efforts of employers and not to replace or supplant training efforts of employers.

~~(e) The Secretary of Commerce and Community Development shall administer all training programs under this section, may select and use providers of training as appropriate, and shall adopt rules and may accept services, money, or property donated for the purposes of this section. The Secretary may promote awareness of, and may give priority to, training that enhances critical skills, productivity, innovation, quality, or competitiveness, such as training in Innovation Engineering, "Lean" systems, and ISO certification for expansion into new markets. [Repealed.]~~

(f) Upon completion of the training program for any individual, the secretary of Commerce and Community Development shall review the records and shall award to the trainee, if appropriate, a certificate of completion for the training.

~~(g) None of the criteria in subdivision (a)(1) of this section shall apply to a designated job development zone under chapter 29, subchapter 2 of this title. [Repealed.]~~

~~(h) The Secretary may designate the Commissioner of Economic Development to carry out his or her powers and duties under this chapter. [Repealed.]~~

~~(i) Program Outcomes.~~

~~(1) On or before September 1, 2011, the Agency of Commerce and Community Development, in coordination with the department of labor, and in consultation with the Workforce education and training Council and the legislative Joint Fiscal Office, shall develop, to the extent appropriate, a common set of benchmarks and performance measures for the training program established in this section and the Workforce Education and Training Fund established in section 543 of this title, and shall collect employee specific data on training outcomes regarding the performance measures; provided, however, that the Secretary shall redact personal identifying information from such data.~~

~~(2) On or before January 15, 2013, the Joint Fiscal Office shall prepare a performance report using the benchmarks and performance measures created pursuant to subdivision (1) of this subsection. The Joint Fiscal Office shall submit its report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development.~~

~~(3) The Secretary shall use information gathered pursuant to this subsection and customer satisfaction reports submitted pursuant to subdivision (c)(4) of this section to evaluate the program and make necessary changes that fall within the Secretary's authority or, if beyond the scope of the Secretary's authority, to recommend necessary changes to the appropriate committees of the General Assembly. [Repealed.]~~

~~(j) Consistent with the training program's goal of providing specialized training and increased employment opportunities for Vermonters, and notwithstanding provisions of this section to the contrary, the Secretary shall canvas apprenticeship sponsors to determine demand for various levels of training and classes and shall transfer up to \$250,000.00 annually to the~~

~~regional technical centers to fund or provide supplemental funding for apprenticeship training programs leading up to certification or licensing as journeyman or master electricians or plumbers. The Secretary shall seek to provide these funds equitably throughout Vermont; however, the Secretary shall give priority to regions not currently served by apprenticeship programs offered through the Vermont Department of Labor pursuant to 21 V.S.A. chapter 13. [Repealed].~~

(k) Annually on or before January 15, the Secretary shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs summarizing. In addition to the reporting requirements under section 540 of this title, the report shall identify:

(1) all active and completed contracts and grants;

(2) the types of training activities provided, from among the following, the category the training addressed:

(A) preemployment training or other training for a new employee to begin a newly created position with the employer;

(B) preemployment training or other training for a new employee to begin in an existing position with the employer;

(C) training for an incumbent employee who, upon completion of training, assumes a newly created position with the employer;

(D) training for an incumbent employee who upon completion of training assumes a different position with the employer;

(E) training for an incumbent employee to upgrade skills;

(3) for the training identified in subdivision whether the training is onsite or classroom-based;

(4) the number of employees served, and ;

(5) the average wage by employer, and addressing;

(6) any waivers granted;

(7) the identity of the employer, or, if unknown at the time of the report, the category of employer;

(8) the identity of each training provider; and

(9) whether training results in a wage increase for a trainee, and the amount of increase.

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Sec. 43. REPEAL

2007 Acts and Resolves No. 46, Sec. 6(a), as amended by 2009 Acts and Resolves No. 54, Sec. 8 (workforce education and training leader) and 2013 Acts and Resolves No. 81, Sec. 2, is repealed.

Sec. 44. DEPARTMENT OF LABOR; AGENCY OF COMMERCE AND  
COMMUNITY DEVELOPMENT; STATUTORY PROPOSALS

On or before November 1, 2014:

(1) The Commissioner of Labor shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a proposal to amend the language of 10 V.S.A. § 543 to reflect best practices and improve clarity in the administration of, and for applicants to, the grant program from the Workforce Education and Training Fund under that section.

(2) The Secretary of Commerce and Community Development shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a proposal to amend the language of 10 V.S.A. § 531 to reflect best practices and improve clarity in the administration of, and for applicants to, the Vermont Training Program under that section.

Sec. 45. INTERNSHIP OPPORTUNITIES FOR YOUNG PERSONS

On or before January 15, 2015, the Commissioner of Labor shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a report that details the internship opportunities available to Vermonters between 15 and 18 years of age and recommends one or more means to expand these opportunities through the Vermont Career Internship Program, 10 V.S.A. § 544, or through other appropriate mechanisms.

\* \* \* Vermont Strong Scholars Program \* \* \*

Sec. 46. 16 V.S.A. chapter 90 is redesignated to read:

CHAPTER 90. FUNDING OF POSTSECONDARY INSTITUTIONS  
EDUCATION

Sec. 47. 16 V.S.A. § 2888 is added to read:

§ 2888. VERMONT STRONG SCHOLARS AND INTERNSHIP  
INITIATIVE

(a) Creation.

(1) There is created a postsecondary loan forgiveness and internship initiative designed to forgive a portion of Vermont Student Assistance Corporation loans of students employed in economic sectors identified as important to Vermont's economy and to build internship opportunities for students to gain work experience with Vermont employers.

(2) The initiative shall be known as the Vermont Strong Scholars and Internship Initiative and is designed to:

(A) encourage students to:

(i) consider jobs in economic sectors that are critical to the Vermont economy;

(ii) enroll and remain enrolled in a Vermont postsecondary institution; and

(iii) live in Vermont upon graduation;

(B) reduce student loan debt for postsecondary education in targeted fields;

(C) provide experiential learning through internship opportunities with Vermont employers; and

(D) support a pipeline of qualified talent for employment with Vermont's employers.

(b) Vermont Strong Loan Forgiveness Program.

(1) Economic sectors; projections.

(A) Annually, on or before November 15, the Secretary of Commerce and Community Development and the Commissioner of Labor, in consultation with the Vermont State Colleges, the University of Vermont, the Vermont Student Assistance Corporation, the Secretary of Human Services, and the Secretary of Education, shall identify economic sectors, projecting at least four years into the future, that are or will be critical to the Vermont economy.

(B) Based upon the identified economic sectors and the number of students anticipated to qualify for loan forgiveness under this section, the Secretary of Commerce and Community Development shall annually provide the General Assembly with the estimated cost of the Vermont Student Assistance Corporation's loan forgiveness awards under the loan forgiveness program during the then-current fiscal year and each of the four following fiscal years.

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(2) Eligibility. A graduate of a public or private Vermont postsecondary institution shall be eligible for forgiveness of a portion of his or her Vermont Student Assistance Corporation postsecondary education loans under this section if he or she:

(A) was a Vermont resident, as defined in 16 V.S.A. § 2822(7), at the time he or she was graduated;

(B) enrolled in a postsecondary institution on or after July 1, 2015 and completed an associate's degree within three years, or a bachelor's degree within six years;

(C) becomes employed in Vermont within 12 months of graduation in an economic sector identified by the Secretary and Commissioner under subdivision (1) of this subsection;

(D) remains employed in Vermont throughout the period of loan forgiveness in an economic sector identified by the Secretary and Commissioner under subdivision (1) of this subsection; and

(E) remains a Vermont resident throughout the period of loan forgiveness.

(3) Loan forgiveness. An eligible individual shall have a portion of his or her Vermont Student Assistance Corporation loan forgiven as follows:

(A) for an individual awarded an associate's degree, in an amount equal to the comprehensive in-state tuition rate for 15 credits at the Vermont State Colleges during the individual's final semester of enrollment, to be prorated over the three years following graduation; and

(B) for an individual awarded a bachelor's degree, in an amount equal to the comprehensive in-state tuition rate for 30 credits at the Vermont State Colleges during the individual's final year of enrollment, to be prorated over the five years following graduation.

(C) Loan forgiveness may be awarded on a prorated basis to an otherwise eligible Vermont resident who transfers to and is graduated from a Vermont postsecondary institution.

(4) Management.

(A) The Secretary of Commerce and Community Development shall develop all organizational details of the loan forgiveness program consistent with the purposes and requirements of this section.



(B) The Secretary shall enter into a memorandum of understanding with the Vermont Student Assistance Corporation for management of the loan forgiveness program.

(C) The Secretary may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the Program.

(c) Vermont Strong Internship Program.

(1) Internship program management.

(A) The Commissioner of Labor and the Secretary of Commerce and Community Development shall jointly develop and implement the organizational details of the internship program consistent with the purposes and requirements of this section and may adopt rules pursuant to 3 V.S.A. chapter 25 necessary to implement the internship program.

(B) The Commissioner, in consultation with the Secretary, shall issue a request for proposals for a person to serve as an Internship Program Intermediary, who shall perform the duties and responsibilities pursuant to the terms of a performance contract negotiated by the Commissioner and the Intermediary.

(C) The Department of Labor, the Agency of Commerce and Community Development, the regional development corporations, and the Intermediary, shall have responsibility for building connections within the business community to ensure broad private sector participation in the internship program.

(D) The Program Intermediary shall:

(i) identify and foster postsecondary internships that are rigorous, productive, well-managed, and mentored;

(ii) cultivate relationships with employers, employer-focused organizations, and state and regional government bodies;

(iii) build relationships with Vermont postsecondary institutions and facilitate recruitment of students to apply for available internships;

(iv) create and maintain a registry of participating employers and associated internship opportunities;

(v) coordinate and provide support to the participating student, the employer, and the student's postsecondary institution;

(vi) develop and oversee a participation contract between each student and employer, including terms governing the expectations for the

internship, a work plan, mentoring and supervision of the student, reporting by the employer and student, and compensation terms; and

(vii) carry out any additional activities and duties as directed by the Commissioner.

(2) Qualifying internships.

(A) Criteria. To qualify for participation in the internship program an internship shall at minimum:

(i) be with a Vermont employer as approved by the Intermediary in consultation with the Commissioner and Secretary;

(ii) pay compensation to an intern of at least the prevailing minimum wage; and

(iii) meet the quality standards and expectations as established by the Intermediary.

(B) Employment of interns. Interns shall be employed by the sponsoring employer except, with the approval of the Commissioner on a case-by-case basis, interns may be employed by the Intermediary and assigned to work with a participating Vermont employer, in which case the sponsoring employer shall contribute funds as determined by the Commissioner.

(3) Student eligibility. To participate in the internship program an individual shall be:

(A) a Vermont resident enrolled in a post-secondary institution in or outside Vermont;

(B) a student who graduated from a postsecondary institution within 24 months of entering the program who was classified as a Vermont resident during that schooling or who is a student who attended a post-secondary institution in Vermont; or

(C) a student enrolled in a Vermont post-secondary institution.

(d) Funding.

(1) Loan forgiveness program.

(A) Loan forgiveness; State funding.

(i) There is created a special fund to be known as the Vermont Strong Scholars Fund pursuant to 32 V.S.A. chapter 7, subchapter 5, which shall be used and administered by the Secretary of Commerce and Community

Development solely for the purposes of loan forgiveness pursuant to this section.

(ii) The Fund shall consist of sums to be identified by the Secretary from any source accepted for the benefit of the Fund and interest earned from the investment of Fund balances.

(iii) Any interest earned and any remaining balance at the end of the fiscal year shall be carried forward in the Fund.

(iv) The availability and payment of loan forgiveness awards under this subdivision is subject to State funding available for the awards.

(B) Loan forgiveness; Vermont Student Assistance Corporation.

The Vermont Student Assistance Corporation shall have the authority to grant loan forgiveness pursuant to this section by using the private loan forgiveness capacity associated with bonds issued by the Corporation to raise funds for private loans that are eligible for forgiveness under this section, if available.

(2) Internship program. Notwithstanding any provision of law to the contrary, the Commissioner of Labor shall have the authority to use funds allocated to the Workforce Education and Training Fund established in 10 V.S.A. § 543 to implement the internship program created in this section.

Sec. 48. VERMONT STRONG INTERIM REPORT

On or before November 1, 2014, the Secretary of Commerce and Community Development shall report to the Joint Fiscal Committee on the organizational and economic details of the Vermont Strong Scholars Initiative, including:

(1) the economic sectors selected for loan forgiveness;

(2) the projected annual cost of the Initiative,

(3) the proposed funding sources;

(4) programmatic proposals and economic projections on the feasibility and impacts of expanding eligibility for the loan forgiveness program to include Vermont residents who attend postsecondary institutions outside Vermont and out-of-state residents who attend Vermont postsecondary institutions; and

(5) the projected balance of the Vermont Strong Scholars Fund for each fiscal year through fiscal year 2018.

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Sec. 49. VERMONT PRODUCTS PROGRAM; STUDY; REPORT

(a) On or before September 1, 2016, the Agency of Commerce and Community Development, after consulting with appropriate stakeholders, shall report to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development on creating a Vermont Products Program for the purpose of providing Vermont businesses with a means of promoting and marketing products and services that are manufactured, designed, engineered, or formulated in Vermont and avoiding confusion by consumers when the Vermont brand is used in marketing products or services.

(b) The report required by this section shall describe the method, feasibility, and cost of creating a Vermont Products Program that includes the following elements:

(1) The program shall include a licensing system that enables qualifying persons to make marketing claims concerning significant business activities occurring in Vermont, and to self-certify products and services that are manufactured, designed, engineered, or formulated in Vermont. Under this system, the Secretary shall identify and craft branding and marketing guidelines that concern whether and how qualifying products or services manufactured, designed, engineered, or formulated in Vermont can be properly claimed so as to be licensed. The licensing system shall permit an applicant to self-certify compliance with designated criteria and attest to the accuracy of claims authorized by the Secretary in order to obtain a license to advertise and promote a product or service using the licensed materials.

(2) The program may charge an annual fee for the issuance of the license.

(3) The program shall include an on-line application process that permits an applicant to obtain the license if he or she certifies compliance with criteria designated by the Secretary, attests to the accuracy of statements designated by the Secretary, and pays the required fee.

(4) Licenses issued under the program shall include a provision requiring that disputes regarding the license be resolved by alternative dispute resolution. A person who objects to the issuance of a license may file a complaint with the Secretary, who shall refer it for alternative dispute resolution as provided in the license.

(5) A special fund, comprising license fees and any monies appropriated by the General Assembly, may be created for the administration and advertising of the program.

(c) The report required by this section shall include a recommendation as to whether the Vermont Products Program should replace the rules regarding Vermont Origin adopted by the Attorney General.

(d) On or before February 1, 2015, the Secretary of Commerce and Community Development shall deliver testimony to the Senate Committee on Economic Development, Housing and General Affairs and the House Committee on Commerce and Economic Development on the status of the Vermont Products Program pursuant to this section.

\* \* \* Workers' Compensation \* \* \*

Sec. 50. 21 V.S.A. § 632 is amended to read:

§ 632. COMPENSATION TO DEPENDENTS; ~~DEATH BENEFITS~~  
BURIAL AND FUNERAL EXPENSES

If death results from the injury, the employer shall pay to the persons entitled to compensation or, if there is none, then to the personal representative of the deceased employee, the actual burial and funeral expenses ~~in the amount of \$5,500.00~~ not to exceed \$10,000.00 and the actual expenses for out-of-state transportation of the decedent to the place of burial not to exceed ~~\$1,000.00~~ \$5,000.00. Every two years, the Commissioner of Labor shall evaluate the average burial and funeral expenses in the State and make a recommendation to the House Committee on Commerce and Economic Development and the Senate Committee on Finance as to whether an adjustment in compensation is warranted. The employer shall also pay to or for the benefit of the following persons, for the periods prescribed in section 635 of this title, a weekly compensation equal to the following percentages of the deceased employee's average weekly wages. The weekly compensation payment herein allowed shall not exceed the maximum weekly compensation or be lower than the minimum weekly compensation:

\* \* \*

Sec. 51. 21 V.S.A. § 639 is amended to read:

§ 639. DEATH, PAYMENT TO DEPENDENTS

In cases of the death of a person from any cause other than the accident during the period of payments for disability or for the permanent injury, the remaining payments for disability then due or for the permanent injury shall be made to the person's dependents according to the provisions of sections 635 and 636 of this title, or if there are none, the remaining amount due, but ~~not exceeding \$5,500.00 for burial and funeral expenses~~ no more than the actual burial and funeral expenses not to exceed \$10,000.00 and the actual expenses

for out-of-state transportation of the decedent to the place of burial not to exceed ~~\$1,000.00~~ \$5,000.00, shall be paid in a lump sum to the proper person. Every two years, the Commissioner of Labor shall evaluate the average burial and funeral expenses in the State and make a recommendation to the House Committee on Commerce and Economic Development and the Senate Committee on Finance as to whether an adjustment in compensation is warranted.

Sec. 52. 21 V.S.A. § 640c is added to read:

§ 640c. OPIOID USAGE DETERRENCE

(a) In support of the State's fundamental interest in ensuring the well-being of employees and employers, it is the intent of the General Assembly to protect employees from the dangers of prescription drug abuse while maintaining a balance between the employee's health and the employee's expedient return to work.

(b) As it pertains to workers' compensation claims, the Commissioner of Labor, in consultation with the Department of Health, the State Pharmacologist, the Vermont Board of Medical Practice, and the Vermont Medical Society, shall adopt rules consistent with the best practices governing the prescription of opioids, including patient screening, drug screening, and claim adjudication for patients prescribed opioids for chronic pain. In adopting rules, the Commissioner shall consider guidelines and standards such as the Occupational Medicine Practice Guidelines published by the American College of Occupational and Environmental Medicine and other medical authorities with expertise in the treatment of chronic pain. The rules shall be consistent with the standards and guidelines under 18 V.S.A. § 4289 and any rules adopted by the Department of Health pursuant to 18 V.S.A § 4289.

Sec. 53. 21 V.S.A. § 641 is amended to read:

§ 641. VOCATIONAL REHABILITATION

\* \* \*

(e)(1) In support of the State's fundamental interest in ensuring the well-being of employees and employers, it is the intent of the General Assembly that, following a workplace accident, an employee return to work as soon as possible but remain cognizant of the limitations imposed by his or her medical condition.

(2) The Commissioner shall adopt rules promoting development and implementation of cost-effective, early return-to-work programs.

Sec. 54. 21 V.S.A. § 643a is amended to read:

§ 643a. DISCONTINUANCE OF BENEFITS

Unless an injured worker has successfully returned to work, an employer shall notify both the Commissioner and the employee prior to terminating benefits under either section 642 or 646 of this title. The notice of intention to discontinue payments shall be filed on forms prescribed by the Commissioner and shall include the date of the proposed discontinuance, the reasons for it, and, if the employee has been out of work for 90 days, a verification that the employer offered vocational rehabilitation screening and services as required under this chapter. All relevant evidence, including evidence that does not support discontinuance in the possession of the employer not already filed, shall be filed with the notice. The liability for the payments shall continue for seven days after the notice is received by the Commissioner and the employee. If the claimant disputes the discontinuance, the claimant may file with the Commissioner an objection to the discontinuance and seek an extension of 14 days. The objection to the discontinuance shall be specific as to the reasons and include supporting evidence. A copy of the objection shall be provided to the employer at the time the request is made to the Commissioner. Those payments shall be made without prejudice to the employer and may be deducted from any amounts due pursuant to section 648 of this title if the Commissioner determines that the discontinuance is warranted or if otherwise ordered by the Commissioner. Every notice shall be reviewed by the Commissioner to determine the sufficiency of the basis for the proposed discontinuance. If, after review of all the evidence in the file, the Commissioner finds that a preponderance of all the evidence in the file does not reasonably support the proposed discontinuance, the Commissioner shall order that payments continue until a hearing is held and a decision is rendered. Prior to a formal hearing, an injured worker may request reinstatement of benefits by providing additional new evidence to the Department that establishes that a preponderance of all evidence now supports the claim. If the Commissioner's decision, after a hearing, is that the employee was not entitled to any or all benefits paid between the discontinuance and the final decision, upon request of the employer, the Commissioner may order that the employee repay all benefits to which the employee was not entitled. The employer may enforce a repayment order in any court of law having jurisdiction.

Sec. 54a. REPEAL

21 V.S.A. § 643a shall be repealed on July 1, 2018.

Sec. 54b. 21 V.S.A. § 643a is added to read:

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§ 643a. DISCONTINUANCE OF BENEFITS

Unless an injured worker has successfully returned to work, an employer shall notify both the Commissioner and the employee prior to terminating benefits under either section 642 or 646 of this title. The notice of intention to discontinue payments shall be filed on forms prescribed by the Commissioner and shall include the date of the proposed discontinuance, the reasons for it, and, if the employee has been out of work for 90 days, a verification that the employer offered vocational rehabilitation screening and services as required under this chapter. All relevant evidence, including evidence that does not support discontinuance in the possession of the employer not already filed, shall be filed with the notice. The liability for the payments shall continue for seven days after the notice is received by the Commissioner and the employee. Those payments shall be made without prejudice to the employer and may be deducted from any amounts due pursuant to section 648 of this title if the Commissioner determines that the discontinuance is warranted or if otherwise ordered by the Commissioner. Every notice shall be reviewed by the Commissioner to determine the sufficiency of the basis for the proposed discontinuance. If, after review of all the evidence in the file, the Commissioner finds that a preponderance of all the evidence in the file does not reasonably support the proposed discontinuance, the Commissioner shall order that payments continue until a hearing is held and a decision is rendered. Prior to a formal hearing, an injured worker may request reinstatement of benefits by providing additional new evidence to the Department that establishes that a preponderance of all evidence now supports the claim. If the Commissioner's decision, after a hearing, is that the employee was not entitled to any or all benefits paid between the discontinuance and the final decision, upon request of the employer, the Commissioner may order that the employee repay all benefits to which the employee was not entitled. The employer may enforce a repayment order in any court of law having jurisdiction.

Sec. 54c. STUDY; REPORT; DISCONTINUANCE OF BENEFITS

The Commissioner of Labor shall assess the financial and administrative impacts of the statutory revisions to 21 V.S.A. § 643a, as amended by this act, and on or before January 15, 2017 shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a report addressing:

- (1) whether the statutory revisions expedited the discontinuance process;
- (2) whether the statutory revisions affected workers' compensation insurance rates;



(3) how many requests to discontinue benefits were received, acted on, the time required for action, and whether there was a subsequent order for reinstatement of benefits; and

(4) any other matters deemed relevant by the Commissioner.

Sec. 55. 21 V.S.A. § 691a is added to read:

§ 691a. POSTING OF SAFETY RECORDS

(a) In support of the State's fundamental interest in ensuring the well-being of employees and employers, it is the intent of the General Assembly to improve the safety experience in the workplace.

(b) An employer subject to the provisions of this chapter shall post a notice in the employer's place of business to advise employees of where they may review the employer's record of workplace safety, including workplace injury and illness data, in accordance with rules adopted by the Commissioner. The employer's record of workplace safety, including workplace injury and illness data, shall be available for review by employees at the employer's place of business and the Commissioner, but shall not otherwise be public information. The posting shall be in a format approved by the Commissioner. The posting may be in a format provided by the Commissioner.

Sec. 56. 21 V.S.A. § 696 is amended to read:

§ 696. CANCELLATION OF INSURANCE CONTRACTS

A policy or contract shall not be cancelled within the time ~~limited~~ specified in the policy or contract for its expiration, until at least 45 days after a notice of intention to cancel the policy or contract, on a date specified in the notice, has been filed in the office of the ~~commissioner~~ Commissioner and provided to the employer. The notice shall be filed with the Commissioner in accordance with rules adopted by the Commissioner and provided to the employer by certified mail ~~or certificate of mailing~~. The cancellation shall not affect the liability of an insurance carrier on account of an injury occurring prior to cancellation.

Sec. 57. 21 V.S.A. § 697 is amended to read:

§ 697. NOTICE OF INTENT NOT TO RENEW POLICY

An insurance carrier who does not intend to renew a workers' compensation insurance policy ~~of workers' compensation insurance~~ or guarantee contract covering the liability of an employer under the provisions of this chapter, ~~45 days prior to the expiration of the policy or contract~~, shall give notice of ~~the~~ its intention to the ~~commissioner of labor~~ Commissioner and ~~to the covered employer~~ at least 45 days prior to the expiration date stated in the policy or

contract. The notice shall be given to the employer by certified mail or certificate of mailing. An insurance carrier who fails to give notice shall continue the policy or contract in force beyond its expiration date for 45 days from the day the notice is received by the commissioner Commissioner and the employer. However, this latter provision shall not apply if, prior to such expiration date, on or before the expiration of the existing insurance or guarantee contract the insurance carrier has, by delivery of a renewal contract or otherwise, offered to continue the insurance beyond the date by delivery of a renewal contract or otherwise, or if the employer notifies the insurance carrier in writing that the employer does not wish the insurance continued beyond the expiration date, or if the employer complies with the provisions of section 687 of this title, on or before the expiration of the existing insurance or guarantee contract then the policy will expire upon notice to the Commissioner.

Sec. 58. ROBERT H. WOOD CRIMINAL JUSTICE AND FIRE SERVICE TRAINING CENTER STUDY

The Department of Labor and the Office of Risk Management, in consultation with the Vermont League of Cities and Towns and any other interested parties, shall conduct a study, to be submitted to the House Committee on Commerce and Economic Development and the Senate Committee on Finance on or before January 15, 2015, to:

(1) analyze existing and frequently occurring injuries suffered by individuals while attending the Robert H. Wood Criminal Justice and Fire Service Training Center;

(2) analyze preventive measures to avoid injuries;

(3) recommend who should bear the financial burden of the workers' compensation premiums; and

(4) recommend preventive measures necessary to reduce injuries.

Sec. 59. WORKPLACE SAFETY RANKING STUDY

The Department of Labor and the Department of Financial Regulation, in consultation with the *National Council on Compensation Insurance*, shall study whether information may be made available to employers to allow an employer to compare its workplace safety and workers' compensation experience with that of employers in similar industries or *North American Industry Classification System* codes.

Sec. 60. 2013 Acts and Resolves No. 75, Sec. 14 is amended as follows:

Sec. 14. UNIFIED PAIN MANAGEMENT SYSTEM ADVISORY COUNCIL

\* \* \*

(b) The Unified Pain Management System Advisory Council shall consist of the following members:

\* \* \*

(4) the Commissioner of Labor or designee;

(5) the Director of the Blueprint for Health or designee;

~~(5)~~(6) the Chair of the Board of Medical Practice or designee, who shall be a clinician;

~~(6)~~(7) a representative of the Vermont State Dental Society, who shall be a dentist;

~~(7)~~(8) a representative of the Vermont Board of Pharmacy, who shall be a pharmacist;

~~(8)~~(9) a faculty member of the academic detailing program at the University of Vermont's College of Medicine;

~~(9)~~(10) a faculty member of the University of Vermont's College of Medicine with expertise in the treatment of addiction or chronic pain management;

~~(10)~~(11) a representative of the Vermont Medical Society, who shall be a primary care clinician;

~~(11)~~(12) a representative of the American Academy of Family Physicians, Vermont chapter, who shall be a primary care clinician;

~~(12)~~(13) a representative from the Vermont Board of Osteopathic Physicians, who shall be an osteopath;

~~(13)~~(14) a representative of the Federally Qualified Health Centers, who shall be a primary care clinician selected by the Bi-State Primary Care Association;

~~(14)~~(15) a representative of the Vermont Ethics Network;

~~(15)~~(16) a representative of the Hospice and Palliative Care Council of Vermont;

~~(16)~~(17) a representative of the Office of the Health Care Ombudsman;

~~(17)~~(18) the Medical Director for the Department of Vermont Health Access;

~~(18)~~(19) a clinician who works in the emergency department of a hospital, to be selected by the Vermont Association of Hospitals and Health Systems in consultation with any nonmember hospitals;

~~(19)~~(20) a member of the Vermont Board of Nursing Subcommittee on APRN Practice, who shall be an advanced practice registered nurse;

~~(20)~~(21) a representative from the Vermont Assembly of Home Health and Hospice Agencies;

~~(21)~~(22) a psychologist licensed pursuant to 26 V.S.A. chapter 55 who has experience in treating chronic pain, to be selected by the Board of Psychological Examiners;

~~(22)~~(23) a drug and alcohol abuse counselor licensed pursuant to 33 V.S.A. chapter 8, to be selected by the Deputy Commissioner of Health for Alcohol and Drug Abuse Programs;

~~(23)~~(24) a retail pharmacist, to be selected by the Vermont Pharmacists Association;

~~(24)~~(25) an advanced practice registered nurse full-time faculty member from the University of Vermont's Department of Nursing; ~~and~~

~~(25)~~(26) a consumer representative who is either a consumer in recovery from prescription drug abuse or a consumer receiving medical treatment for chronic noncancer-related pain;

(27) a clinician who specializes in occupational medicine;

(28) a clinician who specializes in physical medicine and rehabilitation; and

(29) a consumer representative who is or has been an injured worker and has been prescribed opioids.

\* \* \*

Sec. 61. 21 V.S.A. § 602 is amended to read:

§ 602. PROCESS AND PROCEDURE

\* \* \*

(c) Any communication from an employer or an insurer to a claimant that is not otherwise required to be provided on a form prescribed by the Commissioner must include a statement advising the claimant that he or she

should contact the Department of Labor's Workers' Compensation Division to determine any right to object or appeal, as provided by law, and to seek information from the Department on the process and procedures.

Sec. 62. 21 V.S.A. § 655 is amended to read:

§ 655. PROCEDURE IN OBTAINING COMPENSATION; MEDICAL EXAMINATION; VIDEO AND AUDIO RECORDING

After an injury and during the period of disability, if so requested by his or her employer, or ordered by the Commissioner, the employee shall submit to examination, at reasonable times and places within a two-hour driving radius of the residence of the injured employee, by a duly licensed physician or surgeon designated and paid by the employer. The Commissioner may in his or her discretion permit an examination outside the two-hour driving radius if it is necessary to obtain the services of a provider who specializes in the evaluation and treatment specific to the nature and extent of the employee's injury. The employee may make a video or audio recording of any examination performed by the insurer's physician or surgeon or have a licensed health care provider designated and paid by the employee present at the examination. The employer may make an audio recording of the examination. The right of the employee to record the examination shall not be construed to deny to the employer's physician the right to visit the injured employee at all reasonable times and under all reasonable conditions during total disability. If an employee refuses to submit to or in any way obstructs the examination, the employee's right to prosecute any proceeding under the provisions of this chapter shall be suspended until the refusal or obstruction ceases, and compensation shall not be payable for the period which the refusal or obstruction continues.

Sec. 63. 21 V.S.A. § 663b is added to read:

§ 663b. FRAUD

(a) Any claims of fraud submitted to the Department shall require action by the Commissioner to determine if further investigation is warranted. The Commissioner shall order the insurer to investigate specific allegations of claimant fraud and submit a written report to the Department. Once the insurer's report is received, the Commissioner shall afford the claimant an opportunity to respond in person or in writing within 30 days. The Commissioner may order additional information to be provided to the Department from the insurer or the claimant. The Department shall issue a determination on the fraud allegation, including penalties and any reimbursement as provided under section 708 of this title. The party may

appeal the decision of the Commissioner as provided under 3 V.S.A. chapter 25.

(b) An employee found to have committed fraud in order to receive compensation under this chapter shall be ordered to repay all compensation fraudulently received in addition to other administrative penalties ordered by the Department. These payments shall not be charged to the employer for purposes of calculating its experience rating.

#### Sec. 64. FRAUD STUDY AND REPORT

The Department shall initiate a study of the best practices to detect and deter workers' compensation fraud by employees, employers, and other persons involved with the workers' compensation system. The study shall include investigation procedures, penalties, and recapture of fraudulently obtained payments in a timely and cost-effective manner. On or before January 15, 2015, the Department shall report its findings and recommendations to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

Sec. 65. 21 V.S.A. § 624(e) is amended to read:

(e)(1) In an action to enforce the liability of a third party, the injured employee may recover any amount which the employee or the employee's personal representative would be entitled to recover in a civil action. Any recovery against the third party for damages resulting from personal injuries or death only, after deducting expenses of recovery, shall first reimburse the employer or its workers' compensation insurance carrier for any amounts paid or payable under this chapter to date of recovery, and the balance shall forthwith be paid to the employee or the employee's dependents or personal representative and shall be treated as an advance payment by the employer on account of any future payment of compensation benefits. Reimbursement required under this subsection, except to prevent double recovery, shall not reduce the employee's recovery of any benefit or payment provided by a plan or policy that was privately purchased by the injured employee, including ~~uninsured-under-insured~~ uninsured-underinsured motorist coverage, or any other first party insurance payments or benefits.

(2) Should the recovery against the third party for damages resulting from personal injuries or death only, after deducting expenses of recovery, be less than the full value of the claim for personal injuries or death, the reimbursement to the employer or workers' compensation insurance carrier shall be limited to that portion of the recovery allocated for damages covered

by the Workers' Compensation Act. If a court has not allocated or the parties cannot agree to the allocation of the recovered damages, either party may request that the Commissioner make an administrative determination. Upon receiving a request, the Commissioner shall order mediation with a mediator selected from a list approved by the Commissioner. If mediation is unsuccessful, the Commissioner may adjudicate the dispute or refer the dispute to an arbitrator approved by the Commissioner. The determination of the Commissioner or of an arbitrator approved by the Commissioner shall be final. The cost of any mediation or arbitration shall be split equally by the parties.

Sec. 66. 21 V.S.A. § 678 is amended to read:

§ 678. COSTS; ~~ATTORNEY~~ ATTORNEY'S FEES

(a) Necessary costs of proceedings under this chapter, including deposition expenses, subpoena fees, and expert witness fees, shall be assessed by the ~~commissioner~~ Commissioner against the employer or its workers' compensation carrier when the claimant prevails. The ~~commissioner~~ Commissioner may allow the claimant to recover reasonable ~~attorney~~ attorney's fees when the claimant prevails. Costs shall not be taxed or allowed either party except as provided in this section.

(b) In appeals to the ~~superior or supreme courts~~ Superior or Supreme Court, if the claimant prevails, he or she shall be entitled to reasonable ~~attorney~~ attorney's fees as approved by the ~~court~~ Court, necessary costs, including deposition expenses, subpoena fees, and expert witness fees, and interest at the rate of 12 percent per annum on that portion of any award the payment of which is contested. Interest shall be computed from the date of the award of the ~~commissioner~~ Commissioner.

\* \* \*

\* \* \* Notice of Data Security Breach \* \* \*

Sec. 67. 9 V.S.A. § 2435(b)(4) is amended to read:

(4)(A) The notice to a consumer required by this subsection shall be delayed upon request of a law enforcement agency. A law enforcement agency may request the delay if it believes that notification may impede a law enforcement investigation, or a national or Homeland Security investigation or jeopardize public safety or national or Homeland Security interests. In the event law enforcement makes the request for a delay in a manner other than in writing, the data collector shall document such request contemporaneously in writing, including the name of the law enforcement officer making the request and the officer's law enforcement agency engaged in the investigation. A law

enforcement agency shall promptly notify the data collector in writing when the law enforcement agency no longer believes that notification may impede a law enforcement investigation, or a national or Homeland Security investigation or jeopardize public safety or national or Homeland Security interests. The data collector shall provide notice required by this section without unreasonable delay upon receipt of a written communication, which includes facsimile or electronic communication, from the law enforcement agency withdrawing its request for delay.

(B) A Vermont law enforcement agency with a reasonable belief that a security breach has or may have occurred at a specific business shall notify the business in writing of its belief. The agency shall also notify the business that additional information on the security breach may need to be furnished to the Office of the Attorney General or the Department of Financial Regulation and shall include the website and telephone number for the Office and the Department in the notice required by this subdivision. Nothing in this subdivision shall alter the responsibilities of a data collector under this section or provide a cause of action against a law enforcement agency that fails, without bad faith, to provide the notice required by this subdivision.

\* \* \* Insurance; Form of Notice \* \* \*

Sec. 68. 8 V.S.A. § 3666 is added to read:

§ 3666. RULES; METHODS OF NOTICE

Notwithstanding the requirements under sections 3883, 4226, and 4714 of this title, the Commissioner of Financial Regulation shall adopt rules specifying the methods by which a notice to a party required under section 3880, 3881, 4224, 4225, 4712, or 4713 of this title shall be given.

\* \* \* Effective Dates \* \* \*

Sec. 69. EFFECTIVE DATES

(a) This section, Secs. 28 (Public Service Board; order revision), 52, 53, 54c, and 58–66 (certain workers' compensation provisions) shall take effect on passage.

(b) Sec. 54b (reinstatement of current law governing discontinuance of workers' compensation insurance benefits) shall take effect on July 1, 2018.

(c) 16 V.S.A. § 2888(b)(3) (Vermont Strong loan forgiveness) in Sec. 47 shall take effect on July 1, 2015.

(d) 10 V.S.A. § 531(c) in Sec. 42 shall take effect on July 2, 2014.

(e) The remaining provisions of this act shall take effect on July 1, 2014.



COMMITTEE ON THE PART OF  
THE SENATE

SEN. KEVIN J. MULLIN  
 SEN. PHILIP E. BARUTH  
 SEN. CHRISTOPHER A. BRAY

COMMITTEE ON THE PART OF  
THE HOUSE

REP. WILLIAM G. F. BOTZOW  
 REP. WARREN F. KITZMILLER  
 REP. MICHAEL J. MARCOTTE

Pending the question, Shall the House agree to the report of the committee of conference? **Rep. Marcotte of Coventry** demanded the Yeas and Nays, which demand was sustained by the Constitutional number. The Clerk proceeded to call the roll and the question, Shall the House agree to the report of the committee of conference? was decided in the affirmative. Yeas, 119. Nays, 3.

Those who voted in the affirmative are:

Ancel of Calais	French of Randolph	Masland of Thetford
Batchelor of Derby	Gage of Rutland City	McCarthy of St. Albans City
Beyor of Highgate	Gallivan of Chittenden	McCormack of Burlington
Bissonnette of Winooski	Goodwin of Weston	McCullough of Williston
Botzow of Pownal	Grad of Moretown	McFaun of Barre Town
Bouchard of Colchester	Haas of Rochester	Michelsen of Hardwick
Branagan of Georgia	Head of South Burlington	Miller of Shaftsbury
Brennan of Colchester	Heath of Westford	Mook of Bennington
Browning of Arlington	Hebert of Vernon	Moran of Wardsboro
Burditt of West Rutland	Higley of Lowell	Morrissey of Bennington
Burke of Brattleboro	Hooper of Montpelier	Mrowicki of Putney
Canfield of Fair Haven	Hubert of Milton	Myers of Essex
Carr of Brandon	Huntley of Cavendish	Nuovo of Middlebury
Clarkson of Woodstock	Jerman of Essex	O'Brien of Richmond
Cole of Burlington	Jewett of Ripton	O'Sullivan of Burlington
Connor of Fairfield	Johnson of South Hero	Partridge of Windham
Conquest of Newbury	Johnson of Canaan	Pearce of Richford
Consejo of Sheldon	Kitzmiller of Montpelier	Pearson of Burlington
Corcoran of Bennington	Klein of East Montpelier	Potter of Clarendon
Cross of Winooski	Koch of Barre Town	Pugh of South Burlington
Dakin of Chester	Krowinski of Burlington	Quimby of Concord
Deen of Westminster	Lanpher of Vergennes	Rachelson of Burlington
Devereux of Mount Holly	Larocque of Barnet	Ram of Burlington
Dickinson of St. Albans Town	Lawrence of Lyndon	Russell of Rutland City
Donahue of Northfield	Lenes of Shelburne	Ryerson of Randolph
Ellis of Waterbury	Lewis of Berlin	Savage of Swanton
Emmons of Springfield	Lippert of Hinesburg	Scheuermann of Stowe
Evans of Essex	Macaig of Williston	Sharpe of Bristol
Fay of St. Johnsbury	Malcolm of Pawlet	Shaw of Pittsford
Feltus of Lyndon	Manwaring of Wilmington	Shaw of Derby
Fisher of Lincoln	Marcotte of Coventry	Smith of New Haven
Frank of Underhill	Marek of Newfane	Spengler of Colchester
	Martin of Wolcott	Stevens of Waterbury

Strong of Albany	Turner of Milton	Wilson of Manchester
Stuart of Brattleboro	Van Wyck of Ferrisburgh	Wizowaty of Burlington
Sweaney of Windsor	Vowinkel of Hartford	Woodward of Johnson
Terenzini of Rutland Town	Waite-Simpson of Essex	Wright of Burlington
Till of Jericho	Walz of Barre City	Yantachka of Charlotte
Toll of Danville	Webb of Shelburne	Young of Glover
Trieber of Rockingham	Weed of Enosburgh	Zagar of Barnard

Those who voted in the negative are:

Davis of Washington *	Greshin of Warren *	South of St. Johnsbury
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Those members absent with leave of the House and not voting are:

Bartholomew of Hartland	Fagan of Rutland City	Martin of Springfield
Buxton of Tunbridge	Helm of Fair Haven	Mitchell of Fairfax
Campion of Bennington	Hoyt of Norwich	Peltz of Woodbury
Christie of Hartford	Juskiewicz of Cambridge	Poirier of Barre City
Condon of Colchester	Keenan of St. Albans City	Ralston of Middlebury
Copeland-Hanzas of	Kilmartin of Newport City	Stevens of Shoreham
Bradford	Komline of Dorset	Toleno of Brattleboro
Cupoli of Rutland City	Krebs of South Hero	Townsend of South
Donaghy of Poultney	Kupersmith of South	Burlington
Donovan of Burlington	Burlington	Winters of Williamstown

**Rep. Davis of Washington** explained her vote as follows:

“Mr. Speaker:

I could not support this conference report because the section on prevailing wage was removed. This was a top priority of mine and it was one of the top priorities for the legislative workers’ caucus and this would have put money into the pockets of hardworking Vermonters.”

**Rep. Greshin of Warren** explained his vote as follows:

“Mr. Speaker:

I’m disappointed not to support this legislation. The benefits of this bill are overcome by the changes to our workers’ compensation statutes which could do lasting damage to our employers and our economy.”

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

### Recess

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

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

**Message from the Senate No. 77**

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

Mr. Speaker:

I am directed to inform the House that:

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

**H. 227.** An act relating to licensing and regulating property inspectors.

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

**Message from the Senate No. 78**

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

Mr. Speaker:

I am directed to inform the House that:

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

**J.R.S. 60.** Joint resolution relating to final adjournment of the General Assembly in 2014.

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

**Message from the Senate No. 79**

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

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon Senate bill of the following title:

**S. 220.** An act relating to furthering economic development.

And has accepted and adopted the same on its part.

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

**H. 501.** An act relating to operating a motor vehicle under the influence of alcohol or drugs.

And has accepted and adopted the same on its part.

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

**H.C.R. 383.** House concurrent resolution in memory of John C. Whitney of Georgia.

### **Rules Suspended; Report of Committee of Conference Adopted**

#### **H. 884**

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

An act relating to miscellaneous tax changes

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon the bill respectfully reported that it has met and considered the same and recommended that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Technical and Administrative Provisions \* \* \*

\* \* \* Personal and Corporate Income Taxes \* \* \*

Sec. 1. 32 V.S.A. § 5862d is amended to read:

§ 5862d. FILING OF FEDERAL FORM 1099

(a) Any individual or business required to file a federal form 1099 with respect to a nonresident who performed services within the State during the taxable year shall file a copy of the form with the Department. The Commissioner may authorize electronic filing of the form.

(b) Any individual or business required to file information returns pursuant to 26 U.S.C. § 6050W shall within 30 days of the date the filing is due to the Internal Revenue Service file with the Commissioner a duplicate of such

information returns on which the recipient has a Vermont address. The Commissioner may authorize electronic filing of the form.

Sec. 2. 32 V.S.A. § 5862(c) is amended to read:

(c) Taxable corporations which received any income allocated or apportioned to this State under the provisions of section 5833 of this title for the taxable year and which under the laws of the United States constitute an affiliated group of corporations may elect to file a consolidated return in lieu of separate returns if such corporations qualify and elect to file a consolidated federal income tax return for that taxable year. Such an election to file a Vermont consolidated return shall continue for five years, including the year the election is made.

Sec. 3. 32 V.S.A. § 5862f is added to read:

§ 5862f. VERMONT GREEN UP CHECKOFF

(a) Returns filed by individuals shall include, on a form prescribed by the Commissioner of Taxes, an opportunity for the taxpayer to designate funds to Vermont Green Up, Inc.

(b) Amounts so designated shall be deducted from refunds due to, or overpayments made by, the designating taxpayers. All amounts so designated and deducted shall be deposited in an account by the Commissioner of Taxes for payment to Vermont Green Up, Inc. If at any time after the payment of amounts so designated to the account it is determined that the taxpayer was not entitled to all or any part of the amount so designated, the Commissioner may assess, and the account shall then pay to the Commissioner, the amount received, together with interest at the rate prescribed by section 3108 of this title, from the date the payment was made until the date of repayment.

(c) The Commissioner of Taxes shall explain to taxpayers the purposes of the account and how to contribute to it. The Commissioner shall make available to taxpayers the annual income and expense report of Vermont Green Up, Inc., and shall provide notice in the instructions for the State individual income tax return that the report is available at the Department of Taxes.

(d) If amounts paid with respect to a return are insufficient to cover both the amount owed on the return under this chapter and the amount designated by the taxpayer as a contribution to Vermont Green Up, Inc., the payment shall first be applied to the amount owed on the return under this chapter and the balance, if any, shall be deposited in the account.

(e) Nothing in this section shall be construed to require the Commissioner to collect any amount designated as a contribution to Vermont Green Up, Inc.

Sec. 4. 32 V.S.A. § 5930b(c)(9) is amended to read:

(9) Incentive claims must be filed annually no later than the last day of April of ~~each the current year of the~~ for the prior year's utilization period. For a claim to be considered a timely filing and eligible for an incentive payment, all forms and workbooks must be complete and all underlying documentation, such as that required pursuant to subsection 5842(c) of this title, must be filed with the Department of Taxes. Incomplete claims may be considered to have been timely filed if a complete claim is filed within the time prescribed by the Department of Taxes. If a claim is not filed each year of the utilization period, any incentive installment previously paid shall be recaptured in accordance with subsection (d) of this section and upon notice from the Department of Taxes that the business failed to file a complete timely claim, the Vermont Economic Progress Council shall revoke all authority for the business to earn and claim incentives under this subchapter. The incentive return shall be subject to all provisions of this chapter governing the filing of tax returns. No interest shall be paid by the Department of Taxes for any reason with respect to incentives allowed under this section.

Sec. 5. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect for taxable year ~~2012~~ 2013, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under this chapter.

Sec. 6. 32 V.S.A. § 7475 is amended to read:

§ 7475. ADOPTION OF FEDERAL ESTATE AND GIFT TAX LAWS

The laws of the United States relating to federal estate and gift taxes as in effect on December 31, ~~2012~~ 2013, are hereby adopted for the purpose of computing the tax liability under this chapter, except:

(1) the credit for State death taxes shall remain as provided for under 26 U.S.C. §§ 2011 and 2604 as in effect on January 1, 2001;

(2) the applicable credit amount shall under 26 U.S.C. § 2010 shall not apply; and the tax imposed under section 7442a of this chapter shall be calculated as if the applicable exclusion amount under 26 U.S.C. § 2010 were \$2,750,000.00; and

(3) the deduction for State death taxes under 26 U.S.C. § 2058 shall not apply.

\* \* \* Tax Increment Financing Districts \* \* \*

Sec. 7. 2011 Acts and Resolves No. 45, Sec. 16 is amended to read:

Sec. 16. BURLINGTON TAX INCREMENT FINANCING

(a) Pursuant to ~~Sec. 83 of No. 54 of the Acts of the 2009 Adj. Sess. (2010)~~ 2010 Acts and Resolves No. 54, Sec. 83, the ~~joint fiscal committee~~ Joint Fiscal Committee approved a formula for the implementation of a payment to the ~~education fund~~ Education Fund in lieu of tax increment payments.

(b) The terms of the formula approved by the ~~joint fiscal committee~~ Joint Fiscal Committee are as follows:

(1) Beginning in the fiscal year in which there is the incurrence of new TIF debt, the ~~city~~ City will calculate and make an annual payment on December 10th to the ~~education fund~~ Education Fund each year until 2025. The April 1, 2010 grand list for the area encompassing the existing Waterfront TIF – excluding two parcels at 25 Cherry Street or the Marriott Hotel (SPAN#114-035-20755) and 41 Cherry Street – is the baseline to be used as the starting point for calculating the tax increment that will be divided 25 percent to the ~~state education fund~~ State Education Fund and 75 percent to the ~~city~~ City of Burlington. At the conclusion of the TIF in FY2025, any surplus tax increment funds will be returned to the ~~city~~ City of Burlington and ~~state education fund~~ State Education Fund in proportion to the relative municipal and education tax rates as clarified in a letter from Mayor Bob Kiss to the ~~chair of the joint fiscal committee~~ Chair of the Joint Fiscal Committee dated September 9, 2009.

(2) The formula for calculating the payment in lieu of tax increment is as follows: first, the difference between the grand list for the Waterfront TIF excluding the two hotel parcels from the fiscal year in which the payment is due and the April 1, 2010 grand list is calculated. Next, that amount is multiplied by the current education property tax rates to determine the increment subject to payment. Finally, this new increment is multiplied by 25 percent to derive the payment amount.

(3) ~~The city of Burlington will prepare a report annually, beginning July 1, 2010, for both the joint fiscal committee and the department of taxes, which will contain:~~

~~(A) the calculation set out in subdivision (2) of this subsection;~~

~~(B) a listing of each parcel within the Waterfront TIF District and the 1996 original taxable value, 2010 extended base value, and the most recent values for all homestead and nonresidential property;~~

~~(C) a history of all of the TIF revenue and debt service payments; and~~  
~~(D) details of new debt authorized, including repayment schedules.~~  
[Repealed.]

Sec. 8. 24 V.S.A. § 1894(b) and (c) are amended to read:

(b) Use of the education property tax increment. For only debt ~~and related costs~~ incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, up to 75 percent of the education tax increment may be retained for up to 20 years, beginning with the education tax increment generated the year in which the first debt incurred for improvements financed in whole or in part with incremental education property tax revenue. Upon incurring the first debt, a municipality shall notify the Department of Taxes and the Vermont Economic Progress Council of the beginning of the 20-year retention period of education tax increment.

(c) Use of the municipal property tax increment. For only debt ~~and related costs~~ incurred within the period permitted under subdivision (a)(1) of this section after creation of the district, and related costs, not less than an equal share of the municipal tax increment pursuant to subsection (f) of this section shall be retained to service the debt, beginning the first year in which debt is incurred, pursuant to subsection (b) of this section.

Sec. 9. 24 V.S.A. § 1894(e) is amended to read:

(e) Proportionality. The municipal legislative body may ~~pledge and appropriate~~ commit the State education and municipal tax increments received from properties contained within the tax increment financing district for the financing of improvements and for related costs only in the same proportion by which the improvement or related costs serve the district, as determined by the Council when approved in accordance with 32 V.S.A. § 5404a(h), and in the case of an improvement that does not reasonably lend itself to a proportionality formula, the Council shall apply a rough proportionality and rational nexus test.

Sec. 10. 24 V.S.A. § 1895 is amended to read:

#### § 1895. ORIGINAL TAXABLE VALUE

As of the date the district is created, the lister or assessor for the municipality shall certify the original taxable value and shall certify to the legislative body in each year thereafter during the life of the district the amount by which the ~~original taxable value has increased or decreased and the proportion which any such increase bears to the total assessed valuation of the real property for that year or the proportion which any such decrease bears to~~



~~the original taxable value~~ total valuation as determined in accordance with 32 V.S.A. chapter 129 of all taxable real property located within the tax increment financing district has increased or decreased relative to the original taxable value.

Sec. 11. 24 V.S.A. § 1896(a) is amended to read:

(a) In each year following the creation of the district, the listers or assessor shall include no more than the original taxable value of the real property in the assessed valuation upon which the ~~listers or assessor~~ treasurer computes the rates of all taxes levied by the municipality, ~~the school district~~, and every other taxing district in which the tax increment financing district is situated; but the ~~listers or assessor~~ treasurer shall extend all rates so determined against the entire assessed valuation of real property for that year. In each year for which the assessed valuation exceeds the original taxable value, the municipality shall hold apart, rather than remit to the taxing districts, that proportion of all taxes paid that year on the real property in the district which the excess valuation bears to the total assessed valuation. The amount held apart each year is the "tax increment" for that year. No more than the percentages established pursuant to section 1894 of this subchapter of the municipal and ~~state~~ State education tax increments received with respect to the district and committed for the payment for financing for improvements and related costs shall be segregated by the municipality in a special tax increment financing account and in its official books and records until all capital indebtedness of the district has been fully paid. The final payment shall be reported to the ~~lister or assessor~~ treasurer, who shall thereafter include the entire assessed valuation of the district in the assessed valuations upon which municipal and other tax rates are computed and extended and ~~taxes are remitted to all taxing districts~~ thereafter no taxes from the district shall be deposited in the district's tax increment financing account.

Sec. 12. 24 V.S.A. § 1901(3) is amended to read:

(3) Annually:

(A) ~~include in the municipal audit cycle prescribed in section 1681 of this title a report of finances of~~ ensure that the tax increment financing district, ~~including account required by section 1896 of this subchapter is subject to the annual audit prescribed in section 1681 of this title. Procedures must include verification of~~ the original taxable value and annual and total municipal and education tax increments generated, ~~annual and total expenditures on improvements and related costs, all indebtedness of the district, including the initial debt, interest rate, terms, and annual and total principal and interest payments, an accounting of revenue sources other than property tax revenue by~~

~~type and dollar amount, and an accounting of the special account required by section 1896 of this subchapter, including revenue, expenditures for debt and related costs, and current balance;~~

(B) on or before January 15 of each year, on a form prescribed by the Council, submit an annual report to the Vermont Economic Progress Council and the Department of Taxes, including the information required by subdivision (2) of this section if not already submitted during the year, all information required by subdivision (A) of this subdivision (3), and the information required by 32 V.S.A. § 5404a(i), including performance indicators and any other information required by the Council or the Department of Taxes.

Sec. 13. 32 V.S.A. § 5404a(j) is amended to read:

(j) Tax increment financing district rulemaking, oversight, and enforcement.

\* \* \*

(2) Authority to issue decisions.

(A) The Secretary of Commerce and Community Development, after reasonable notice to a municipality and an opportunity for a hearing, is authorized to issue decisions to a municipality ~~regarding on~~ regarding on questions and inquiries ~~about concerning~~ the administration of tax increment financing districts, statutes, rules, noncompliance with 24 V.S.A. chapter 53, subchapter 5, and any instances of noncompliance identified in audit reports conducted pursuant to subsection (l) of this section.

(B) The Vermont Economic Progress Council shall prepare recommendations for the Secretary prior to the issuance of a decision. As appropriate, the Council may prepare such recommendations in consultation with the Commissioner of Taxes, the Attorney General, and the State Treasurer. In preparing recommendations, the Council shall provide a municipality with a reasonable opportunity to submit written information in support of its position. The Secretary shall review the recommendations of the Council and issue a final written decision on each matter within 60 days of the ~~recommendation receipt of the recommendations~~. However, pursuant to subdivision (5) of this subsection (j), the Secretary may permit an appeal to be taken by any party to a Superior Court for determination of questions of law in the same manner as the Supreme Court may by rule provide for appeals before final judgment from a Superior Court before issuing a final decision.

\* \* \*

Sec. 14. 32 V.S.A. § 5404a(1) is amended to read:

(1) The State Auditor of Accounts shall conduct performance audits of all tax increment financing districts according to a schedule, which will be arrived at in consultation with the Vermont Economic Progress Council. The cost of conducting each audit shall be considered a “related cost” as defined in 24 V.S.A. § 1891(6) and shall be billed back to the municipality. Audits conducted pursuant to this subsection shall include a review of a municipality’s adherence to relevant statutes and rules adopted by the Vermont Economic Progress Council pursuant to subsection (j) of this section, an assessment of record keeping related to revenues and expenditures, and a validation of the portion of the tax increment retained by the municipality and used for debt repayment and the portion directed to the Education Fund.

(1) For municipalities with a district created prior to January 1, 2006 and a debt repayment schedule that anticipates retention of education increment beyond fiscal year 2016, an audit shall be conducted when approximately three-quarters of the period for retention of education increment has elapsed, and at the end of that same period, an audit shall be conducted for the final one-quarter period for retention of education increment, except that for the Milton Catamount/Husky district and the Burlington Waterfront district only a final audit shall be conducted to cover the period from the effective date of the rules pursuant to subdivision (j)(1) of this section to the end of the retention period.

(2) For municipalities with a district created after January 1, 2006 and approved by the Vermont Economic Progress Council, an audit shall be conducted ~~at the end of the 10 year period in which debt can be incurred and again approximately halfway through the 20 year period for retention of education increment; provided, however, that an audit shall occur no more than one time in a five year period~~ five years after the first debt is incurred and a second audit seven years after completion of the first audit. A final audit will be conducted at the end of the period for retention of education increment.

\* \* \* Property Taxes \* \* \*

Sec. 15. 32 V.S.A. § 3436(b) is amended to read:

(b) The ~~director~~ Director shall ~~determine~~ establish designations recognizing levels of achievement and the necessary course work or evaluation of equivalent experience required ~~for to attain each designation as Vermont lister/assessor, Vermont property evaluator, and Vermont municipal assessor.~~ Designation for any one level shall be for a period of three years.

Sec. 16. 32 V.S.A. § 5408(a) is amended to read:

(a) Not later than ~~30~~ 35 days after ~~the receipt by its clerk mailing~~ of a notice under section 5406 of this title, a municipality may petition the Director of the Division of Property Valuation and Review for a redetermination of the municipality's equalized education property value and coefficient of dispersion. Such petition shall be in writing and shall be signed by the chair of the legislative body of the municipality or its designee.

Sec. 17. 32 V.S.A. § 5410(g) is amended to read:

(g) If the property identified in a declaration under subsection (b) of this section is not the taxpayer's homestead, or if the owner of a homestead fails to declare a homestead as required under this section, the Commissioner shall notify the municipality, and the municipality shall issue a corrected tax bill that may, as determined by the governing body of the municipality, include a penalty of up to three percent of the education tax on the property. ~~If~~ However, if the property incorrectly declared as a homestead is located in a municipality that has a lower homestead tax rate than the nonresidential tax rate, the penalty shall be an amount equal to eight percent of the education tax on the property, but if the homestead tax rate is higher than the nonresidential tax rate, the penalty shall be in an amount equal to three percent of the education tax on the property. ~~If an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, the penalty shall be eight percent of the education tax liability on the property, but if the nonresidential tax rate is higher than the homestead tax rate, then the penalty shall be in an amount equal to three percent of the education tax on the property or if an undeclared homestead is located in a municipality that has a lower nonresidential tax rate than the homestead tax rate, then the governing body of the municipality may include a penalty of up to eight percent of the education tax liability on the property.~~ If the Commissioner determines that the declaration or failure to declare was with fraudulent intent, then the municipality shall assess the taxpayer a penalty in an amount equal to 100 percent of the education tax on the property; plus any interest and late-payment fee or commission which may be due. Any penalty imposed under this section and any additional property tax interest and late-payment fee or commission shall be assessed and collected by the municipality in the same manner as a property tax under chapter 133 of this title. Notwithstanding section 4772 of this title, issuance of a corrected bill issued under this section does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest or penalties and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax

bill and refunded to the taxpayer.

Sec. 18. 32 V.S.A. § 5410(i) is amended to read:

(i) An owner filing a new or corrected declaration, or rescinding an erroneous declaration, after ~~September 1~~ October 15 shall not be entitled to a refund resulting from the correct property classification; and any additional property tax and interest which would result from the correct classification shall not be assessed as tax and interest, but shall instead constitute an additional penalty, to be assessed and collected in the same manner as penalties under subsection (g) of this section. Any change in property classification under this subsection shall not be entered on the grand list.

Sec. 19. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the November 1 notice sent by the Commissioner under subsection (a) of this section, issuance of such corrected new bill does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid current year taxes, interest or penalties and no past year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

(2) For property tax adjustment amounts for which municipalities receive notice ~~on or~~ after November 1, municipalities shall issue a new homestead property tax bill with notice to the taxpayer of the total amount allocated to payment of homestead property tax liabilities and notice of the balance due.

(3) The property tax adjustment amount determined for the taxpayer shall be allocated first to current-year property tax on the homestead parcel, next to current-year homestead parcel penalties and interest, next to any prior year homestead parcel penalties and interest, and last to any prior year property tax on the homestead parcel. No adjustment shall be allocated to a property tax liability for any year after the year for which the claim or refund allocation was

filed. No municipal tax-reduction incentive for early payment of taxes shall apply to any amount allocated to the property tax bill under this chapter.

(4) If the property tax adjustment amount as described in subsection (e) of this section exceeds the property tax, penalties, and interest, due for the current and all prior years, the municipality shall refund the excess to the taxpayer, without interest, within 20 days of the first date upon which taxes become due and payable or 20 days after notification of the adjustment amount by the Commissioner of Taxes, whichever is later.

\* \* \* Meals and Rooms Tax \* \* \*

Sec. 20. 32 V.S.A. § 9202(10)(D)(ii)(X) is amended to read:

(X) purchased ~~with food stamps~~ under the USDA Supplemental Nutrition Assistance Program (SNAP);

\* \* \* Property Transfer Tax \* \* \*

Sec. 21. 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 is not attached a properly executed transfer tax return, complete and regular on its face, and a certificate in the form prescribed by the Natural Resources Board and the Commissioner 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 10 V.S.A. chapter 151. 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.

\* \* \* Non-Education Financing Policy and Revenue Provisions \* \* \*

\* \* \* Tax on Distilled Spirits \* \* \*

Sec. 22. 7 V.S.A. § 422 is amended to read:

#### § 422. TAX ON SPIRITUOUS LIQUOR

(a) A tax is assessed on the gross revenue on the retail sale of spirituous liquor in the State of Vermont, including fortified wine, sold by the Liquor

Control Board or sold by a manufacturer or rectifier of spirituous liquor in accordance with the provisions of this title. The tax shall be at the following rates based on the gross revenue of the retail sales by the seller in the current year:

(1) if the gross revenue of the seller is ~~\$150,000.00~~ \$500,000.00 or lower, the rate of tax is five percent;

(2) if the gross revenue of the seller is between ~~\$150,000.00 and \$250,000.00~~, the rate of tax is ~~\$7,500.00 plus 15 percent of gross revenues over \$150,000.00~~ \$500,000.00 and \$750,000.00, the rate of the tax is \$25,000.00 plus 10 percent of the gross revenues over \$500,000.00;

(3) if the gross revenue of the seller is over ~~\$250,000.00~~ \$750,000.00, the rate of tax is 25 percent.

(b) The retail sales of spirituous liquor made by a manufacturer or rectifier at a fourth class or farmers' market license location shall be included in the gross revenue of a seller under this section, but only to the extent that the sales are of the manufacturer's or rectifier's own products, and not products purchased from other manufacturers and rectifiers.

\* \* \* Employer Assessment \* \* \*

Sec. 23. 21 V.S.A. § 2001 is amended to read:

§ 2001. PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this ~~state~~ State, an employers' health care fund contribution is established to provide a fair and reasonable method for sharing health care costs with employers who do not offer their employees health care coverage and employers who offer insurance but whose employees enroll in Medicaid.

Sec. 24. 21 V.S.A. § 2002 is amended to read:

§ 2002. DEFINITIONS

As used in this chapter:

\* \* \*

(5) "Uncovered employee" means:

(A) an employee of an employer who does not offer to pay any part of the cost of health care coverage for its employees;

(B) an employee who is not eligible for health care coverage offered

by an employer to any other employees; or

(C) an employee who is offered and is eligible for coverage by the employer but elects not to accept the coverage and ~~either~~:

(i) is enrolled in Medicaid;

(ii) has no other health care coverage under either a private or public plan except Medicaid; or

~~(ii)~~(iii) has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.

\* \* \*

Sec. 25. 21 V.S.A. § 2003(b) is amended to read:

(b) ~~For any quarter in fiscal years 2007 and 2008 the third and fourth quarters of calendar year 2014, the amount of the Health Care Fund contribution shall be \$91.25 \$133.30 for each full-time equivalent employee in excess of eight four. For each fiscal calendar 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 calendar year 2014, the amount of the Health Care Fund contribution shall be adjusted by a percentage equal to any percentage change in premiums for the second lowest cost silver-level plan in the Vermont Health Benefit Exchange.~~

\* \* \* Solar Capacity Tax \* \* \*

Sec. 26. 32 V.S.A. § 3802(17) is amended to read:

(17) Real and personal property, except land, composing a renewable energy plant generating electricity from solar power, ~~to the extent the plant is exempt from taxation under chapter 215 of this title~~ which has a plant capacity of less than 50 kW and is either:

(A) operated on a net-metered system; or

(B) not connected to the electric grid and provides power only on the property on which the plant is located.

Sec. 27. 32 V.S.A. § 3481(1)(D) is added to read:

(D)(i) For real and personal property comprising a renewable energy plant generating electricity from solar power, except land and property that is exempt under subdivision 3802(17) of this title, the appraisal value shall be determined by an income capitalization or discounted cash flow approach that includes the following:



(I) an appraisal model identified and published by the Director employing appraisal industry standards and inputs;

(II) a discount rate determined and published annually by the Director;

(III) the appraisal value shall be 70 percent of the value calculated using the model published by the Director based on an expected 25-year project life and shall be set in the grand list next lodged after the plant is commissioned and each subsequent grand list for the lesser of the remaining life of the project or 25 years;

(IV) for the purposes of calculating appraisal value for net metered systems receiving a credit specified in 30 V.S.A. § 219a (h)(1)(k), the model used to calculate value will not incorporate a factor for electricity rate escalation; and

(V) for plants operating as a net-metered system as described in 30 V.S.A. § 219a with a capacity of 50 kW or greater, the plant capacity used to determine value in the model shall be reduced by 50 kW and the appraisal value shall be calculated only on additional capacity in excess of 50 kW.

(ii) The owner of a project shall respond to a request for information from the municipal assessing officials by returning the information sheet describing the project in the form specified by the Director not later than 45 days after the request for information is sent to the owner. If the owner does not provide a complete and timely response, the municipality shall determine the appraisal value using the published model and the best estimates of the inputs to the model available to the municipality at the time, and the provisions of section 4006 of this title shall apply to the information form in the same manner as if the information form were an inventory as described in that section. Nothing in this subdivision (1) shall affect the availability of the exemption set forth in the provisions of section 3845 of this title or availability of a contract under the provisions of 24 V.S.A. § 2741.

Sec. 28. 32 V.S.A. § 3845 is amended to read:

§ 3845. ~~ALTERNATE~~ RENEWABLE ENERGY SOURCES

(a) At an annual or special meeting warned for that purpose, a town may, by a majority vote of those present and voting, exempt ~~alternate~~ renewable energy sources, as defined herein, from real and personal property taxation. Such exemption shall first be applicable against the grand list of the year in which the vote is taken and shall continue until voted otherwise, in the same manner, by the town.

~~(b) For the purposes of~~ As used in this section, alternate renewable energy sources includes any plant, structure or facility used for the generation of electricity or production of shall have the same meaning as in 30 V.S.A. § 8002(17) for energy used on the premises for private, domestic, or agricultural purposes, no part of which may be for sale or exchange to the public. The term shall include, ~~but not be limited to~~ grist mills, windmills, facilities for the collection of solar energy or the conversion of organic matter to methane, ~~net metering~~ net-metering systems regulated by the Public Service Board under 30 V.S.A. § 219a, and all component parts thereof ~~including, but excluding~~ land upon which the facility is located, ~~not to exceed one-half acre.~~

Sec. 29. 32 V.S.A. § 8701(c) is amended to read:

(c) A renewable energy plant that generates electricity from solar power shall be exempt from taxation under this section if it has a plant capacity ~~equal to or less than 10 kW~~ less than 50kW.

Sec. 30. 2012 Acts and Resolves No. 127, Sec. 4 is amended to read:

Sec. 4. ~~PROSPECTIVE REPEAL;~~ REPORT

~~32 V.S.A. §§ 8701(c) and 3802(17) (exemptions for small renewable energy plants) shall be repealed on January 1, 2023. By January 15, 2021, the department of taxes~~ Department of Taxes shall report to the ~~senate committees on finance and on natural resources and energy and the house committees on ways and means and on natural resources and energy~~ Senate Committees on Finance and on Natural Resources and Energy and the House Committees on Ways and Means and on Natural Resources and Energy with a recommendation on whether the exemptions in 32 V.S.A. §§ 8701(c) and 3802(17) should be retained or allowed to be repealed and whether the rate of tax in 32 V.S.A. § 8701(b) should be altered.

\* \* \* Taxpayer Delinquencies \* \* \*

Sec. 31. 32 V.S.A. § 3102(m) is added to read:

(m) Notwithstanding any other provision of law, the Commissioner may publish the names, addresses, and amounts of tax liability for the 100 individual taxpayers and 100 business taxpayers with the greatest unresolved tax liability under this title. The Commissioner shall send a notice of intent to publish a taxpayer's name, tax liability, and address to the taxpayer before publication. A taxpayer's information may only be published pursuant to this subsection if he or she has been delinquent for more than 90 days after the end of any applicable administrative appeal periods.

\* \* \* Valuation of Natural Gas and Petroleum Infrastructure \* \* \*

Sec. 32. 32 V.S.A. § 3621 is added to read:

§ 3621. PETROLEUM AND NATURAL GAS INFRASTRUCTURE

For purposes of the statewide education property tax in chapter 135 of this title, the Director shall determine the appraised value of all property and fixtures composing and underlying a petroleum or natural gas facility, petroleum or natural gas transmission line, or petroleum or natural gas distribution line located entirely within this State. The Director shall value such property at its fair market value, an assessment it shall reach by the cost approach to value by employing an actual cost-based methodology, adjusting that actual cost using a cost factor from industry-specific inflation indexes, and depreciating the resulting present cost using a depreciation schedule based on the property's estimated remaining life; provided, however, that after the property has been depreciated to 30 percent of its present cost or less, exclusive of salvage value, the property shall be appraised at 30 percent of its cost. The Director shall inform the local assessing officials of his or her appraised value under this section on or before May 1 of each year, and the local assessing officials shall use the Director's appraised value for purposes of assessing and collecting the statewide education property tax under chapter 135 of this title.

\* \* \* Income Taxes \* \* \*

Sec. 33. 32 V.S.A. § 5870 is amended to read:

§ 5870. REPORTING USE TAX ON INDIVIDUAL INCOME TAX RETURNS

The Commissioner of Taxes shall provide that individuals report use tax on their State individual income tax returns. Taxpayers are required to attest to the amount of their use tax liability under chapter 233 of this title for the period of the tax return. Alternatively, they may elect to report an amount that is ~~0.08~~ 0.10 percent of their Vermont adjusted gross income, as shown on a table published by the Commissioner of Taxes; and use tax liability arising from the purchase of each item with a purchase price in excess of \$1,000.00 shall be added to the table amount.

\* \* \* Wood Products Manufacturer's Study \* \* \*

Sec. 34. WOOD PRODUCT MANUFACTURE STUDY

The Secretary of Commerce and Community Development, in consultation with the Department of Taxes, shall study and recommend economic and tax incentives to ensure wood products manufacturers remain in Vermont, and that they thrive in Vermont. The Secretary shall report his or her findings and

recommendations to the Senate Committee on Finance and the House Committee on Ways and Means on or before January 15, 2015.

\* \* \* Downtown and Village Center Tax Credits \* \* \*

Sec. 35. 32 V.S.A. § 5930ee(1) is amended to read:

(1) The total amount of tax credits awarded annually, together with sales tax reallocated under section 9819 of this title, does not exceed ~~\$1,700,000.00~~ \$2,200,000.00.

Sec. 36. 32 V.S.A. § 9741(39) is amended to read:

(39) Sales of building materials within any three consecutive years:

(i) ~~in excess of one million dollars in purchase value, which may be reduced to \$250,000.00 in purchase value upon approval of the Vermont Economic Progress Council pursuant to section 5930a of this title, used in the construction, renovation, or expansion of facilities which are used exclusively, except for isolated or occasional uses, for the manufacture of tangible personal property for sale; or~~

~~(ii) in excess of \$250,000.00 in purchase value incorporated into a downtown redevelopment project as defined by rule by the Commissioner of Housing and Community Affairs; provided that the municipality is not receiving an allocation of sales tax receipts pursuant to section 9819 of this title.~~

\* \* \*

\* \* \* Research and Development Expense \* \* \*

Sec. 37. 32 V.S.A. § 5930ii is amended to read:

§ 5930ii. RESEARCH AND DEVELOPMENT TAX CREDIT

(a) A taxpayer of this State shall be eligible for a credit against the tax imposed under this chapter in an amount equal to ~~30~~ 27 percent of the amount of the federal tax credit allowed in the taxable year for eligible research and development expenditures under 26 U.S.C. § 41(a) and which are made within this State.

(b) Any unused credit available under subsection (a) of this section may be carried forward for up to 10 years.

(c) Each year, on or before January 15, the Department of Taxes shall publish a list containing the names of the taxpayers who have claimed a credit under this section during the most recent completed calendar year.

## \* \* \* Tobacco \* \* \*

Sec. 38. 32 V.S.A. § 7771(d) is amended to read:

(d) The tax imposed under this section shall be at the rate of ~~134~~ 137.5 mills per cigarette or little cigar and for each 0.0325 ounces of roll-your-own tobacco. The interest and penalty provisions of section 3202 of this title shall apply to liabilities under this section.

Sec. 39. 32 V.S.A. § 7811 is amended to read:

§ 7811. IMPOSITION OF TOBACCO PRODUCTS TAX

There is hereby imposed and shall be paid a tax on all other tobacco products, snuff, and new smokeless tobacco possessed in the State of Vermont by any person for sale on and after July 1, 1959 which were imported into the State or manufactured in the State after that date, except that no tax shall be imposed on tobacco products sold under such circumstances that this State is without power to impose such tax, or sold to the United States, or sold to or by a voluntary unincorporated organization of the Armed Forces of the United States operating a place for the sale of goods pursuant to regulations promulgated by the appropriate executive agency of the United States. The tax is intended to be imposed only once upon the wholesale sale of any other tobacco product and shall be at the rate of 92 percent of the wholesale price for all tobacco products except snuff, which shall be taxed at ~~\$1.87~~ \$2.29 per ounce, or fractional part thereof, new smokeless tobacco, which shall be taxed at the greater of ~~\$1.87~~ \$2.29 per ounce or, if packaged for sale to a consumer in a package that contains less than 1.2 ounces of the new smokeless tobacco, at the rate of ~~\$2.24~~ \$2.75 per package, and cigars with a wholesale price greater than \$2.17, which shall be taxed at the rate of \$2.00 per cigar if the wholesale price of the cigar is greater than \$2.17 and less than \$10.00, and at the rate of \$4.00 per cigar if the wholesale price of the cigar is \$10.00 or more. Provided, however, that upon payment of the tax within 10 days, the distributor or dealer may deduct from the tax two percent of the tax due. It shall be presumed that all other tobacco products, snuff, and new smokeless tobacco within the State are subject to tax until the contrary is established and the burden of proof that any other tobacco products, snuff, and new smokeless tobacco are not taxable hereunder shall be upon the person in possession thereof. Licensed wholesalers of other tobacco products, snuff, and new smokeless tobacco shall state on the invoice whether the price includes the Vermont tobacco products tax.

Sec. 40. 32 V.S.A. § 7814 is amended to read:

§ 7814. FLOOR STOCK TAX

(a) Snuff. A floor stock tax is hereby imposed upon every ~~retailer~~ retail dealer of snuff in this State in the amount by which the new tax exceeds the amount of the tax already paid on the snuff. The tax shall apply to snuff in the possession or control of the ~~retailer~~ retail dealer at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, but shall not apply to ~~retailers~~ retail dealers who hold less than \$500.00 in wholesale value of such snuff. Each ~~retailer~~ retail dealer subject to the tax shall, on or before July 25, ~~2006~~ 2014, file a report to the Commissioner in such form as the Commissioner may prescribe showing the snuff on hand at 12:01 a.m. ~~o'clock~~ on July 1, ~~2006~~ 2014, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before August 25, ~~2006~~ 2014, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the ~~retailer~~ retail dealer may deduct from the tax due two percent of the tax. Any snuff with respect to which a floor stock tax has been imposed and paid under this section shall not again be subject to tax under section 7811 of this title.

(b) Cigarettes, little cigars, or roll-your-own tobacco. Notwithstanding the prohibition against further tax on stamped cigarettes, little cigars, or roll-your-own tobacco under section 7771 of this title, a floor stock tax is hereby imposed upon every dealer of cigarettes, little cigars, or roll-your-own tobacco in this State who is either a wholesaler, or a retailer who at 12:01 a.m. on July 1, ~~2011~~ 2014, has more than 10,000 cigarettes or little cigars or who has \$500.00 or more of wholesale value of roll-your-own tobacco, for retail sale in his or her possession or control. The amount of the tax shall be the amount by which the new tax exceeds the amount of the tax already paid for each cigarette, little cigar, or roll-your-own tobacco in the possession or control of the wholesaler or ~~retailer~~ retail dealer at 12:01 a.m. on July 1, ~~2011~~ 2014, and on which cigarette stamps have been affixed before July 1, ~~2011~~ 2014. A floor stock tax is also imposed on each Vermont cigarette stamp in the possession or control of the wholesaler at 12:01 a.m. on July 1, ~~2011~~ 2014, and not yet affixed to a cigarette package, and the tax shall be at the rate of ~~\$0.38~~ \$0.13 per stamp. Each wholesaler and ~~retailer~~ retail dealer subject to the tax shall, on or before July 25, ~~2011~~ 2014, file a report to the Commissioner in such form as the Commissioner may prescribe showing the cigarettes, little cigars, or roll-your-own tobacco and stamps on hand at 12:01 a.m. on July 1, ~~2011~~ 2014, and the amount of tax due thereon. The tax imposed by this section shall be due and payable on or before July 25, ~~2011~~ 2014, and thereafter shall bear interest at the rate established under section 3108 of this title. In case of timely payment of the tax, the wholesaler or ~~retailer~~ retail dealer may deduct from the tax due two and three-tenths of one percent of the

tax. Any cigarettes, little cigars, or roll-your-own tobacco with respect to which a floor stock tax has been imposed under this section shall not again be subject to tax under section 7771 of this title.

\* \* \* Sales and Use Tax – Contractors \* \* \*

Sec. 41. 32 V.S.A. § 9701 is amended to read:

§ 9701. DEFINITIONS

Unless the context in which they occur requires otherwise, the following terms when used in this chapter mean:

\* \* \*

(5) Retail sale or sold at retail: means any sale, lease, or rental for any purpose other than for resale, sublease, or subrent, including sales to contractors, subcontractors, or repair persons of materials and supplies for use by them in erecting structures or otherwise improving, altering, or repairing real property.

Sec. 42. 32 V.S.A. § 9771 is amended to read:

§ 9771. IMPOSITION OF SALES TAX

Except as otherwise provided in this chapter, there is imposed a tax on retail sales in this State. The tax shall be paid at the rate of six percent of the sales price charged for but in no case shall any one transaction be taxed under more than one of the following:

(1) Tangible personal property, including property used to improve, alter or repair the real property of others by a manufacturer or any person who is primarily engaged in the business of making retail sales of tangible personal property.

\* \* \*

Sec. 43. 32 V.S.A. § 9745 is amended to read:

§ 9745. CERTIFICATE OR AFFIDAVIT OF EXEMPTION;  
DIRECTPAYMENT PERMIT

(a) Certificate or affidavit of exemption. The Commissioner may require that a vendor obtain an exemption certificate, which may be an electronic filing, with respect to the following sales: sales for resale; sales to organizations that are exempt under section 9743 of this title; and sales that qualify for a use-based exemption under section 9741 of this title. Acceptance of an exemption certificate containing such information as the Commissioner may prescribe shall satisfy the vendor's burden under subsection 9813(a) of

this title of proving that the transaction is not taxable. A vendor's failure to possess an exemption certificate at the time of sale shall be presumptive evidence that the sale is taxable.

(b) Direct payment permit. The Commissioner may, in his or her discretion, authorize a purchaser, who acquires tangible personal property or services under circumstances which make it impossible at the time of acquisition to determine the manner in which the tangible personal property or services will be used, to pay the tax directly to the Commissioner and waive the collection of the tax by the vendor through the issuance of a direct payment permit. ~~The Commissioner shall authorize any~~ Any contractor, subcontractor, or repairman who acquires tangible personal property consisting of materials and supplies for use by him or her in erecting structures for others, or building on, or otherwise improving, altering, or repairing real property of others, may apply for a direct payment permit to pay the tax directly to the Commissioner and waive the collection of the tax by the vendor. No such authority shall be granted or exercised except upon application to the Commissioner and the issuance by the Commissioner of a direct payment permit. If a direct payment permit is granted, its use shall be subject to conditions specified by the Commissioner and the payment of tax on all acquisitions pursuant to the permit shall be made directly to the Commissioner by the permit holder.

\* \* \* Sales and Use Tax – Compost \* \* \*

Sec. 44. 32 V.S.A. § 9701(48)–(52) are added to read:

(48) Compost: means a stable humus-like material produced by the controlled biological decomposition of organic matter through active management, but does not mean sewage, septage, or materials derived from sewage or septage.

(49) Manipulated animal manure: means manure that is ground, pelletized, mechanically dried, or consists of separated solids.

(50) Perlite: means a lightweight granular material made of volcanic material expanded by heat treatment for use in growing media.

(51) Planting mix: means material that is:

(A) used in the production of plants; and

(B) made substantially from compost, peat moss, or coir and other ingredients that contribute to fertility and porosity, including perlite, vermiculite, and other similar materials.

(52) Vermiculite: means a lightweight mica product expanded by heat



treatment for use in growing media.

Sec. 45. 32 V.S.A. § 9706(jj) is added to read:

(jj) The statutory purpose of the exemptions for composting materials, compost, animal manure, manipulated animal manure, and planting mix in 32 V.S.A. § 9741(49) and (50) is to support the composting industry, and to further the goals of 2012 Acts and Resolves No. 148.

Sec. 46. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

\* \* \*

(49) Clean high carbon bulking agents, as that term is used in the Agency of Natural Resources' Solid Waste Management Rules, used for commercial or on-farm composting, and food residuals used for commercial or on-farm composting or on-farm energy production;

(50) Compost, animal manure, manipulated animal manure, and planting mix when any of these items are sold in bulk. As used in this subsection, the term "sold in bulk" shall mean sold in a form that is not prepackaged, or sold in a packaged form in volumes greater than one cubic yard.

\* \* \* Use Tax – Telecommunication Services \* \* \*

Sec. 47. 32 V.S.A. § 9773 is amended to read:

§ 9773. IMPOSITION OF COMPENSATING USE TAX

Unless property or telecommunications service has already been or will be subject to the sales tax under this chapter, there is imposed on every person a use tax at the rate of six percent for the use within this State, except as otherwise exempted under this chapter:

(1) ~~Of~~ of any tangible personal property purchased at retail;

(2) ~~Of~~ of any tangible personal property manufactured, processed, or assembled by the user, if items of the same kind of tangible personal property are offered for sale by him or her in the regular course of business, but the mere storage, keeping, retention, or withdrawal from storage of tangible personal property or the use for demonstrational or instructional purposes of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him or her; and

for purposes of this section only, the sale of electrical power generated by the taxpayer shall not be considered a sale by him or her in the regular course of business if at least 60 percent of the electrical power generated annually by the taxpayer is used by the taxpayer in his or her trade or business;

(3) ~~Of~~ any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any taxable services described in subdivision 9771(3) of this title have been performed; ~~and~~

(4) ~~Specified~~ specified digital products transferred electronically to an end user; and

(5) telecommunications service except coin-operated telephone service, private telephone service, paging service, private communications service, or value-added non-voice data service.

\* \* \* Propane Canisters \* \* \*

Sec. 48. 33 V.S.A. § 2503 is amended to read:

§ 2503. FUEL GROSS RECEIPTS TAX

(a) There is imposed a gross receipts tax of 0.5 percent on the retail sale of the following types of fuel:

(1) heating oil, propane, kerosene, and other dyed diesel fuel delivered to a residence or business;

(2) ~~propane~~;

(3) natural gas;

(4)(3) electricity;

(5)(4) coal.

\* \* \*

Sec. 49. 32 V.S.A. § 9741(26) is amended to read:

(26) Sales of electricity, oil, gas, and other fuels used in a residence for all domestic use, including heating, but not including fuel sold at retail in free-standing containers, or sold as part of a transaction where a free-standing container is exchanged without a separate charge. The Commissioner shall by rule determine that portion of the sales attributable to domestic use where fuels are used for purposes in addition to domestic use.

\* \* \* Statewide Education Property Tax Rates, Base Education Amount, and Applicable Percentage \* \* \*

Sec. 50. FISCAL YEAR 2015 EDUCATION PROPERTY TAX RATES AND APPLICABLE PERCENTAGE

(a) For fiscal year 2015 only, the education property tax imposed under 32 V.S.A. § 5402(a) shall be reduced from the rates of \$1.59 and \$1.10 and shall instead be at the following rates:

(1) the tax rate for nonresidential property shall be \$1.515 per \$100.00; and

(2) the tax rate for homestead property shall be \$0.98 multiplied by the district spending adjustment for the municipality per \$100.00 of equalized property value as most recently determined under 32 V.S.A. § 5405.

(b) For claims filed in 2014 only, “applicable percentage” in 32 V.S.A. § 6066(a)(2) shall be reduced from 2.0 percent and instead shall be 1.80 percent multiplied by the fiscal year 2015 district spending adjustment for the municipality in which the homestead residence is located; but in no event shall the applicable percentage be less than 1.80 percent.

Sec. 51. FISCAL YEAR 2015 BASE EDUCATION AMOUNT

As provided in 16 V.S.A. § 4011(b), the base education amount for fiscal year 2015 shall be \$9,285.00.

\* \* \* Applicable Percentage \* \* \*

Sec. 52. 32 V.S.A. § 5402b(b) is amended to read:

(b) If the Commissioner makes a recommendation to the General Assembly to adjust the education tax rates under section 5402 of this title, the Commissioner shall also recommend a proportional adjustment to the applicable percentage base for homestead income based adjustments under section 6066 of this title, but the applicable percentage base shall not be adjusted below ~~1.8~~ 1.94 percent.

\* \* \* Increase in Average Daily Membership \* \* \*

Sec. 53. 16 V.S.A. § 4010(b) is amended to read:

(b) The ~~commissioner~~ Secretary shall determine the long-term membership for each school district for each student group described in subsection (a) of this section. The ~~commissioner~~ Secretary shall use the actual average daily membership over two consecutive years, the latter of which is the current school year. ~~If, however, in one year, the actual average daily membership of kindergarten through 12th grade increases by at least 20 students over the previous year, the commissioner shall compute the long-term membership by adding 80 percent of the actual increase, to a maximum increase of 45~~

~~equalized pupils.~~

\* \* \* Shared Equity \* \* \*

Sec. 54. 32 V.S.A. § 3481 is amended to read:

§ 3481. DEFINITIONS

The following definitions shall apply in this Part and chapter 101 of this title, pertaining to the listing of property for taxation:

(1)(A) “Appraisal value” shall mean, with respect to property enrolled in a use value appraisal program, the use value appraisal as defined in subdivision 3752(12) of this title, multiplied by the common level of appraisal, and with respect to all other property, except for owner-occupied housing identified in subdivision (C) of this subdivision (1), the estimated fair market value. The estimated fair market value of a property is the price ~~which~~ that the property will bring in the market when offered for sale and purchased by another, taking into consideration all the elements of the availability of the property, its use both potential and prospective, any functional deficiencies, and all other elements such as age and condition which combine to give property a market value. Those elements shall include ~~a consideration of a decrease in value in nonrental residential property due to a housing subsidy covenant as defined in 27 V.S.A. § 610, or the effect of any state~~ State or local law or regulation affecting the use of land, including 10 V.S.A. chapter 151 or any land capability plan established in furtherance or implementation thereof, rules adopted by the State Board of Health and any local or regional zoning ordinances or development plans. In determining estimated fair market value, the sale price of the property in question is one element to consider, but is not solely determinative.

\* \* \*

(C) For owner-occupied housing that is subject to a housing subsidy covenant, as defined in 27 V.S.A. § 610, imposed by a governmental, quasi-governmental, or public purpose entity, that limits the price for which the property may be sold, the housing subsidy covenant shall be deemed to cause a material decrease in the value of the owner-occupied housing, and the appraisal value means not less than 60 and not more than 70 percent of what the fair market value of the property would be if it were not subject to the housing subsidy covenant. Every five years, starting in 2019, the Commissioner of Taxes, in consultation with the Vermont Housing Conservation Board, shall report to the General Assembly on whether the percentage of appraised valued used in this subdivision should be altered, and the reasons for his or her determination.

(2) "Listed value" shall be an amount equal to 100 percent of the appraisal value. The ratio shall be the same for both real and personal property.

\* \* \* Property Tax Exemptions \* \* \*

Sec. 55. 32 V.S.A. § 3832(7) is amended to read:

(7) Real and personal property of an organization when the property is used primarily for health or recreational purposes, unless the town or municipality in which the property is located so votes at any regular or special meeting duly warned therefor, and except for the following types of property:

(A) buildings and land owned and occupied by a health, recreation, and fitness organization which is:

(i) exempt from taxation under 26 U.S.C. § 501(c)(3),

(ii) used its income entirely for its exempt purpose, and

(iii) promotes exercise and healthy lifestyles for the community and serve citizens of all income levels;

(B) real and personal property operated as a skating rink, owned and operated on a nonprofit basis, but not necessarily by the same entity, and which, in the most recent calendar year, provided facilities to local public schools for a sport officially recognized by the Vermont Principals' Association.

Sec. 56. 32 V.S.A. § 3839 is added to read:

§ 3839. MUNICIPALLY OWNED LAKESHORE PROPERTY

(a) Notwithstanding section 3659 of this title, a town may vote to exempt from its municipal taxes, in whole or in part, any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(1) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(2) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

(b) An exemption voted by a town under subsection (a) of this section shall be for up to ten years. Upon the expiration of the exemption, a town may vote additional periods of exemption not exceeding five years each.

Sec. 57. 32 V.S.A. § 5401(10)(K) is added to read:

(K) Any parcel of land, but not buildings, that provides public access to public waters, as defined in 10 V.S.A. § 1422(6), and that is also:

(i) owned by the Town of Hardwick, and located in Greensboro, Vermont; or

(ii) owned by the Town of Thetford, and located in Fairlee and West Fairlee, Vermont.

\* \* \* Occupancy of a Homestead \* \* \*

Sec. 58. 32 V.S.A. § 5401(7) is amended to read:

(7) “Homestead”:

(A) “Homestead” means the principal dwelling and parcel of land surrounding the dwelling, owned ~~and occupied~~ by a resident individual on April 1 and occupied as the individual’s domicile for a minimum of 183 days out of the calendar year, or for purposes of the renter property tax adjustment under subsection 6066(b) of this title, rented and occupied by a resident individual as the individual’s domicile.

\* \* \*

(H) A homestead does not include any portion of a dwelling that is rented and a dwelling is not a homestead for any portion of the year in which it is rented.

\* \* \*

\* \* \* Excess Spending Anchor \* \* \*

Sec. 59. 32 V.S.A. § 5401(12) is amended to read:

(12) “Excess spending” means:

(A) the per-equalized-pupil amount of the district’s education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b);

(B) in excess of 123 percent of the statewide average district education spending per equalized pupil ~~in the prior fiscal year~~ increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, “increased by inflation” means increasing the statewide average district education spending per equalized pupil for fiscal year 2014 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2014 through the fiscal year for which the amount is being

determined.

Sec. 60. 2013 Acts and Resolves No. 60, Sec. 2 is amended to read:

Sec. 2. 32 V.S.A. § 5401(12) is amended to read:

(12) “Excess spending” means:

(A) the per-equalized-pupil amount of the district’s education spending, as defined in 16 V.S.A. § 4001(6), plus any amount required to be added from a Capital Construction Reserve Fund under 24 V.S.A. § 2804(b);

(B) in excess of ~~423~~ 121 percent of the statewide average district education spending per equalized pupil increased by inflation, as determined by the Secretary of Education on or before November 15 of each year based on the passed budgets to date. As used in this subdivision, “increased by inflation” means increasing the statewide average district education spending per equalized pupil for fiscal year 2014 by the most recent New England Economic Project cumulative price index, as of November 15, for state and local government purchases of goods and services, from fiscal year 2014 through the fiscal year for which the amount is being determined.

\* \* \* Electrical Generating Plants \* \* \*

Sec. 61. 32 V.S.A. § 5402(d) is amended to read:

(d) A municipality which has upon its grand list an operating electric generating plant subject to the tax under ~~section 5402a of this chapter~~ chapter 213 of this title shall be subject to the nonresidential education property tax at three-quarters of the rate provided in subdivision (a)(1) of this section, as adjusted under section 5402b of this chapter; and shall be subject to the homestead education property tax at three-quarters of the base rate provided in subdivision (a)(2) of this section, as adjusted under section 5402b of this chapter, and multiplied by its district spending adjustment.

Sec. 62. EDUCATION TAXES IN VERNON

Notwithstanding any other provision of law, for the purposes of 32 V.S.A. § 5402(d), the town of Vernon shall continue to be treated as if its grand list included an operating electric generating plant subject to the tax under 32 V.S.A. chapter 213 until the end of fiscal year 2018, and shall be taxed as follows:

(1) for fiscal year 2017, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 83 percent of the rate as calculated under 32 V.S.A. § 5402(a);

(2) for fiscal year 2018, the town of Vernon shall be subject to the

nonresidential education property tax and the homestead education property tax at 91 percent of the rate as calculated under 32 V.S.A. § 5402(a); and

(3) for fiscal year 2019 and after, the town of Vernon shall be subject to the nonresidential education property tax and the homestead education property tax at 100 percent of the rate as calculated under 32 V.S.A. § 5402(a).

\* \* \* Renter Rebate \* \* \*

#### Sec. 63. RENTER REBATE REPORT

The Vermont Housing Council, with the assistance of the Department of Taxes, the Joint Fiscal Office, and the Agency of Commerce and Community Development, shall report to the Senate Committee on Finance and House Committee on Ways and Means with recommendations on how to develop programs to assist renters in lieu of the current renter rebate program at 32 V.S.A. § 6066(b), as well as recommendations to make the existing program more effective. Proposals shall address how best to deliver property tax relief to low income renters. For purposes of the report, the Vermont Housing Council shall be joined by a representative from the Vermont Low Income Advocacy Council, the Vermont Community Action Directors' Association, and the Vermont Affordable Housing Coalition. The report shall consider the current benefits to renters from the renter rebate program, and propose alternative programs that also benefit low-income renters. Any alternative proposals shall have approximately the same eligibility parameters as the current renter rebate program, shall be structured to deliver comparable results, and shall take into account the portion of rent paid by renters that is attributable to property taxes. The report shall be due on or before January 15, 2015.

\* \* \* Income Sensitivity Slope; Housesite Value \* \* \*

#### Sec. 64. 32 V.S.A. § 6066(a) is amended to read:

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

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

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

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

(I) the applicable percentage of household income for the taxable year; plus



(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of ~~\$200,000.00~~ \$250,000.00.

\* \* \*

#### Sec. 65. TAX APPEALS REPORT

The Department of Taxes, the Vermont League of Cities and Towns, and the Vermont Assessors and Listers Association shall jointly analyze and report to the General Assembly, on or before January 15, 2015, on the following issues:

(1) the process by which towns are compensated for a reduction in listed value under 32 V.S.A. § 5412, with suggestions about how to make that process more equitable to towns; and

(2) the current costs to towns of defending property tax valuations that benefit the Education Fund, with suggestions for making the defense of property tax valuations more equitable to towns.

#### Sec. 66. APPROPRIATION TO EDUCATION FUND

There shall be transferred from the Supplemental Property Tax Relief Fund a sum of \$3,000,000.00 to the Education Fund.

#### Sec. 67. TUITION REPORT

(a) The Agency of Education shall report to the General Assembly on the current system of setting, paying, and receiving school tuition in Vermont. The report shall be submitted to the General Assembly on or before January 15, 2015.

(b) The report shall review:

(1) the historic practices of Vermont school districts in paying tuition to other schools;

(2) the current law and practices for establishing tuition rates, including how tuition is paid to different categories of schools inside Vermont and outside Vermont, and how Vermont schools set, receive, and use tuition from schools outside the State.

(c) The report shall examine the following issues:

(1) the impact, if any, of tuition rates and practices on the Education Fund;

(2) any effects that would result from establishing a uniform tuition rate

to be paid for different categories of schools, both within and outside Vermont;

(3) the impact, if any, of tuition payments on the number of students enrolled in Vermont schools.

Sec. 68. 16 V.S.A. § 4028(d) is added to read:

(d) Notwithstanding 32 V.S.A. § 502(b)(2), the Joint Fiscal Office shall prepare a fiscal note for any legislation that requires a supervisory union or school district to perform any action with an associated cost, but does not provide money or a funding mechanism for fulfilling that obligation. Any fiscal note prepared under this subsection shall be completed no later than the date that the legislation is considered for a vote in the first committee to which it is referred.

\* \* \* Repeal \* \* \*

Sec. 69. REPEAL

32 V.S.A. § 3802(18) (municipally owned lakeshore property) is repealed on January 1, 2015.

\* \* \* Effective Dates \* \* \*

Sec. 70. EFFECTIVE DATES

This act shall take effect on passage except:

(1) Secs. 1 (filing requirement), 2 (consolidated returns), and 4 (VEGI) shall take effect retroactively to January 1, 2014 and apply for tax year 2014 and after.

(2) Sec. 3 (Vermont Green Up) shall take effect on January 1, 2015 and apply to returns filed after that date.

(3) Sec. 5 (annual income tax update) shall take effect retroactively to January 1, 2014 and apply to taxable years beginning on and after January 1, 2013.

(4) Sec. 6 (annual estate tax update) shall take effect retroactively to January 1, 2014 and apply to decedents dying on or after January 1, 2013.

(5) Secs. 17 (corrected tax bills due to late filing of declaration), 18 (last date for filing declaration), and 19 (corrected tax bills due to late filing of property tax adjustment claim) shall take effect on July 1, 2014 and apply to property appearing on grand lists lodged in 2014 and after.

(6) Sec. 22 (distilled spirits) shall take effect on July 1, 2014.

(7) Secs. 23–25 (employer assessment) shall take effect on July 1, 2014

and shall apply beginning with the calculation of the Health Care Fund contributions payable in the second quarter of fiscal year 2015, which shall be based on the number of an employer's uncovered employees in the first quarter of fiscal year 2015.

(8) Secs. 26–29 (solar plant exemptions and valuation) and 32 (valuation of natural gas and petroleum infrastructure) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(9) Sec. 33 (use tax reporting) shall take effect on January 1, 2015 and apply to tax year 2014 returns and after.

(10) Sec. 35 (downtown credits) shall apply to fiscal year 2015 and after.

(11) Secs. 36 (repeal of sales tax exemption), 38 (cigarettes), 39 (snuff), 40 (floor tax), 41 (definition of sales), 42 (contractors), 43 (certificates of exemption), 44 (definitions), 46 (compost), 47 (telecommunications use tax), 48 (fuel gross receipts tax), and 49 (propane canisters) shall take effect on July 1, 2014.

(12) Sec. 37 (research and development) shall take effect retroactively on January 1, 2014, and shall apply to any claims for credits filed after that date.

(14) Secs. 50 (statewide education tax base rates) and 51 (base education amount) shall take effect on passage and apply to education property tax rates and the base education amount for fiscal year 2015.

(15) Sec. 52 (applicable percentage) shall take effect on July 1, 2014 and apply to the Commissioner's recommendations beginning for fiscal year 2016.

(16) Sec. 53 (increased average daily membership) shall take effect on July 1, 2014 and shall apply to long-term membership calculations for fiscal year 2016 and after.

(17) Secs. 54 (shared equity housing), 55 (health and recreation property), 56 (town voted exemption), and 57 (education property tax exemption) shall take effect on January 1, 2015 and apply to property appearing on grand lists lodged in 2015 and after.

(18) Sec. 58 (occupancy of a homestead) shall take effect on January 1, 2015 and apply to homestead declarations for 2015 and after.

(19) Secs. 59 and 60 (anchoring excess spending) shall take effect on July 1, 2014 and apply to property tax calculations for fiscal year 2016 and after.

(20) Sec. 64 (housesite value) shall take effect on January 1, 2016 and apply to claims filed after that date for fiscal year 2017 and after.

*TIMOTHY R. ASHE  
KEVIN J. MULLIN*

*Committee on the part of the Senate*

*JANET ANCEL  
DAVID D. SHARPE  
WILLIAM F. JOHNSON*

*Committee on the part of the House*

Which was considered and adopted on the part of the House.

**Message from the Senate No. 80**

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

Mr. Speaker:

I am directed to inform the House that:

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

**S. 221.** An act relating to providing statutory purposes for tax expenditures.

And has concurred therein with an amendment in the passage of which the concurrence of the House is requested.

**Message from the Senate No. 81**

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

Mr. Speaker:

I am directed to inform the House that:

The Senate has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses upon House bill of the following title:

**H. 885.** An act relating to making appropriations for the support of government.

And has accepted and adopted the same on its part.

**Message from the Senate No. 82**

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

Mr. Speaker:

I am directed to inform the House that the Senate has on its part completed the business of the session and is ready to adjourn *sine die*, pursuant to the provisions of **J.R.S. 60**.

**Rules Suspended; Senate Proposal of Amendment Concurred in****H. 227**

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

An act relating to licensing and regulating property inspectors

Was taken up for immediate consideration.

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

In Sec. 2 (adding 26 V.S.A. chapter 19), in 26 V.S.A. § 1052 (definitions), by striking out subdivision (3) (definition of “practice of property inspecting”) in its entirety and inserting in lieu thereof a new subdivision (3) to read as follows:

(3) “Practice of property inspecting” means performing or offering to perform for the public for a fee or other compensation services involving the physical inspection of real property structures and other improvements in order to evaluate the condition of the property, including any safety issues or material defects.

Which proposal of amendment was considered and concurred in.

**Rules Not Suspended to Take up for Immediate Consideration****H. 876**

Pending entry on the Calendar for notice, the rules were not suspended, on motion **Rep. Jewett of Ripton**, to take up the bill for immediate action on House bill, entitled

An act relating to making miscellaneous amendments and technical corrections to education laws.

**Bill Ordered to Lie****H. 645**

House bill, entitled

An act relating to workers' compensation

Having appeared on the Calendar one day for notice, was taken up and pending the question, Shall the House concur in the Senate proposal of amendment? on motion of **Rep. Botzow of Pownal** the bill was ordered to lie.

**Rules Suspended; Senate Proposal of Amendment Concurred in  
With a Further Amendment Thereto**

**S. 221**

Pending entrance of the bill on the Calendar for notice, on motion of **Rep. Turner of Milton**, the rules were suspended and Senate bill, entitled

An act relating to providing statutory purposes for tax expenditures

Was taken up for immediate consideration.

The Senate proposed to the House that the Senate concur in the House proposal of amendment with further proposal of amendment as follows:

First: In Sec. 15, 32 V.S.A. § 3800, in subsection (c), at the end of the subsection, by striking out the words "to promote civic services" and inserting in lieu thereof the words to provide a tax benefit to college fraternities and societies.

Second: By adding a new section to be Sec. 21a to read as follows:

Sec. 21a. 32 V.S.A. § 3802(5) is amended to read:

(5) Real and personal property held by and for the benefit of college fraternities and societies and corporations owning such property, but this exemption shall not apply to property held for investment purposes. The exemption from taxation of real and personal property held by and for the benefit of college fraternities and societies and corporations owning such property shall not be construed as exempting lands, buildings, or property other than a fraternity or society house, the land occupied thereby, the land adjacent thereto and used as a lawn, playground, or garden, and the household furniture, and equipment in actual use in such fraternity or society house. In the event that a fraternity or society loses its charter from the affiliated national

organization or university, the fraternity or society shall automatically and immediately be ineligible for the exemption.

Third: By adding a new section to be Sec. 21b to read as follows:

Sec. 21b. Sec. 36(b) of H.735 of 2014 as enacted is amended to read:

(b) Secs. 31 and 32 (apiaries) shall take effect on ~~July 1, 2015~~ July 1, 2014.

Fourth: In Sec. 22 (repeals), by inserting a subdivision (4) to read:

(4) 32 V.S.A. § 3802(5) (college fraternities and societies exemption) is repealed on January 1, 2017.

Fifth: By striking out Sec. 23 (effective date) in its entirety and inserting in lieu thereof the following:

Sec. 23. EFFECTIVE DATES

This act shall take effect on July 1, 2014 except that:

(1) Sec. 22(2) (Repeals; limitation of tax on telecommunications) is repealed on January 1, 2015; and

(2) Sec. 22(4) (Repeals; fraternities and societies tax exemption) is repealed on January 1, 2017.

Which proposal of amendment was considered and concurred in.

### **Recess**

At five o'clock and ten minutes in the afternoon, the Speaker declared a recess until five o'clock and twenty minutes in the afternoon.

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

### **Communication from the Governor**

“To the Speaker of the House and Senate President and President Pro Tempore:

Under Joint Rule 15, I request receipt of H. 596, an act relating to the conversation of assets of a nonprofit hospital, and H. 790, an act relating to Reach-Up eligibility, at the earliest opportunity.

Sincerely,

/s/ Peter Shumlin  
Governor”

**Rules Suspended; Report of Committee of Conference Adopted****H. 501**

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

An act relating to operating a motor vehicle under the influence of alcohol or drugs

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon the bill respectfully reported that it has met and considered the same and recommended that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 23 V.S.A. § 1201 is amended to read:

§ 1201. OPERATING VEHICLE UNDER THE INFLUENCE OF INTOXICATING LIQUOR OR OTHER SUBSTANCE; CRIMINAL REFUSAL; ENHANCED PENALTY FOR BAC OF 0.16 OR MORE

(a) A person shall not operate, attempt to operate, or be in actual physical control of any vehicle on a highway:

(1) when the person's alcohol concentration is 0.08 or more, or 0.02 or more if the person is operating a school bus as defined in subdivision 4(34) of this title; or

(2) when the person is under the influence of intoxicating liquor; or

(3) when the person is under the influence of any other drug or under the combined influence of alcohol and any other drug ~~to a degree which renders the person incapable of driving safely~~; or

(4) when the person's alcohol concentration is 0.04 or more if the person is operating a commercial motor vehicle as defined in subdivision 4103(4) of this title.



\* \* \*

(h) As used in subdivision (a)(3) of this section, “under the influence of a drug” means that a person’s ability to operate a motor vehicle safely is diminished or impaired in the slightest degree. This subsection shall not be construed to affect the meaning of the term “under the influence of intoxicating liquor.”

Sec. 2. DEPARTMENT OF PUBLIC SAFETY REPORTS; DRUG RECOGNITION EXPERTS

On or before November 1, 2015, the Department of Public Safety shall report to the Senate and House Committees on Judiciary on the use of drug recognition experts in cases involving operating a motor vehicle while under the influence of drugs. The report shall include the following:

(1) the number of motor vehicle stops made by law enforcement in Vermont during the period of July 1, 2014 to June 30, 2015 and accidents that occurred during that period in which the operator of the vehicle was suspected of driving under the influence of drugs;

(2) the number of times an operator of a motor vehicle involved in an accident or stopped by a law enforcement officer during the period of July 1, 2014 to June 30, 2015 was examined by a drug recognition expert and the number of times, after examination by the drug recognition expert, that the operator was:

(A) charged with operating a motor vehicle under the influence of drugs;

(B) not charged with operating a motor vehicle under the influence of drugs; and

(C) convicted of operating a motor vehicle under the influence of drugs.

Sec. 3. NALTREXONE INJECTIONS; DEPARTMENT OF HEALTH STUDY

The Department of Health shall evaluate the feasibility, effectiveness, risks, and benefits of using an injectable form of the opioid antagonist naltrexone in the treatment of opioid addiction in Vermont, either instead of or in addition to the use of methadone and buprenorphine. On or before January 15, 2015, the Department shall report its findings and recommendations regarding the use of injectable naltrexone in Vermont’s substance abuse treatment programs to the

House Committees on Human Services and on Judiciary and the Senate  
Committees on Health and Welfare and on Judiciary.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage.

COMMITTEE ON THE PART OF THE SENATE  
COMMITTEE ON THE PART OF THE HOUSE

SEN. ALICE W. NITKA      REP. LINDA J. WAITE-SIMPSON

SEN. RICHARD W. SEARS      REP. THOMAS F. KOCH

SEN. JOSEPH C. BENNING      REP. DAVID E. POTTER

Which was considered and adopted on the part of the House.

**Rules Suspended; Report of Committee of Conference Adopted**

**H. 790**

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

An act relating to Reach Up eligibility

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses the bill respectfully reported that it has met and considered the same and recommended that the Senate Proposal of Amendment be amended by striking all after the enacting clause and inserting in lieu thereof the following:

\* \* \* Reach Up Earned Income Disregard and Counseling \* \* \*

Sec. 1. 33 V.S.A. § 1103 is amended to read:

§ 1103. ELIGIBILITY AND BENEFIT LEVELS

(a) Financial assistance shall be given for the benefit of a dependent child to the relative or caretaker with whom the child is living unless otherwise provided. The amount of financial assistance to which an eligible person is entitled shall be determined with due regard to the income, resources, and maintenance available to that person and, as far as funds are available, shall

provide that person a reasonable subsistence compatible with decency and health. The Commissioner may fix by regulation maximum amounts of financial assistance, and act to ~~insure~~ ensure that the expenditures for the programs shall not exceed appropriations for them consistent with section 101 of this title. In no case may the Department expend State funds in excess of the appropriations for the programs under this chapter.

\* \* \*

(c) The Commissioner shall adopt rules for the determination of eligibility for the Reach Up program and benefit levels for all participating families that include the following provisions:

(1) No less than the first ~~\$200.00~~ \$250.00 per month of earnings from an unsubsidized job and 25 percent of the remaining unsubsidized earnings shall be disregarded in determining the amount of the family's financial assistance grant. The family shall receive the difference between countable income and the Reach Up payment standard in a partial financial assistance grant.

\* \* \*

Sec. 2. 33 V.S.A. § 1107(a) is amended to read:

(a)(1) The Commissioner shall provide all Reach Up services to participating families through a case management model informed by knowledge of the family's home, community, employment, and available resources. Services may be delivered in the district office, the family's home, or community in a way that facilitates progress toward accomplishment of the family development plan. Case management may be provided to other eligible families. The case manager, with the full involvement of the family, shall recommend, and the Commissioner shall modify as necessary a family development plan established under the Reach First or Reach Up program for each participating family, with a right of appeal as provided by section 1132 of this title. A case manager shall be assigned to each participating family as soon as the family begins to receive financial assistance. If administratively feasible and appropriate, the case manager shall be the same case manager the family was assigned in the Reach First program. The applicant for or recipient of financial assistance, under this chapter, shall have the burden of demonstrating the existence of his or her condition.

(2) In addition to the services provided pursuant to subsection (b) of this section, the Commissioner shall provide for a mandatory case review for each participating family with a program director or the program director's designee when the family reaches 18 and 36 months of enrollment, respectively, in the Reach Up program to assess whether the participating family:

(A) is in compliance with a family development plan or work requirement;

(B) is properly claiming a deferment, if applicable; ~~and~~

(C) has any unaddressed barriers to self-sufficiency and, if so, how those barriers may be better addressed by the Department for Children and Families or other State programs; and

(D) has additional opportunities to achieve earned income through the program without a corresponding loss of benefits.

(3) The case manager shall meet with each participating family following any statutory or rule changes affecting the amount of the earned income disregard, asset limitations, or other eligibility or benefit criteria in the Reach Up program to inform the family of the changes and advise the family about ways to maximize the opportunities to achieve earned income without a corresponding loss of benefits.

\* \* \* Earned Income Disregard Offset, Etc. \* \* \*

Sec. 3. 33 V.S.A. § 1204 is amended to read:

#### § 1204. FOOD ASSISTANCE

(a)(1) An eligible family shall receive monthly food assistance equal to ~~\$100.00~~ \$50.00 to be applied to the family's electronic benefit transfer (EBT) food account for the first ~~six~~ 12 months after the family has become eligible for Reach Ahead.

(2) For the ~~seventh~~ 12th through ~~12th~~ 24th months, the family shall receive a monthly food assistance of ~~\$50.00~~ \$5.00.

\* \* \*

(d) The 12th through 24th months of assistance shall be funded through savings resulting from caseload reductions in the Reach Up program. If there are insufficient savings from caseload reductions to fund the 12th through 24th months of assistance, the assistance shall be suspended or modified.

#### Sec. 4. REACH AHEAD; GRANDFATHER PROVISION

Notwithstanding 33 V.S.A. § 1204(a), any family within the first six months of its participation in the Reach Ahead program on July 1, 2015 shall continue to receive monthly food assistance equal to \$100.00 until its seventh month of participation in the program, at which time it shall receive monthly food assistance equal to \$50.00 for the remainder of the initial 12-month period.

\* \* \* Enhanced Child Care Services Subsidy \* \* \*

Sec. 5. 33 V.S.A. § 3512 is amended to read:

§ 3512. CHILD CARE SERVICES ~~PROGRAM~~ PROGRAMS;

ELIGIBILITY

(a)(1) A child care services program is established to subsidize, to the extent that funds permit, the costs of child care for families that need child care services in order to obtain employment, to retain employment or to obtain training leading to employment. Families seeking employment shall not be entitled to participate in the program for a period in excess of one month, unless that period is extended by the Commissioner.

~~(b)(2)~~ The subsidy authorized by this ~~section~~ subsection shall be on a sliding scale basis. The scale shall be established by the Commissioner, by rule, and shall bear a reasonable relationship to income and family size. The lower limit of the fee scale shall include families whose gross income is up to and including 100 percent of the federal poverty guidelines. The upper income limit of the fee scale shall be neither less than 200 percent of the federal poverty guidelines nor more than 100 percent of the ~~state~~ State median income, adjusted for the size of the family. The scale shall be structured so that it encourages employment.

(b)(1) An enhanced child care services subsidy program is established for families participating in the Reach Ahead program.

(2) The enhanced child care services subsidy program established by this subsection shall be administered by the Department's Child Development Division. The Commissioner shall adopt rules necessary for the administration of the program pursuant to 3 V.S.A. chapter 25.

(3) The subsidy authorized by this subsection shall be no greater than 100 percent of the subsidy provided in subsection (a) of this section.

(4) A participating family shall remain eligible for the enhanced child care services subsidy program between 12 and 24 months as long as one or more dependent children of a working parent or parents are receiving child care services. The Commissioner for Children and Families may extend the subsidy beyond 24 months if the Commissioners for Children and Families and of Finance and Management determine jointly that an extension can be accommodated within appropriated resources.

(5) The enhanced child care services subsidy program shall be funded through savings resulting from caseload reductions in the Reach Up program. If there are insufficient savings from caseload reductions to fund the program, the program shall be suspended or modified.

Sec. 6. 33 V.S.A. § 1205 is amended to read:

§ 1205. REQUIRED SERVICES TO PARTICIPATING FAMILIES

(a) The Commissioner shall provide participating families Reach Ahead services, case management services if necessary, and referral to any agencies or programs, including workforce development, that provide the services needed by participating families to improve the family's prospects for employment retention. Reach Ahead services shall be provided for ~~12~~ 24 months.

(b) A participating family shall be eligible for an enhanced child care services subsidy during its 12th through 24th months on the Reach Ahead program pursuant to subsection 3512(b) of this title.

Sec. 7. INTERIM REPORT

The Department for Children and Families shall submit a written report to the Health Care Oversight Committee on or before November 1, 2014 regarding the estimated cost of the enhanced child care services subsidy program, the estimated cost of the increased Reach Up earned income disregard, and the projected caseload reduction savings in the Reach Up program.

Sec. 8. BUDGET PRESENTATION

The Department for Children and Families shall include as part of its fiscal year 2016 budget presentation to the General Assembly a preliminary estimate of the projected Reach Up program cost reduction associated with caseload estimates below the level appropriated for fiscal year 2015, the projected cost of the increased Reach Up earned income disregard, and the parameters and cost projections for the enhanced child care services subsidy.

\* \* \* Report \* \* \*

Sec. 9. REPORT; REACH UP EARNED INCOME DISREGARD

(a) The Commissioner for Children and Families shall explore the feasibility of implementing a transitional Supplemental Nutrition Assistance Program benefit that will allow the Department to draw federal funds. In particular, the Commissioner shall explore the extent to which additional federal funding in the Supplemental Nutrition Assistance Program could offset the cost of food assistance during the first five months of the Reach Ahead program and, consequently, free State funds to offset an increase to the earned income disregard in the Reach Up program. The Commissioner shall submit

the report to the Health Care Oversight Committee on or before October 15, 2014.

(b) The Health Care Oversight Committee shall make recommendations based on the Commissioner's report to the committees of jurisdiction as part of its 2014 annual report.

\* \* \* Effective Dates \* \* \*

#### Sec. 10. EFFECTIVE DATES

This act shall take effect on July 1, 2014, except that Secs. 1, 3, 5, and 6 shall take effect July 1, 2015.

And that after passage the title of the bill be amended to read:

An act relating to Reach Up, Reach Ahead, and the Enhanced Child Care Services Subsidy Program.

COMMITTEE ON THE PART OF  
THE SENATE

SEN. CLAIRE D. AYER  
SEN. ALICE W. NITKA  
SEN. VIRGINIA V. LYONS

COMMITTEE ON THE PART OF  
THE HOUSE

REP. MATTHEW A. TRIEBER  
REP. ANN D. PUGH  
REP. ANNE T. O'BRIEN

Which was considered and adopted on the part of the House.

#### **Rules Suspended; Report of Committee of Conference and Addendum Adopted**

#### **H. 885**

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

An act relating to making appropriations for the support of government

Was taken up for immediate consideration.

The Speaker placed before the House the following Committee of Conference report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon the bill respectfully reported that it has met and considered the same and recommended that the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2015 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 2015. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2014. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2015 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 2015.

(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 on June 30, 2015.

Sec. A.103 DEFINITIONS

(a) As used in 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 2015, 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 2015, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2014 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 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 2015 except for new positions authorized by the 2014 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

Sec. A.108 LEGEND

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

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

(b) The C sections contain any amendments to the current fiscal year and the D sections contain fund transfers and reserve allocations for the upcoming budget year.

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

Personal services	3,659,604
Operating expenses	<u>224,103</u>
Total	3,883,707
Source of funds	
General fund	1,734,799

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Interdepartmental transfers	<u>2,148,908</u>
Total	3,883,707
Sec. B.101 Secretary of administration - finance	
Personal services	1,258,484
Operating expenses	<u>131,517</u>
Total	1,390,001
Source of funds	
Interdepartmental transfers	<u>1,390,001</u>
Total	1,390,001
Sec. B.102 Secretary of administration - workers' compensation insurance	
Personal services	1,200,543
Operating expenses	<u>273,822</u>
Total	1,474,365
Source of funds	
Internal service funds	<u>1,474,365</u>
Total	1,474,365
Sec. B.103 Secretary of administration - general liability insurance	
Personal services	284,607
Operating expenses	<u>53,572</u>
Total	338,179
Source of funds	
Internal service funds	<u>338,179</u>
Total	338,179
Sec. B.104 Secretary of administration - all other insurance	
Personal services	24,311
Operating expenses	<u>8,623</u>
Total	32,934
Source of funds	
Internal service funds	<u>32,934</u>
Total	32,934
Sec. B.104.1 Secretary of administration - VTHR operations	
Personal services	1,637,261
Operating expenses	<u>627,882</u>
Total	2,265,143
Source of funds	
Internal service funds	2,234,650

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Interdepartmental transfers	<u>30,493</u>
Total	2,265,143
Sec. B.105 Information and innovation - communications and information technology	
Personal services	12,314,627
Operating expenses	8,915,522
Grants	<u>635,000</u>
Total	21,865,149
Source of funds	
Internal service funds	<u>21,865,149</u>
Total	21,865,149
Sec. B.106 Finance and management - budget and management	
Personal services	1,236,647
Operating expenses	<u>231,947</u>
Total	1,468,594
Source of funds	
General fund	1,076,522
Interdepartmental transfers	<u>392,072</u>
Total	1,468,594
Sec. B.107 Finance and management - financial operations	
Personal services	2,267,666
Operating expenses	<u>755,050</u>
Total	3,022,716
Source of funds	
Internal service funds	<u>3,022,716</u>
Total	3,022,716
Sec. B.108 Human resources - operations	
Personal services	6,378,740
Operating expenses	<u>853,986</u>
Total	7,232,726
Source of funds	
General fund	1,690,943
Special funds	244,912
Internal service funds	4,586,343
Interdepartmental transfers	<u>710,528</u>
Total	7,232,726
Sec. B.109 Human resources - employee benefits & wellness	

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Personal services	1,062,489
Operating expenses	<u>678,074</u>
Total	1,740,563
Source of funds	
Internal service funds	1,726,152
Interdepartmental transfers	<u>14,411</u>
Total	1,740,563
Sec. B.110 Libraries	
Personal services	2,163,447
Operating expenses	1,674,388
Grants	<u>61,336</u>
Total	3,899,171
Source of funds	
General fund	2,746,649
Special funds	127,021
Federal funds	926,413
Interdepartmental transfers	<u>99,088</u>
Total	3,899,171
Sec. B.111 Tax - administration/collection	
Personal services	13,319,740
Operating expenses	<u>3,821,985</u>
Total	17,141,725
Source of funds	
General fund	15,628,271
Special funds	1,370,888
Interdepartmental transfers	<u>142,566</u>
Total	17,141,725
Sec. B.112 Buildings and general services - administration	
Personal services	641,951
Operating expenses	<u>113,569</u>
Total	755,520
Source of funds	
Interdepartmental transfers	<u>755,520</u>
Total	755,520
Sec. B.113 Buildings and general services - engineering	
Personal services	2,445,531
Operating expenses	<u>750,632</u>

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Total	3,196,163
Source of funds	
Interdepartmental transfers	<u>3,196,163</u>
Total	3,196,163
Sec. B.114 Buildings and general services - information centers	
Personal services	3,268,518
Operating expenses	1,439,275
Grants	<u>33,000</u>
Total	4,740,793
Source of funds	
General fund	678,129
Transportation fund	3,983,398
Special funds	<u>79,266</u>
Total	4,740,793
Sec. B.115 Buildings and general services - purchasing	
Personal services	976,157
Operating expenses	<u>182,954</u>
Total	1,159,111
Source of funds	
General fund	<u>1,159,111</u>
Total	1,159,111
Sec. B.116 Buildings and general services - postal services	
Personal services	650,215
Operating expenses	<u>137,100</u>
Total	787,315
Source of funds	
General fund	79,157
Internal service funds	<u>708,158</u>
Total	787,315
Sec. B.117 Buildings and general services - copy center	
Personal services	690,354
Operating expenses	<u>141,619</u>
Total	831,973
Source of funds	
Internal service funds	<u>831,973</u>
Total	831,973
Sec. B.118 Buildings and general services - fleet management services	

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Personal services	611,901
Operating expenses	<u>177,943</u>
Total	789,844
Source of funds	
Internal service funds	<u>789,844</u>
Total	789,844
Sec. B.119 Buildings and general services - federal surplus property	
Personal services	28,409
Operating expenses	<u>8,386</u>
Total	36,795
Source of funds	
Enterprise funds	<u>36,795</u>
Total	36,795
Sec. B.120 Buildings and general services - state surplus property	
Personal services	132,060
Operating expenses	<u>121,675</u>
Total	253,735
Source of funds	
Internal service funds	<u>253,735</u>
Total	253,735
Sec. B.121 Buildings and general services - property management	
Personal services	1,344,303
Operating expenses	<u>1,157,330</u>
Total	2,501,633
Source of funds	
Internal service funds	<u>2,501,633</u>
Total	2,501,633
Sec. B.122 Buildings and general services - fee for space	
Personal services	13,301,458
Operating expenses	<u>15,759,443</u>
Total	29,060,901
Source of funds	
Internal service funds	<u>29,060,901</u>
Total	29,060,901
Sec. B.123 Geographic information system	
Grants	<u>378,700</u>

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Total	378,700
Source of funds	
Special funds	<u>378,700</u>
Total	378,700
Sec. B.124 Executive office - governor's office	
Personal services	1,265,598
Operating expenses	<u>445,038</u>
Total	1,710,636
Source of funds	
General fund	1,524,136
Interdepartmental transfers	<u>186,500</u>
Total	1,710,636
Sec. B.125 Legislative council	
Personal services	3,146,214
Operating expenses	<u>745,924</u>
Total	3,892,138
Source of funds	
General fund	<u>3,892,138</u>
Total	3,892,138
Sec. B.126 Legislature	
Personal services	3,630,491
Operating expenses	<u>3,414,026</u>
Total	7,044,517
Source of funds	
General fund	<u>7,044,517</u>
Total	7,044,517
Sec. B.127 Joint fiscal committee	
Personal services	1,412,776
Operating expenses	<u>117,381</u>
Total	1,530,157
Source of funds	
General fund	<u>1,530,157</u>
Total	1,530,157
Sec. B.128 Sergeant at arms	
Personal services	504,248
Operating expenses	<u>68,299</u>



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Total	572,547
Source of funds	
General fund	<u>572,547</u>
Total	572,547
Sec. B.129 Lieutenant governor	
Personal services	151,116
Operating expenses	<u>29,854</u>
Total	180,970
Source of funds	
General fund	<u>180,970</u>
Total	180,970
Sec. B.130 Auditor of accounts	
Personal services	3,415,428
Operating expenses	<u>159,153</u>
Total	3,574,581
Source of funds	
General fund	396,846
Special funds	53,145
Internal service funds	<u>3,124,590</u>
Total	3,574,581
Sec. B.131 State treasurer	
Personal services	3,019,207
Operating expenses	<u>299,503</u>
Total	3,318,710
Source of funds	
General fund	993,468
Special funds	2,216,919
Interdepartmental transfers	<u>108,323</u>
Total	3,318,710
Sec. B.132 State treasurer - unclaimed property	
Personal services	878,109
Operating expenses	<u>261,084</u>
Total	1,139,193
Source of funds	
Private purpose trust funds	<u>1,139,193</u>
Total	1,139,193
Sec. B.133 Vermont state retirement system	

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Personal services	7,964,390
Operating expenses	<u>30,191,072</u>
Total	38,155,462
Source of funds	
Pension trust funds	<u>38,155,462</u>
Total	38,155,462
Sec. B.134 Municipal employees' retirement system	
Personal services	2,596,930
Operating expenses	<u>577,701</u>
Total	3,174,631
Source of funds	
Pension trust funds	<u>3,174,631</u>
Total	3,174,631
Sec. B.135 State labor relations board	
Personal services	184,811
Operating expenses	<u>43,512</u>
Total	228,323
Source of funds	
General fund	218,747
Special funds	6,788
Interdepartmental transfers	<u>2,788</u>
Total	228,323
Sec. B.136 VOSHA review board	
Personal services	37,200
Operating expenses	<u>12,010</u>
Total	49,210
Source of funds	
General fund	24,605
Interdepartmental transfers	<u>24,605</u>
Total	49,210
Sec. B.137 Homeowner rebate	
Grants	<u>15,717,000</u>
Total	15,717,000
Source of funds	
General fund	<u>15,717,000</u>
Total	15,717,000
Sec. B.138 Renter rebate	

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Grants	<u>7,500,000</u>
Total	7,500,000
Source of funds	
General fund	2,670,000
Education fund	<u>4,830,000</u>
Total	7,500,000
Sec. B.139 Tax department - reappraisal and listing payments	
Grants	<u>3,275,000</u>
Total	3,275,000
Source of funds	
Education fund	<u>3,275,000</u>
Total	3,275,000
Sec. B.140 Municipal current use	
Grants	<u>14,000,000</u>
Total	14,000,000
Source of funds	
General fund	<u>14,000,000</u>
Total	14,000,000
Sec. B.141 Lottery commission	
Personal services	1,876,533
Operating expenses	1,292,910
Grants	<u>150,000</u>
Total	3,319,443
Source of funds	
Enterprise funds	<u>3,319,443</u>
Total	3,319,443
Sec. B.142 Payments in lieu of taxes	
Grants	<u>5,800,000</u>
Total	5,800,000
Source of funds	
Special funds	<u>5,800,000</u>
Total	5,800,000
Sec. B.143 Payments in lieu of taxes - Montpelier	
Grants	<u>184,000</u>
Total	184,000
Source of funds	

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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	
Source of funds	
General fund	73,558,712
Transportation fund	3,983,398
Special funds	10,501,639
Education fund	8,105,000
Federal funds	926,413
Internal service funds	72,551,322
Interdepartmental transfers	9,201,966
Enterprise funds	3,356,238
Pension trust funds	41,330,093
Private purpose trust funds	<u>1,139,193</u>
Total	224,653,974
Sec. B.200 Attorney general	
Personal services	7,963,181
Operating expenses	<u>1,242,623</u>
Total	9,205,804
Source of funds	
General fund	4,332,106
Special funds	1,533,948
Tobacco fund	348,000
Federal funds	816,644
Interdepartmental transfers	<u>2,175,106</u>
Total	9,205,804
Sec. B.201 Vermont court diversion	
Grants	<u>1,916,483</u>
Total	1,916,483
Source of funds	
General fund	1,396,486

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Special funds	<u>519,997</u>
Total	1,916,483
Sec. B.202 Defender general - public defense	
Personal services	9,172,266
Operating expenses	<u>1,013,318</u>
Total	10,185,584
Source of funds	
General fund	9,570,516
Special funds	<u>615,068</u>
Total	10,185,584
Sec. B.203 Defender general - assigned counsel	
Personal services	4,161,963
Operating expenses	<u>49,819</u>
Total	4,211,782
Source of funds	
General fund	4,188,298
Special funds	<u>23,484</u>
Total	4,211,782
Sec. B.204 Judiciary	
Personal services	33,471,779
Operating expenses	8,728,658
Grants	<u>70,000</u>
Total	42,270,437
Source of funds	
General fund	36,391,687
Special funds	2,598,672
Tobacco fund	39,871
Federal funds	858,811
Interdepartmental transfers	<u>2,381,396</u>
Total	42,270,437
Sec. B.205 State's attorneys	
Personal services	10,317,677
Operating expenses	<u>1,830,089</u>
Total	12,147,766
Source of funds	
General fund	9,628,628
Special funds	75,363

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Federal funds	31,000
Interdepartmental transfers	<u>2,412,775</u>
Total	12,147,766
Sec. B.206 Special investigative unit	
Personal services	85,676
Grants	<u>1,589,162</u>
Total	1,674,838
Source of funds	
General fund	<u>1,674,838</u>
Total	1,674,838
Sec. B.207 Sheriffs	
Personal services	3,517,732
Operating expenses	<u>371,525</u>
Total	3,889,257
Source of funds	
General fund	<u>3,889,257</u>
Total	3,889,257
Sec. B.208 Public safety - administration	
Personal services	3,548,125
Operating expenses	2,457,095
Grants	<u>1,900,000</u>
Total	7,905,220
Source of funds	
General fund	2,986,248
Federal funds	3,877,825
Interdepartmental transfers	<u>1,041,147</u>
Total	7,905,220
Sec. B.209 Public safety - state police	
Personal services	49,899,602
Operating expenses	8,279,942
Grants	<u>820,000</u>
Total	58,999,544
Source of funds	
General fund	29,741,838
Transportation fund	22,750,000
Special funds	2,745,998
Federal funds	2,675,986

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Interdepartmental transfers	<u>1,085,722</u>
Total	58,999,544
Sec. B.210 Public safety - criminal justice services	
Personal services	6,879,112
Operating expenses	<u>1,610,302</u>
Total	8,489,414
Source of funds	
General fund	6,091,507
Special funds	1,749,302
Federal funds	564,858
Interdepartmental transfers	<u>83,747</u>
Total	8,489,414
Sec. B.211 Public safety - emergency management and homeland security	
Personal services	3,582,129
Operating expenses	888,766
Grants	<u>15,137,210</u>
Total	19,608,105
Source of funds	
General fund	687,101
Federal funds	18,859,172
Interdepartmental transfers	<u>61,832</u>
Total	19,608,105
Sec. B.212 Public safety - fire safety	
Personal services	5,796,205
Operating expenses	1,916,612
Grants	<u>107,000</u>
Total	7,819,817
Source of funds	
General fund	672,618
Special funds	6,758,427
Federal funds	343,772
Interdepartmental transfers	<u>45,000</u>
Total	7,819,817
Sec. B.214 Radiological emergency response plan	
Personal services	571,875
Operating expenses	276,108
Grants	<u>1,256,649</u>

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Total	2,104,632
Source of funds	
Special funds	<u>2,104,632</u>
Total	2,104,632
Sec. B.215 Military - administration	
Personal services	698,615
Operating expenses	360,393
Grants	<u>100,000</u>
Total	1,159,008
Source of funds	
General fund	<u>1,159,008</u>
Total	1,159,008
Sec. B.216 Military - air service contract	
Personal services	4,909,339
Operating expenses	<u>1,088,600</u>
Total	5,997,939
Source of funds	
General fund	463,123
Federal funds	<u>5,534,816</u>
Total	5,997,939
Sec. B.217 Military - army service contract	
Personal services	4,041,859
Operating expenses	<u>9,141,931</u>
Total	13,183,790
Source of funds	
General fund	144,854
Federal funds	<u>13,038,936</u>
Total	13,183,790
Sec. B.218 Military - building maintenance	
Personal services	966,804
Operating expenses	<u>464,405</u>
Total	1,431,209
Source of funds	
General fund	1,380,277
Federal funds	<u>50,932</u>
Total	1,431,209
Sec. B.219 Military - veterans' affairs	



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Personal services	586,009
Operating expenses	126,009
Grants	<u>154,984</u>
Total	867,002
Source of funds	
General fund	754,984
Special funds	65,000
Federal funds	<u>47,018</u>
Total	867,002
Sec. B.220 Center for crime victim services	
Personal services	1,426,583
Operating expenses	278,836
Grants	<u>8,250,733</u>
Total	9,956,152
Source of funds	
General fund	1,208,747
Special funds	4,875,409
Federal funds	<u>3,871,996</u>
Total	9,956,152
Sec. B.221 Criminal justice training council	
Personal services	1,366,969
Operating expenses	<u>1,239,853</u>
Total	2,606,822
Source of funds	
General fund	2,365,241
Interdepartmental transfers	<u>241,581</u>
Total	2,606,822
Sec. B.222 Agriculture, food and markets - administration	
Personal services	1,238,029
Operating expenses	248,162
Grants	<u>305,034</u>
Total	1,791,225
Source of funds	
General fund	1,040,127
Special funds	466,399
Federal funds	<u>284,699</u>
Total	1,791,225

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Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	3,180,467
Operating expenses	755,482
Grants	<u>2,600,000</u>
Total	6,535,949
Source of funds	
General fund	2,289,170
Special funds	3,374,114
Federal funds	831,737
Global Commitment fund	34,006
Interdepartmental transfers	<u>6,922</u>
Total	6,535,949

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	1,095,075
Operating expenses	678,620
Grants	<u>2,170,275</u>
Total	3,943,970
Source of funds	
General fund	2,499,902
Special funds	915,846
Federal funds	415,587
Interdepartmental transfers	<u>112,635</u>
Total	3,943,970

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

Personal services	4,220,329
Operating expenses	927,514
Grants	<u>1,238,231</u>
Total	6,386,074
Source of funds	
General fund	2,472,419
Special funds	2,358,755
Federal funds	1,142,878
Global Commitment fund	56,272
Interdepartmental transfers	<u>355,750</u>
Total	6,386,074

Sec. B.226 Financial regulation - administration

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Personal services	1,794,130
Operating expenses	<u>163,454</u>
Total	1,957,584
Source of funds	
Special funds	<u>1,957,584</u>
Total	1,957,584
Sec. B.227 Financial regulation - banking	
Personal services	1,502,310
Operating expenses	<u>304,782</u>
Total	1,807,092
Source of funds	
Special funds	<u>1,807,092</u>
Total	1,807,092
Sec. B.228 Financial regulation - insurance	
Personal services	6,360,027
Operating expenses	<u>526,831</u>
Total	6,886,858
Source of funds	
Special funds	5,196,858
Federal funds	1,369,989
Interdepartmental transfers	<u>320,011</u>
Total	6,886,858
Sec. B.229 Financial regulation - captive insurance	
Personal services	3,831,831
Operating expenses	<u>479,808</u>
Total	4,311,639
Source of funds	
Special funds	<u>4,311,639</u>
Total	4,311,639
Sec. B.230 Financial regulation - securities	
Personal services	500,118
Operating expenses	<u>170,924</u>
Total	671,042
Source of funds	
Special funds	<u>671,042</u>
Total	671,042
Sec. B.232 Secretary of state	

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Personal services	8,171,691
Operating expenses	2,089,440
Grants	<u>20,000</u>
Total	10,281,131
Source of funds	
Special funds	7,895,931
Federal funds	2,310,200
Interdepartmental transfers	<u>75,000</u>
Total	10,281,131
Sec. B.233 Public service - regulation and energy	
Personal services	12,834,281
Operating expenses	943,498
Grants	<u>5,895,202</u>
Total	19,672,981
Source of funds	
Special funds	18,684,328
Federal funds	712,951
ARRA funds	238,000
Enterprise funds	<u>37,702</u>
Total	19,672,981
Sec. B.234 Public service board	
Personal services	2,941,140
Operating expenses	<u>457,936</u>
Total	3,399,076
Source of funds	
Special funds	<u>3,399,076</u>
Total	3,399,076
Sec. B.235 Enhanced 9-1-1 Board	
Personal services	3,435,547
Operating expenses	284,283
Grants	<u>885,000</u>
Total	4,604,830
Source of funds	
Special funds	<u>4,604,830</u>
Total	4,604,830
Sec. B.236 Human rights commission	
Personal services	413,945

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Operating expenses	<u>85,870</u>
Total	499,815
Source of funds	
General fund	426,510
Federal funds	<u>73,305</u>
Total	499,815
Sec. B.237 Liquor control - administration	
Personal services	3,408,532
Operating expenses	<u>641,367</u>
Total	4,049,899
Source of funds	
Enterprise funds	<u>4,049,899</u>
Total	4,049,899
Sec. B.238 Liquor control - enforcement and licensing	
Personal services	2,229,505
Operating expenses	<u>488,303</u>
Total	2,717,808
Source of funds	
Special funds	28,225
Tobacco fund	218,444
Federal funds	254,841
Interdepartmental transfers	88,000
Enterprise funds	<u>2,128,298</u>
Total	2,717,808
Sec. B.239 Liquor control - warehousing and distribution	
Personal services	917,474
Operating expenses	<u>456,047</u>
Total	1,373,521
Source of funds	
Enterprise funds	<u>1,373,521</u>
Total	1,373,521
Sec. B.240 Total protection to persons and property	
Source of funds	
General fund	127,455,490
Transportation fund	22,750,000
Special funds	79,337,019
Tobacco fund	606,315

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Federal funds	57,967,953
ARRA funds	238,000
Global Commitment fund	90,278
Interdepartmental transfers	10,486,624
Enterprise funds	<u>7,589,420</u>
Total	306,521,099

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

Personal services	10,644,482
Operating expenses	3,796,083
Grants	<u>6,994,658</u>
Total	21,435,223
Source of funds	
General fund	7,332,772
Special funds	91,017
Tobacco fund	224,698
Federal funds	10,077,015
Global Commitment fund	415,000
Interdepartmental transfers	<u>3,294,721</u>
Total	21,435,223

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

Operating expenses	5,340,670
Grants	<u>1,327,708,491</u>
Total	1,333,049,161
Source of funds	
General fund	194,995,109
Special funds	24,058,084
Tobacco fund	33,031,032
State health care resources fund	268,592,899
Federal funds	812,332,037
Interdepartmental transfers	<u>40,000</u>
Total	1,333,049,161

## Sec. B.302 Rate setting

Personal services	879,023
Operating expenses	<u>98,596</u>
Total	977,619
Source of funds	
Global Commitment fund	<u>977,619</u>
Total	977,619

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 Sec. B.303 Developmental disabilities council

Personal services	225,453
Operating expenses	67,012
Grants	<u>248,388</u>
Total	540,853
Source of funds	
Federal funds	<u>540,853</u>
Total	540,853

## Sec. B.304 Human services board

Personal services	740,493
Operating expenses	<u>89,986</u>
Total	830,479
Source of funds	
General fund	126,534
Federal funds	388,686
Interdepartmental transfers	<u>315,259</u>
Total	830,479

## Sec. B.305 AHS - administrative fund

Personal services	350,000
Operating expenses	<u>4,650,000</u>
Total	5,000,000
Source of funds	
Interdepartmental transfers	<u>5,000,000</u>
Total	5,000,000

## Sec. B.306 Department of Vermont health access - administration

Personal services	145,699,406
Operating expenses	4,210,327
Grants	<u>21,143,239</u>
Total	171,052,972
Source of funds	
General fund	1,330,489
Special funds	3,626,895
Federal funds	95,548,406
Global Commitment fund	60,399,052
Interdepartmental transfers	<u>10,148,130</u>
Total	171,052,972

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Sec. B.307 Department of Vermont health access - Medicaid program - global commitment

Grants	<u>651,883,597</u>
Total	651,883,597
Source of funds	
Global Commitment fund	<u>651,883,597</u>
Total	651,883,597

Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver

Grants	<u>206,894,740</u>
Total	206,894,740
Source of funds	
General fund	90,092,886
Federal funds	<u>116,801,854</u>
Total	206,894,740

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

Grants	<u>45,213,819</u>
Total	45,213,819
Source of funds	
General fund	32,906,820
Global Commitment fund	<u>12,306,999</u>
Total	45,213,819

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

Grants	<u>45,783,374</u>
Total	45,783,374
Source of funds	
General fund	19,344,908
Federal funds	<u>26,438,466</u>
Total	45,783,374

Sec. B.311 Health - administration and support

Personal services	6,429,497
Operating expenses	3,086,498
Grants	<u>3,465,000</u>
Total	12,980,995
Source of funds	



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General fund	2,267,507
Special funds	1,019,232
Federal funds	5,420,656
Global Commitment fund	<u>4,273,600</u>
Total	12,980,995
Sec. B.312 Health - public health	
Personal services	35,272,377
Operating expenses	7,190,703
Grants	<u>38,929,747</u>
Total	81,392,827
Source of funds	
General fund	8,276,959
Special funds	13,028,733
Tobacco fund	2,461,377
Federal funds	36,996,383
Global Commitment fund	19,502,019
Interdepartmental transfers	1,102,356
Permanent trust funds	<u>25,000</u>
Total	81,392,827
Sec. B.313 Health - alcohol and drug abuse programs	
Personal services	3,614,712
Operating expenses	391,758
Grants	<u>32,577,910</u>
Total	36,584,380
Source of funds	
General fund	3,110,943
Special funds	442,829
Tobacco fund	1,386,234
Federal funds	8,736,090
Global Commitment fund	22,558,284
Interdepartmental transfers	<u>350,000</u>
Total	36,584,380
Sec. B.314 Mental health - mental health	
Personal services	28,187,222
Operating expenses	3,426,492
Grants	<u>186,128,035</u>
Total	217,741,749
Source of funds	

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General fund	1,760,478
Special funds	429,904
Federal funds	5,137,194
Global Commitment fund	210,394,173
Interdepartmental transfers	<u>20,000</u>
Total	217,741,749

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

Personal services	42,102,235
Operating expenses	10,054,038
Grants	<u>1,322,998</u>
Total	53,479,271
Source of funds	
General fund	19,615,093
Special funds	638,986
Federal funds	16,162,050
Global Commitment fund	16,495,072
Interdepartmental transfers	<u>568,070</u>
Total	53,479,271

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

Personal services	24,160,528
Operating expenses	3,521,433
Grants	<u>65,367,916</u>
Total	93,049,877
Source of funds	
General fund	22,985,020
Special funds	1,691,637
Federal funds	26,286,550
Global Commitment fund	41,920,616
Interdepartmental transfers	<u>166,054</u>
Total	93,049,877

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

Personal services	3,540,292
Operating expenses	435,820
Grants	<u>70,339,626</u>
Total	74,315,738
Source of funds	
General fund	34,431,403

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Special funds	1,820,000
Federal funds	26,781,807
Global Commitment fund	<u>11,282,528</u>
Total	74,315,738
Sec. B.319 Department for children and families - office of child support	
Personal services	9,479,790
Operating expenses	<u>4,080,498</u>
Total	13,560,288
Source of funds	
General fund	3,371,006
Special funds	455,718
Federal funds	9,345,964
Interdepartmental transfers	<u>387,600</u>
Total	13,560,288
Sec. B.320 Department for children and families - aid to aged, blind and disabled	
Personal services	1,915,532
Grants	<u>11,477,094</u>
Total	13,392,626
Source of funds	
General fund	9,642,626
Global Commitment fund	<u>3,750,000</u>
Total	13,392,626
Sec. B.321 Department for children and families - general assistance	
Grants	<u>10,283,816</u>
Total	10,283,816
Source of funds	
General fund	8,480,025
Federal funds	1,111,320
Global Commitment fund	<u>692,471</u>
Total	10,283,816
Sec. B.322 Department for children and families - 3SquaresVT	
Grants	<u>27,575,722</u>
Total	27,575,722
Source of funds	
Federal funds	<u>27,575,722</u>
Total	27,575,722

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

Operating expenses	226,675
Grants	<u>49,091,105</u>
Total	49,317,780
Source of funds	
General fund	19,143,717
Special funds	22,096,676
Federal funds	5,702,987
Global Commitment fund	<u>2,374,400</u>
Total	49,317,780

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

Grants	<u>23,351,664</u>
Total	23,351,664
Source of funds	
General fund	6,000,000
Federal funds	<u>17,351,664</u>
Total	23,351,664

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

Personal services	276,378
Operating expenses	29,421
Grants	<u>5,331,662</u>
Total	5,637,461
Source of funds	
General fund	1,723,191
Special funds	57,990
Federal funds	3,652,465
Global Commitment fund	<u>203,815</u>
Total	5,637,461

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

Personal services	255,552
Operating expenses	52,098
Grants	<u>10,629,344</u>
Total	10,936,994
Source of funds	
Special funds	9,936,994

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Federal funds	<u>1,000,000</u>
Total	10,936,994
Sec. B.327 Department for children and families - Woodside rehabilitation center	
Personal services	3,876,220
Operating expenses	<u>692,591</u>
Total	4,568,811
Source of funds	
General fund	863,579
Global Commitment fund	3,650,340
Interdepartmental transfers	<u>54,892</u>
Total	4,568,811
Sec. B.328 Department for children and families - disability determination services	
Personal services	4,887,459
Operating expenses	<u>494,927</u>
Total	5,382,386
Source of funds	
Federal funds	5,151,322
Global Commitment fund	<u>231,064</u>
Total	5,382,386
Sec. B.329 Disabilities, aging, and independent living - administration & support	
Personal services	27,405,835
Operating expenses	<u>4,438,345</u>
Total	31,844,180
Source of funds	
General fund	8,869,530
Special funds	1,390,457
Federal funds	12,337,350
Global Commitment fund	6,712,988
Interdepartmental transfers	<u>2,533,855</u>
Total	31,844,180
Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants	
Grants	<u>21,622,625</u>
Total	21,622,625

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Source of funds	
General fund	8,306,069
Federal funds	7,640,264
Global Commitment fund	5,463,209
Interdepartmental transfers	<u>213,083</u>
Total	21,622,625
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
Federal funds	648,943
Global Commitment fund	<u>245,000</u>
Total	1,481,457
Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation	
Grants	<u>8,795,971</u>
Total	8,795,971
Source of funds	
General fund	1,535,695
Special funds	70,000
Federal funds	4,062,389
Global Commitment fund	7,500
Interdepartmental transfers	<u>3,120,387</u>
Total	8,795,971
Sec. B.333 Disabilities, aging, and independent living - developmental services	
Grants	<u>180,588,711</u>
Total	180,588,711
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857
Global Commitment fund	180,000,266
Interdepartmental transfers	<u>58,000</u>
Total	180,588,711

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Sec. B.334 Disabilities, aging, and independent living - TBI home and community based waiver

Grants	<u>5,065,064</u>
Total	5,065,064
Source of funds	
Global Commitment fund	<u>5,065,064</u>
Total	5,065,064

## Sec. B.335 Corrections - administration

Personal services	2,127,142
Operating expenses	<u>226,070</u>
Total	2,353,212
Source of funds	
General fund	<u>2,353,212</u>
Total	2,353,212

## Sec. B.336 Corrections - parole board

Personal services	238,111
Operating expenses	<u>80,803</u>
Total	318,914
Source of funds	
General fund	<u>318,914</u>
Total	318,914

## Sec. B.337 Corrections - correctional education

Personal services	3,809,009
Operating expenses	<u>530,774</u>
Total	4,339,783
Source of funds	
Education fund	3,804,425
Interdepartmental transfers	<u>535,358</u>
Total	4,339,783

## Sec. B.338 Corrections - correctional services

Personal services	98,146,904
Operating expenses	20,761,932
Grants	<u>9,518,149</u>
Total	128,426,985
Source of funds	
General fund	121,196,652
Special funds	483,963

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Federal funds	470,962
Global Commitment fund	5,879,093
Interdepartmental transfers	<u>396,315</u>
Total	128,426,985
Sec. B.339 Corrections - Correctional services-out of state beds	
Personal services	<u>12,553,629</u>
Total	12,553,629
Source of funds	
General fund	<u>12,553,629</u>
Total	12,553,629
Sec. B.340 Corrections - correctional facilities - recreation	
Personal services	510,933
Operating expenses	<u>345,501</u>
Total	856,434
Source of funds	
Special funds	<u>856,434</u>
Total	856,434
Sec. B.341 Corrections - Vermont offender work program	
Personal services	1,170,139
Operating expenses	<u>548,231</u>
Total	1,718,370
Source of funds	
Internal service funds	<u>1,718,370</u>
Total	1,718,370
Sec. B.342 Vermont veterans' home - care and support services	
Personal services	16,592,891
Operating expenses	<u>4,910,682</u>
Total	21,503,573
Source of funds	
General fund	2,817,331
Special funds	10,360,890
Federal funds	7,914,366
Global Commitment fund	<u>410,986</u>
Total	21,503,573
Sec. B.343 Commission on women	
Personal services	258,272



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Operating expenses	<u>90,702</u>
Total	348,974
Source of funds	
General fund	343,974
Special funds	<u>5,000</u>
Total	348,974
Sec. B.344 Retired senior volunteer program	
Grants	<u>151,096</u>
Total	151,096
Source of funds	
General fund	<u>151,096</u>
Total	151,096
Sec. B.345 Green Mountain Care Board	
Personal services	7,454,787
Operating expenses	369,860
Grants	<u>477,000</u>
Total	8,301,647
Source of funds	
General fund	635,193
Special funds	1,557,079
Global Commitment fund	2,626,782
Interdepartmental transfers	<u>3,482,593</u>
Total	8,301,647
Sec. B.346 Total human services	
Source of funds	
General fund	647,401,549
Special funds	94,357,431
Tobacco fund	37,103,341
State health care resources fund	268,592,899
Education fund	3,804,425
Federal funds	1,291,973,622
Global Commitment fund	1,269,721,537
Internal service funds	1,718,370
Interdepartmental transfers	31,786,673
Permanent trust funds	<u>25,000</u>
Total	3,646,484,847
Sec. B.400 Labor - programs	

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Personal services	24,664,021
Operating expenses	4,921,135
Grants	<u>1,781,435</u>
Total	31,366,591
Source of funds	
General fund	3,036,896
Special funds	3,363,869
Federal funds	23,902,400
Interdepartmental transfers	<u>1,063,426</u>
Total	31,366,591
Sec. B.401 Total labor	
Source of funds	
General fund	3,036,896
Special funds	3,363,869
Federal funds	23,902,400
Interdepartmental transfers	<u>1,063,426</u>
Total	31,366,591
Sec. B.500 Education - finance and administration	
Personal services	7,720,192
Operating expenses	2,467,828
Grants	<u>15,591,200</u>
Total	25,779,220
Source of funds	
General fund	3,134,289
Special funds	16,915,247
Education fund	1,163,360
Federal funds	3,674,129
Global Commitment fund	<u>892,195</u>
Total	25,779,220
Sec. B.501 Education - education services	
Personal services	14,147,448
Operating expenses	1,780,412
Grants	<u>123,918,147</u>
Total	139,846,007
Source of funds	
General fund	5,967,798
Special funds	3,463,696
Federal funds	130,390,263

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Interdepartmental transfers	<u>24,250</u>
Total	139,846,007
Sec. B.502 Education - special education: formula grants	
Grants	<u>173,292,153</u>
Total	173,292,153
Source of funds	
Education fund	<u>173,292,153</u>
Total	173,292,153
Sec. B.503 Education - state-placed students	
Grants	<u>16,900,000</u>
Total	16,900,000
Source of funds	
Education fund	<u>16,900,000</u>
Total	16,900,000
Sec. B.504 Education - adult education and literacy	
Grants	<u>7,351,468</u>
Total	7,351,468
Source of funds	
General fund	787,995
Education fund	5,800,000
Federal funds	<u>763,473</u>
Total	7,351,468
Sec. B.505 Education - adjusted education payment	
Grants	<u>1,258,535,630</u>
Total	1,258,535,630
Source of funds	
Education fund	<u>1,258,535,630</u>
Total	1,258,535,630
Sec. B.506 Education - transportation	
Grants	<u>17,163,059</u>
Total	17,163,059
Source of funds	
Education fund	<u>17,163,059</u>
Total	17,163,059
Sec. B.507 Education - small school grants	
Grants	<u>7,650,000</u>

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Total	7,650,000
Source of funds	
Education fund	<u>7,650,000</u>
Total	<u>7,650,000</u>
Sec. B.508 Education - capital debt service aid	
Grants	<u>126,000</u>
Total	126,000
Source of funds	
Education fund	<u>126,000</u>
Total	<u>126,000</u>
Sec. B.509 Education - tobacco litigation	
Personal services	109,523
Operating expenses	32,599
Grants	<u>624,419</u>
Total	<u>766,541</u>
Source of funds	
Tobacco fund	<u>766,541</u>
Total	<u>766,541</u>
Sec. B.510 Education - essential early education grant	
Grants	<u>6,296,479</u>
Total	6,296,479
Source of funds	
Education fund	<u>6,296,479</u>
Total	<u>6,296,479</u>
Sec. B.511 Education - technical education	
Grants	<u>13,708,162</u>
Total	13,708,162
Source of funds	
Education fund	<u>13,708,162</u>
Total	<u>13,708,162</u>
Sec. B.512 Education - Act 117 cost containment	
Personal services	1,090,293
Operating expenses	144,697
Grants	<u>91,000</u>
Total	<u>1,325,990</u>
Source of funds	

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Special funds	<u>1,325,990</u>
Total	1,325,990
Sec. B.513 Appropriation and transfer to education fund	
Grants	<u>295,816,793</u>
Total	295,816,793
Source of funds	
General fund	<u>295,816,793</u>
Total	295,816,793
Sec. B.514 State teachers' retirement system	
Personal services	8,461,967
Operating expenses	1,250,497
Grants	<u>72,857,163</u>
Total	82,569,627
Source of funds	
General fund	72,857,163
Pension trust funds	<u>9,712,464</u>
Total	82,569,627
Sec. B.515 Retired teachers' health care and medical benefits	
Operating expenses	<u>28,600,000</u>
Total	28,600,000
Source of funds	
General fund	8,252,007
Special funds	2,500,000
Retired Teachers' Health Fund	<u>17,847,993</u>
Total	28,600,000
Sec. B.516 Total general education	
Source of funds	
General fund	386,816,045
Special funds	24,204,933
Tobacco fund	766,541
Education fund	1,500,634,843
Retired Teachers' Health Fund	17,847,993
Federal funds	134,827,865
Global Commitment fund	892,195
Interdepartmental transfers	24,250
Pension trust funds	<u>9,712,464</u>
Total	2,075,727,129

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Sec. B.600 University of Vermont

Grants	<u>42,701,407</u>
Total	42,701,407
Source of funds	
General fund	38,655,190
Global Commitment fund	<u>4,046,217</u>
Total	42,701,407

## Sec. B.601 Vermont Public Television

Grants	<u>553,160</u>
Total	553,160
Source of funds	
General fund	<u>553,160</u>
Total	553,160

## Sec. B.602 Vermont state colleges

Grants	<u>24,421,966</u>
Total	24,421,966
Source of funds	
General fund	<u>24,421,966</u>
Total	24,421,966

## Sec. B.603 Vermont state colleges - allied health

Grants	<u>1,157,775</u>
Total	1,157,775
Source of funds	
General fund	748,314
Global Commitment fund	<u>409,461</u>
Total	1,157,775

## Sec. B.604 Vermont interactive technology

Grants	<u>817,341</u>
Total	817,341
Source of funds	
General fund	<u>817,341</u>
Total	817,341

## Sec. B.605 Vermont student assistance corporation

Grants	<u>19,511,514</u>
Total	19,511,514
Source of funds	

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General fund	<u>19,511,514</u>
Total	19,511,514
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	
Source of funds	
General fund	84,791,486
Global Commitment fund	<u>4,455,678</u>
Total	89,247,164
Sec. B.700 Natural resources - agency of natural resources - administration	
Personal services	3,214,228
Operating expenses	2,021,823
Grants	<u>45,510</u>
Total	5,281,561
Source of funds	
General fund	5,038,028
Special funds	19,395
Federal funds	20,000
Interdepartmental transfers	<u>204,138</u>
Total	5,281,561
Sec. B.701 Natural resources - state land local property tax assessment	
Operating expenses	<u>2,351,821</u>
Total	2,351,821
Source of funds	
General fund	1,930,321
Interdepartmental transfers	<u>421,500</u>

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Total	2,351,821
Sec. B.702 Fish and wildlife - support and field services	
Personal services	14,971,049
Operating expenses	4,972,074
Grants	<u>1,038,000</u>
Total	20,981,123
Source of funds	
General fund	4,982,851
Special funds	30,000
Fish and wildlife fund	8,531,727
Federal funds	7,251,045
Interdepartmental transfers	184,000
Permanent trust funds	<u>1,500</u>
Total	20,981,123
Sec. B.703 Forests, parks and recreation - administration	
Personal services	1,228,919
Operating expenses	621,465
Grants	<u>1,777,791</u>
Total	3,628,175
Source of funds	
General fund	1,150,762
Special funds	1,307,878
Federal funds	<u>1,169,535</u>
Total	3,628,175
Sec. B.704 Forests, parks and recreation - forestry	
Personal services	5,008,653
Operating expenses	662,242
Grants	<u>500,700</u>
Total	6,171,595
Source of funds	
General fund	3,839,095
Special funds	975,000
Federal funds	1,200,000
Interdepartmental transfers	<u>157,500</u>
Total	6,171,595
Sec. B.705 Forests, parks and recreation - state parks	
Personal services	6,622,664



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Operating expenses	<u>2,385,995</u>
Total	9,008,659
Source of funds	
General fund	651,211
Special funds	<u>8,357,448</u>
Total	9,008,659
Sec. B.706 Forests, parks and recreation - lands administration	
Personal services	459,738
Operating expenses	<u>1,203,292</u>
Total	1,663,030
Source of funds	
General fund	415,075
Special funds	179,205
Federal funds	1,050,000
Interdepartmental transfers	<u>18,750</u>
Total	1,663,030
Sec. B.707 Forests, parks and recreation - youth conservation corps	
Grants	<u>522,702</u>
Total	522,702
Source of funds	
General fund	50,320
Special funds	188,382
Federal funds	94,000
Interdepartmental transfers	<u>190,000</u>
Total	522,702
Sec. B.708 Forests, parks and recreation - forest highway maintenance	
Personal services	94,000
Operating expenses	<u>85,925</u>
Total	179,925
Source of funds	
General fund	<u>179,925</u>
Total	179,925
Sec. B.709 Environmental conservation - management and support services	
Personal services	5,232,473
Operating expenses	1,145,813
Grants	<u>111,280</u>
Total	6,489,566

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Source of funds	
General fund	770,576
Special funds	536,222
Federal funds	448,450
Interdepartmental transfers	<u>4,734,318</u>
Total	6,489,566
Sec. B.710 Environmental conservation - air and waste management	
Personal services	9,672,744
Operating expenses	8,317,152
Grants	<u>2,095,254</u>
Total	20,085,150
Source of funds	
General fund	405,741
Special funds	16,173,706
Federal funds	3,412,703
Interdepartmental transfers	<u>93,000</u>
Total	20,085,150
Sec. B.711 Environmental conservation - office of water programs	
Personal services	15,704,693
Operating expenses	4,934,124
Grants	<u>2,144,694</u>
Total	22,783,511
Source of funds	
General fund	8,203,517
Special funds	6,540,910
Federal funds	6,985,254
Interdepartmental transfers	<u>1,053,830</u>
Total	22,783,511
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	

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Personal services	2,454,016
Operating expenses	<u>390,742</u>
Total	2,844,758
Source of funds	
General fund	827,770
Special funds	<u>2,016,988</u>
Total	2,844,758
Sec. B.714 Total natural resources	
Source of funds	
General fund	28,448,662
Special funds	36,356,364
Fish and wildlife fund	8,531,727
Federal funds	21,630,987
Interdepartmental transfers	7,057,036
Permanent trust funds	<u>1,500</u>
Total	102,026,276
Sec. B.800 Commerce and community development - agency of commerce and community development - administration	
Personal services	2,103,508
Operating expenses	637,521
Grants	<u>3,204,570</u>
Total	5,945,599
Source of funds	
General fund	3,075,599
Special funds	2,000,000
Federal funds	800,000
Interdepartmental transfers	<u>70,000</u>
Total	5,945,599
Sec. B.801 Economic development	
Personal services	3,291,085
Operating expenses	708,712
Grants	<u>2,047,203</u>
Total	6,047,000
Source of funds	
General fund	4,655,650
Special funds	730,350
Federal funds	<u>661,000</u>
Total	6,047,000

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Sec. B.802 Housing & community development

Personal services	6,713,952
Operating expenses	833,582
Grants	<u>2,323,345</u>
Total	9,870,879
Source of funds	
General fund	2,374,468
Special funds	4,975,188
Federal funds	2,256,223
Interdepartmental transfers	<u>265,000</u>
Total	9,870,879

## Sec. B.803 Historic sites - special improvements

Operating expenses	<u>13,000</u>
Total	13,000
Source of funds	
Special funds	<u>13,000</u>
Total	13,000

## Sec. B.804 Community development block grants

Grants	<u>14,974,489</u>
Total	14,974,489
Source of funds	
Federal funds	<u>14,974,489</u>
Total	14,974,489

## Sec. B.805 Downtown transportation and capital improvement fund

Personal services	87,746
Grants	<u>296,220</u>
Total	383,966
Source of funds	
Special funds	<u>383,966</u>
Total	383,966

## Sec. B.806 Tourism and marketing

Personal services	1,178,755
Operating expenses	1,900,439
Grants	<u>221,500</u>
Total	3,300,694
Source of funds	
General fund	3,200,694

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Interdepartmental transfers	<u>100,000</u>
Total	3,300,694
Sec. B.807 Vermont life	
Personal services	762,108
Operating expenses	<u>68,585</u>
Total	830,693
Source of funds	
Enterprise funds	<u>830,693</u>
Total	830,693
Sec. B.808 Vermont council on the arts	
Grants	<u>651,723</u>
Total	651,723
Source of funds	
General fund	<u>651,723</u>
Total	651,723
Sec. B.809 Vermont symphony orchestra	
Grants	<u>142,626</u>
Total	142,626
Source of funds	
General fund	<u>142,626</u>
Total	142,626
Sec. B.810 Vermont historical society	
Grants	<u>919,184</u>
Total	919,184
Source of funds	
General fund	<u>919,184</u>
Total	919,184
Sec. B.811 Vermont housing and conservation board	
Grants	<u>29,241,812</u>
Total	29,241,812
Source of funds	
Special funds	15,950,936
Federal funds	<u>13,290,876</u>
Total	29,241,812
Sec. B.812 Vermont humanities council	
Grants	<u>220,138</u>

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Total	220,138
Source of funds	
General fund	<u>220,138</u>
Total	220,138
Sec. B.813 Total commerce and community development	
Source of funds	
General fund	15,240,082
Special funds	24,053,440
Federal funds	31,982,588
Interdepartmental transfers	435,000
Enterprise funds	<u>830,693</u>
Total	72,541,803
Sec. B.900 Transportation - finance and administration	
Personal services	10,044,881
Operating expenses	2,273,283
Grants	<u>275,000</u>
Total	12,593,164
Source of funds	
Transportation fund	11,570,784
Federal funds	<u>1,022,380</u>
Total	12,593,164
Sec. B.901 Transportation - aviation	
Personal services	3,481,513
Operating expenses	16,290,006
Grants	<u>177,000</u>
Total	19,948,519
Source of funds	
Transportation fund	5,192,205
Federal funds	<u>14,756,314</u>
Total	19,948,519
Sec. B.902 Transportation - buildings	
Operating expenses	<u>2,760,000</u>
Total	2,760,000
Source of funds	
Transportation fund	1,060,000
TIB fund	<u>1,700,000</u>
Total	2,760,000

## Sec. B.903 Transportation - program development

Personal services	42,916,407
Operating expenses	270,586,371
Grants	<u>23,125,586</u>
Total	336,628,364
Source of funds	
Transportation fund	40,704,471
TIB fund	14,897,087
Federal funds	277,542,839
Interdepartmental transfers	1,817,041
Local match	<u>1,666,926</u>
Total	336,628,364

## Sec. B.904 Transportation - rest areas construction

Operating expenses	<u>850,000</u>
Total	850,000
Source of funds	
Transportation fund	355,000
Federal funds	<u>495,000</u>
Total	850,000

## Sec. B.905 Transportation - maintenance state system

Personal services	39,757,772
Operating expenses	40,317,145
Grants	<u>120,000</u>
Total	80,194,917
Source of funds	
Transportation fund	78,792,117
Federal funds	1,302,800
Interdepartmental transfers	<u>100,000</u>
Total	80,194,917

## Sec. B.906 Transportation - policy and planning

Personal services	4,297,708
Operating expenses	1,603,439
Grants	<u>5,197,417</u>
Total	11,098,564
Source of funds	
Transportation fund	2,121,421
Federal funds	8,726,143
Interdepartmental transfers	<u>251,000</u>

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Total	11,098,564
Sec. B.907 Transportation - rail	
Personal services	5,127,808
Operating expenses	31,852,434
Grants	<u>357,029</u>
Total	37,337,271
Source of funds	
Transportation fund	14,088,993
TIB fund	2,720,000
Federal funds	<u>20,528,278</u>
Total	37,337,271
Sec. B.908 Transportation - public transit	
Personal services	1,055,679
Operating expenses	111,413
Grants	<u>28,679,829</u>
Total	29,846,921
Source of funds	
Transportation fund	8,473,293
Federal funds	<u>21,373,628</u>
Total	29,846,921
Sec. B.909 Transportation - central garage	
Personal services	4,384,259
Operating expenses	<u>15,815,967</u>
Total	20,200,226
Source of funds	
Internal service funds	<u>20,200,226</u>
Total	20,200,226
Sec. B.910 Department of motor vehicles	
Personal services	16,104,305
Operating expenses	<u>9,316,770</u>
Total	25,421,075
Source of funds	
Transportation fund	23,985,937
Federal funds	<u>1,435,138</u>
Total	25,421,075
Sec. B.911 Transportation - town highway structures	



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Grants	<u>6,333,500</u>
Total	6,333,500
Source of funds	
Transportation fund	<u>6,333,500</u>
Total	6,333,500
Sec. B.912 Transportation - town highway local technical assistance program	
Grants	<u>400,000</u>
Total	400,000
Source of funds	
Transportation fund	235,000
Federal funds	<u>165,000</u>
Total	400,000
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	4,250,000
Operating expenses	12,032,361
Grants	<u>200,000</u>
Total	16,482,361
Source of funds	
Transportation fund	1,663,224
TIB fund	578,000
Federal funds	13,315,652
Local match	<u>925,485</u>
Total	16,482,361
Sec. B.915 Transportation - town highway aid program	
Grants	<u>25,982,744</u>
Total	25,982,744
Source of funds	
Transportation fund	<u>25,982,744</u>
Total	25,982,744
Sec. B.916 Transportation - town highway class 1 supplemental grants	

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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: state aid for nonfederal disasters	
Grants	<u>1,150,000</u>
Total	1,150,000
Source of funds	
Transportation fund	<u>1,150,000</u>
Total	1,150,000
Sec. B.918 Transportation - town highway: state aid for federal disasters	
Grants	<u>1,440,000</u>
Total	1,440,000
Source of funds	
Transportation fund	160,000
Federal funds	<u>1,280,000</u>
Total	1,440,000
Sec. B.919 Transportation - municipal mitigation grant program	
Grants	<u>871,500</u>
Total	871,500
Source of funds	
Transportation fund	440,000
Federal funds	204,500
Interdepartmental transfers	<u>227,000</u>
Total	871,500
Sec. B.920 Transportation - public assistance grant program	
Grants	<u>48,630,222</u>
Total	48,630,222
Source of funds	
Special funds	3,630,222
Federal funds	<u>45,000,000</u>
Total	48,630,222
Sec. B.921 Transportation board	
Personal services	185,248
Operating expenses	<u>31,652</u>

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Total	216,900
Source of funds	
Transportation fund	<u>216,900</u>
Total	216,900
Sec. B.922 Total transportation	
Source of funds	
Transportation fund	229,903,089
TIB fund	19,895,087
Special funds	3,630,222
Federal funds	407,147,672
Internal service funds	20,200,226
Interdepartmental transfers	2,395,041
Local match	<u>2,592,411</u>
Total	685,763,748
Sec. B.1000 Debt service	
Operating expenses	<u>71,791,440</u>
Total	71,791,440
Source of funds	
General fund	65,401,531
Transportation fund	2,094,555
TIB debt service fund	2,502,313
Special funds	632,940
ARRA funds	<u>1,160,101</u>
Total	71,791,440
Sec. B.1001 Total debt service	
Source of funds	
General fund	65,401,531
Transportation fund	2,094,555
TIB debt service fund	2,502,313
Special funds	632,940
ARRA funds	<u>1,160,101</u>
Total	71,791,440

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2015, \$3,293,000 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of \$1,377,500 as

follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$817,500 is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, \$350,000 shall be allocated for competitive grants for internships through the Vermont Career Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Technical Education Programs. The amount of \$360,000 is appropriated to the Department of Labor in consultation with the State Workforce Investment Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of \$200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high technology businesses and Next Generation employment opportunities throughout Vermont.

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

(A) Health care loan repayment. The amount of \$300,000 is appropriated to the Agency of Human Services – Global Commitment for the Department of Health to use for health care loan repayment. The Department shall use these funds for a grant to the Area Health Education Centers (AHEC) for repayment of commercial or governmental loans for postsecondary health-care-related education or training owed by persons living and working in Vermont in the health care field.

(B) Large animal veterinarians' loan forgiveness. The amount of \$30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan forgiveness program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of \$1,444,500 as follows:

(A) Nondegree VSAC grants. The amount of \$494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll

in a postsecondary education or training program, including adult technical education that is not part of a degree or accredited certificate program. A portion of these funds shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$3,000 per student. None of these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of \$150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs. The amount of \$800,000 is appropriated to the Vermont State Colleges for dual enrollment programs consistent with 2013 Acts and Resolves No. 77. 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 the student will be better served at a non-State college or when available programs are not geographically suited to student need.

(4) Science Technology Engineering and Math (STEM) incentive. The amount of \$141,000 is appropriated to the Agency of Commerce and Community Development for an incentive payment pursuant to 2011 Acts and Resolves No. 52, Sec. 6.

#### Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2016 NEXT GENERATION FUND DISTRIBUTION

(a) The Department of Labor, in coordination with the Agency of Commerce and Community Development, the Agency of Human Services, and the Agency of Education, and in consultation with the State Workforce Investment Board, shall recommend to the Governor no later than November 1, 2014 how \$3,293,000 from the Next Generation Fund should be allocated or appropriated in fiscal year 2016 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The Department of Labor shall promote actively and publicly the availability of these funds to eligible entities that have not previously been funded.

#### Sec. B.1101 ONE-TIME ELECTIONS EXPENSE APPROPRIATION

(a) In fiscal year 2015, there is appropriated to the Secretary of State for 2014 primary and general elections:

General Fund

\$400,000

Sec. B.1102 FISCAL YEAR 2015 APPROPRIATION REDUCTION DUE TO DII ASSESSMENT REDUCTION

(a) To reflect adjustments to budgets due to DII assessment adjustments, the Secretary of Administration is authorized to reduce operating expense appropriations by \$143,000 in general funds.

Sec. B.1103 SECRETARY OF ADMINISTRATION; FISCAL YEAR 2015 EFFICIENCY AND ENHANCEMENT SAVINGS

(a) The Secretary of Administration shall reduce appropriations and make transfers to the General Fund for a total of \$1,500,000, within the Executive Branch of State government from savings from efficiency and enhancement initiatives. The Secretary shall report to the Joint Fiscal Committee in November 2014 on the reductions and transfers identified.

Sec. B.1104 FISCAL YEAR 2015 APPROPRIATION: WOOD PRODUCTS MANUFACTURE INCENTIVE

(a) In fiscal year 2015, \$150,000 is appropriated from the General Fund to the Department of Finance and Management to implement the provisions of Sec. E.100.6 of this act.

Sec. C.100 FISCAL YEAR 2014 FUND TRANSFERS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2014, the following amounts shall be transferred to the General Fund from the funds indicated:

<u>(1) Fire Prevention Building Inspection Fund #21901</u>	<u>3,200,000</u>
<u>(2) Act 250 Permit Fund #21260</u>	<u>100,000</u>

Sec. C.101 REVERSIONS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2014, \$30,000 shall revert to the General Fund from the Sergeant at Arms (#1230001000).

Sec. C.102 LEGAL AID HOMEOWNER ASSISTANCE ALLOCATION

(a) Of the funds appropriated to the Secretary of Administration in fiscal year 2013 under the provision of 32 V.S.A. § 308c(a)(3), \$50,000 shall be granted to Vermont Legal Aid to fund legal services for homeowners facing foreclosure.

Sec. C.103 2013 Acts and Resolves No. 50, Sec. C.100.1(b) is amended to read:

(b) The Secretary of State is authorized to expend up to \$50,000 from the ~~Vermont Campaign Fund~~ Secretary of State Services Fund during fiscal year 2013 2014 for development costs for campaign finance system development expenditures. ~~The Secretary of State shall report to the Joint Fiscal Committee at its September 2013 meeting on the use of these funds.~~

Sec. C.104 [DELETED]

Sec. C.105 COST ALLOCATION; SECRETARY OF COMMERCE AND COMMUNITY DEVELOPMENT

(a) The Department of Vermont Health Access shall ensure the appropriate funds are transferred to the Agency of Commerce and Community Development for Agency costs related to the time and expense of the Secretary of Commerce and Community Development allocated for work for the Department of Vermont Health Access in fiscal year 2014.

(b) At the close of fiscal year 2014, the Agency of Commerce and Community Development shall transfer \$50,000 of General Fund to the Agency of Human Services – Global Commitment appropriation, which shall be carried forward to be used as State match for Global Commitment expenditures during fiscal year 2015.

Sec. C.106 FISCAL YEAR 2014 SUPPLEMENTAL ONE-TIME APPROPRIATIONS

(a) The following appropriations are made from the General Fund in 2014:

(1) To the Treasurer for deposit in fiscal year 2015 in the Vermont Retired Teachers' Health and Medical Benefits Fund: \$300,000

(2) To the Department of Public Safety for the replacement of vehicles, up to \$100,000 these funds may be used for the drug task force upon written report the joint fiscal committee:

\$1,400,000

(3) To Center for Crime Victims Services to be carried forward for fiscal year 2015 funding needs: \$697,000

(4) To the Joint Fiscal Office for analysis of the transition of the health care system: \$600,000

(5) To the Agency of Human Services – Global Commitment for traumatic brain injury program analysis: \$22,000

(6) To the Department of Public Safety for information technology, software, and equipment expenses: \$572,000

(7) To the Department of Corrections to be carried forward to fiscal year 2015 for correctional services funding needs: \$8,300,000

(8) To the Treasurer for the expense related to the cost of a Public Retirement Plan Study as defined in Sec. C.108 of this act: \$5,000

(9) To the Legislature for training and expenses related to data-based information to be used by the General Assembly to determine how well State government is working toward achieving the population-level outcomes that have been put in place to measure Vermont's quality of life. This work will be done in conjunction with the activities of the State Chief Performance Officer: \$10,000

(10) To the Legislature for per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 and for legal and other support services for the Committee on Child Protection established in Sec. C.109 of this act: \$20,000

(11) To the Department for Children and Families for a grant to Prevent Child Abuse Vermont: \$25,000

(12) To the Department of State's Attorneys and Sheriffs for providing compensation for a pilot "on call" payment program for Deputy State's Attorneys. The Executive Director of the Department of State's Attorneys and Sheriffs shall provide a written report to the Joint Fiscal Committee in July 2014 regarding the conditions under which these funds can be accessed and the procedures put in place to ensure that the use of these funds comport with the conditions identified: \$25,000

(13) To the Agency of Agriculture, Food and Markets which in collaboration with the Agency of Commerce and Community Development and the Chief Marketing Officer, shall create a Domestic Export Program Pilot Project within the "Made in Vermont" designation program. The purpose of which shall be to connect Vermont producers with brokers, buyers, and distributors in other U.S. state and regional markets, and to provide technical and marketing assistance to Vermont producers to convert these connections into increased sales and sustainable commercial relationships: \$50,000

(14) To the Department of Housing and Community Development for a public outreach and information program in order to provide information to landlords and tenants regarding their rights and responsibilities under the law. Particularly, the Department shall provide information to landlords renting only one or two units regarding landlord tenant law and the eviction process: \$30,000

Sec. C.106.1 FLOOD-RELATED PAYMENT



(a) Appropriated from the General Fund in fiscal year 2014 to the Agency of Commerce and Community Development for a grant to Latchis Arts Inc. This grant is for payment for qualified expenditures resulting from damage caused by a federally declared disaster in Vermont in 2011 as defined in 32 V.S.A. § 5930bb(d) that would be awarded as a tax credit to an individual:

\$88,000

Sec. C.106.2 FISCAL YEAR 2014 ECONOMIC DEVELOPMENT TRANSFERS

(a) In fiscal year 2014, \$5,000,000 shall be transferred from the General Fund as follows to the Vermont Enterprise [Investment Fund] and is appropriated from the Vermont Enterprise [Investment] Fund as follows:

(1) \$500,000 to Vermont Economic Development Authority for loan loss reserves within the Vermont Entrepreneurial Lending Program for the purposes specified in 10 V.S.A. § 280bb as amended by Sec. F.100 of this act;

(2) \$4,500,000 for the purposes specified in Sec. E.100.5 of this act.

Sec C.106.3 FISCAL YEAR 2014 HIGHER EDUCATION TRUST FUND CONTRIBUTIONS

(a) In fiscal year 2014, prior to depositing any funds into the Higher Education Trust Fund pursuant to 16 V.S.A. § 2885(a)(2), of the funds that would otherwise be deposited into that Fund, the following shall take place:

(1) The sum of \$1,000,000 of the funds shall be reserved and held for use by the Vermont Department of Health as a match for a four-year federal grant for which the Department is applying that would supplement the existing Vermont educational loan repayment program for health care professionals. The funds shall be appropriated in the budget adjustment process as necessary to meet match requirements of the grant. This action is to take advantage of federal funds that will help address a shortage of medical professionals in Vermont by creating loan repayment resources. In the event that the grant cited in subsection (a) of this section is not received, the funds shall be deposited into the Higher Education Trust Fund in accordance with 16 V.S.A. § 2885(a)(2) and subdivisions (2) and (3) of this subsection.

(2) Sufficient funds shall be reserved in the General Fund Balance Reserve created under 32 V.S.A. § 308c. to ensure a balance of \$5,000,000 in this fund at the close of fiscal year 2014.

(3) After any actions pursuant to subdivisions (1) and (2) of this subsection, the remainder shall be deposited consistent with 16 V.S.A. § 2885(a)(2). However, any amounts above \$10,000,000 that would be deposited into the

Higher Education Trust Fund in accordance with this subsection shall instead be reserved in the General Fund Balance Reserve.

Sec. C.107 [DELETED]

Sec. C.108 INTERIM STUDY ON THE FEASIBILITY OF ESTABLISHING  
A PUBLIC RETIREMENT PLAN

(a) Creation of Committee. There is created a Public Retirement Plan Study Committee to evaluate the feasibility of establishing a public retirement plan.

(b) Membership. The Public Retirement Plan Study Committee shall be composed of seven members as follows:

(1) the State Treasurer or designee;

(2) the Commissioner of Labor or designee;

(3) the Commissioner of Disabilities, Aging, and Independent Living or designee;

(4) an individual with private sector experience in the area of providing retirement products and financial services to small businesses, to be appointed by the Speaker;

(5) an individual with experience or expertise in the area of the financial needs of an aging population, to be appointed by the Committee on Committees;

(6) a representative of employers, to be appointed by the Speaker; and

(7) a representative of employees who currently lack access to employer-sponsored retirement plans, to be appointed by the Committee on Committees.

(c) Powers and duties.

(1)(A) The Committee shall study the feasibility of establishing a public retirement plan, including the following:

(i) the access Vermont residents currently have to employer-sponsored retirement plans and the types of employer-sponsored retirement plans;

(ii) data and estimates on the amount of savings and resources Vermont residents will need for a financially secure retirement;

(iii) data and estimates on the actual amount of savings and resources Vermont residents will have for retirement, and whether those savings and resources will be sufficient for a financially secure retirement;

(iv) current incentives to encourage retirement savings, and the effectiveness of those incentives;

(v) whether other states have created a public retirement plan and the experience of those states;

(vi) whether there is a need for a public retirement plan in Vermont;

(vii) whether a public retirement plan would be feasible and effective in providing for a financially secure retirement for Vermont residents;

(viii) other programs or incentives the State could pursue in combination with a public retirement plan or, instead of such a plan, in order to encourage residents to save and prepare for retirement; and

(B) If the Committee determines that a public retirement plan is necessary, feasible, and effective, the Committee shall study:

(i) potential models for the structure, management, organization, administration, and funding of such a plan;

(ii) how to ensure that the plan is available to private sector employees who are not covered by an alternative retirement plan;

(iii) how to build enrollment to a level that enrollee costs can be lowered;

(iv) whether such a plan should impose any obligation or liability upon private sector employers; and

(v) any other issue the Committee deems relevant.

(2) The Committee shall have the assistance of the staff of the Office of the Treasurer, the Department of Labor, and the Department of Disabilities, Aging, and Independent Living.

(d) Report. By January 15, 2015, the Committee shall report to the General Assembly its findings and any recommendations for legislative action. In its report, the Committee shall state its findings as to every factor set forth in subdivision (c)(1)(A) of this section, whether it recommends that a public retirement plan be created, and the reasons for that recommendation. If the Committee recommends that a public retirement plan be created, the

Committee's report shall include specific recommendations as to the factors listed in subdivision (c)(1)(B) of this section.

(e) Meetings; term of Committee; chair. The Committee may meet no more than six times and shall cease to exist on January 15, 2015. The State Treasurer shall serve as Chair of the Committee and shall call the first meeting.

(f) Reimbursement. For attendance at meetings, members of the Committee who are not employees of the State of Vermont shall be reimbursed at the per diem rate set in 32 V.S.A. § 1010 and shall be reimbursed for mileage and travel expenses.

#### Sec. C.109 COMMITTEE ON CHILD PROTECTION

(a) There is created a Committee on Child Protection. The Committee shall be composed of nine members. Seven members of the Committee shall be members of the Senate, not all from the same political party, who shall be appointed by the Committee on Committees. The Committee on Committees shall designate two Senators to serve as Co-Chairs of the Committee. Two members of the Committee shall be members of the House of Representatives; one shall be the Chair of the Committee on Judiciary or designee, and the other shall be the Chair of the Committee on Human Services or designee.

(b) The Committee shall investigate and evaluate Vermont's current system of child protection for the purpose of protecting children from abuse and neglect, including:

(1) examining Vermont's laws, policies, and procedures and evaluating whether those laws, policies, and procedures are effective in protecting children;

(2) comparing Vermont's laws, policies, and procedures to those in other jurisdictions and to best practices in the area of child protection;

(3) understanding how federal requirements shape Vermont's laws, policies, and procedures in the child protection system;

(4) examining whether the departments, agencies, branches, and entities that are responsible for child protection cooperate and are effectively fulfilling their role in the child protection system;

(5) examining whether specific crimes or incidents reveal shortcomings in current laws, policies, and procedures in how the current system operates. In doing so, the Committee shall not interfere in any ongoing investigations;

(6) examining how the child protection system operates in different parts of the State and whether similar cases or allegations are handled differently. If

the Committee determines that similar cases or allegations are handled differently, the Committee shall examine the reasons for, and results of, those differences;

(7) determining whether legislative or other changes are necessary to improve the child protection system.

(c) The Committee may conduct hearings and may administer oaths to, and examine under oath, any person. The Committee shall have the power, by a majority vote of the Committee, to issue subpoenas to compel the attendance and testimony of witnesses, and the production of books, papers, records, and documents.

(d) Notwithstanding any other provision of law to the contrary, the Committee may receive records that are confidential, privileged, or the release of which is restricted under law. All State agencies and departments shall provide such records to the Committee upon request. Any such records obtained by the Committee shall be exempt from public inspection and copying, shall be kept confidential by the Committee, and shall not be disclosed.

(e) No person who is an employee of the State of Vermont, or of any State, local, county, and municipal department, agency, or entity involved in child protection, and who testifies before, supplies information to, or cooperates with the Committee's investigation shall be subject to retaliation by his or her employer. Retaliation shall include job termination, demotion in rank, reduction in pay, alteration in duties and responsibilities, transfer, or a negative job performance evaluation based on the person's having testified before, supplied information to, or cooperated with the Committee.

(f) The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council. The Committee may retain additional legal and other services as necessary.

(g) On or before January 6, 2015, the Committee shall report to the General Assembly its findings and any recommendations for legislative action.

(h) The Committee may meet no more than ten times, unless additional meetings are determined to be necessary by the Co-Chairs and approved by the President Pro Tempore of the Senate and Speaker of the House. The Co-Chairs shall call the first meeting of the Committee, and the Committee may hold hearings at whichever locations the Co-Chairs determine to be appropriate. A majority of the members of the Committee shall be physically present at the same location to constitute a quorum. A member may vote only if physically present at the meeting and action shall be taken only if there is

both a quorum and a majority vote of all members of the Committee members physically present and voting.

(i) The Committee shall cease to exist on January 6, 2015.

(j) For attendance at meetings during adjournment of the General Assembly, members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

#### 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 \$518,000 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 \$518,000 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 \$15,154,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above \$15,154,840 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 \$3,779,661 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,779,661 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The \$3,779,661 shall be allocated as follows:

(A) \$2,924,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) \$476,544 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$378,700 to the Vermont Center for Geographic Information.

#### Sec. D.101 FUND TRANSFERS AND RESERVES

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(1) from the General Fund to the:

(A) Communications and Information Technology Internal Service Fund established by 22 V.S.A. § 902a: \$185,000.

(B) Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$3,293,000.

(C) Facilities Operations Fund established in 29 V.S.A. § 160a: \$1,693,408.

(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: \$383,966.

(3) from the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund for the purpose of funding transportation infrastructure bonds debt service to fund fiscal year 2016 transportation infrastructure bonds debt service: \$2,504,913.

(4) from the Universal Service Fund to the Communications and Information Technology Internal Service Fund established by 22 V.S.A. § 902a: \$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 2014 in the Tobacco Litigation Settlement Fund shall remain for appropriation in fiscal year 2015.

#### 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 2015 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2015 is not negative shall be transferred from the Tobacco Trust Fund to the Tobacco Litigation Settlement Fund in fiscal year 2015.

Sec. D.104 32 V.S.A. § 308c is amended to read:

#### § 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE RESERVES

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the “rainy day reserve.” After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year

General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization. ~~Monies from this Reserve shall be available for appropriation by the General Assembly.~~

(1) ~~The Emergency Board shall, at the end of fiscal year 2013, determine annually at its July meeting the amount of available general funds that is greater than the amount of forecasted available general funds most recently adopted by the Board for the current fiscal year 2013. adjusted by any legislative action projected to increase General Fund taxes that result in additional revenue in excess of \$1,000,000.00 over the revenue raised without legislative action in the current fiscal year. An amount not to exceed 33 percent of the amount determined in subdivision (1) shall be added to the base amount used to calculate the General Fund transfer under 16 V.S.A. § 4025(a)(2) for the next fiscal year. However, the amount to be added to the base amount used to calculate the General Fund transfer shall also not exceed 33 percent of the total amount which would be reserved in this subsection if not for the requirements of subdivisions (2) and (3) of this subsection.~~

(2) ~~Of the amount added to the General Fund Balance Reserve in fiscal year 2013, to the extent available, one half of the amount identified in subdivision (1) of this subsection is hereby appropriated in the fiscal year just concluded for deposit in the Supplemental Property Tax Relief Fund established by section 6075 of this title. If the amount added to the General Fund Balance Reserve is insufficient to support both the appropriation in this subdivision and the appropriation in subdivision (3) of this subsection, the appropriation in this subdivision shall take precedence. Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 25 percent of any such funds shall be transferred from the General Fund to the Education Fund.~~

(3) ~~Of the amount added to the General Fund Balance Reserve in fiscal year 2013, to the extent available, one quarter of the amount identified in subdivision (1) of this subsection is hereby appropriated in the fiscal year just concluded to the Secretary of Administration to be used only upon Emergency Board action to transfer these funds to appropriations to offset reduced federal funding. Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 50 percent of any such funds shall be reserved as necessary and transferred from the General Fund to the Retired Teachers' Health and Medical Benefits Fund established by 16 V.S.A. § 1944b to reduce any outstanding balance of any interfund loan authorized by the State~~



Treasurer from the General Fund. Upon joint determination by the Commissioner of Finance and Management and the State Treasurer that there is no longer any outstanding balance, no further transfers in accordance with this subdivision shall occur.

(b) Use of General Fund Balance Reserve:

(1) The General Assembly may specifically appropriate the use of up to 50 percent of the amounts added in the prior fiscal year from the General Fund Balance Reserve to fund unforeseen or emergency needs.

(2) If the official State revenue estimates of the Emergency Board for the General Fund, determined under section 305a of this title have been reduced by two percent or more from the estimates determined and assumed for purposes of the general appropriations act or budget adjustment act, funds in the General Fund Balance Reserve may be appropriated to compensate for a reduction of revenues.

(c) There is hereby created within the Transportation Fund a Transportation Fund Balance Reserve. After satisfying the requirements of section 308a of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year Transportation Fund surplus shall be reserved in the Transportation Fund Balance Reserve. Monies from this Reserve shall be available for appropriation by the General Assembly.

~~(e) In any fiscal year, if the General Assembly determines there are insufficient revenues to fund expenditures for the operation of State government at a level the General Assembly finds prudent and required, it may specifically appropriate the use of the General Fund and Transportation Fund Balance Reserves to compensate for a reduction of revenues or fund such unforeseen or emergency needs as the General Assembly may determine.~~

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Sec. D.105 REPEALS

(a) 2012 Acts and Resolves No. 162, Secs. D.103.1(a) (calculation, appropriation, and deposit in the supplemental property tax relief fund repeal effective on June 30, 2014) and D.103.1(b) (supplemental property tax relief fund repeal effective on June 30, 2014) are repealed.

(b) 32 V.S.A. § 6075 (supplemental property tax relief fund) is repealed on July 1, 2017.

(c) 2013 Acts and Resolves No. 50, Sec B.1104 amended by 2014 acts & Resolves No. 95, Sec. 69 (Fiscal Year 2014 Surplus) is repealed.

Sec. D.106 [DELETED]

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**Sec. D.107 DEPOSIT OF SETTLEMENT RECEIPTS**

(a) Any funds received by the State in fiscal year 2014 from settlement with the R.J. Reynolds Tobacco Co. regarding deceptive advertising shall be deposited into the General Fund in fiscal year 2014.

\* \* \* GENERAL GOVERNMENT \* \* \*

**Sec. E.100 EXECUTIVE BRANCH – POSITION AUTHORIZATIONS**

(a) The establishment of the following new permanent positions is authorized in fiscal year 2015 as follows:

(1) In the Department of Information and Innovation – three (3) classified positions – one (1) IT Contract Specialist and two (2) Enterprise Architect.

(2) In the Department of State’s Attorneys and Sheriffs – four (4) exempt positions – Deputy State’s Attorney.

(3) In the Department of Public Safety – three (3) classified positions – one (1) Marijuana Registry Administrator, one (1) Fire Prevention Safety Officer, and one (1) Electrical Inspector.

(4) In the Agency of Agriculture, Food and Markets – two (2) classified positions – Food Safety Specialist.

(5) In the Department of Financial Regulation – one (1) classified position – Financial Examiner II.

(6) In the Department of Health – one (1) classified position – Public Health Dental Hygienist.

(7) In the Department of Vermont Health Access – two (2) classified positions – one (1) Clinical Operations Nurse Case Manager and one (1) Health Programs Administrator.

(8) In the Department for Children and Families – one (1) classified position – Financial Specialist III.

(9) In the Department of Environmental Conservation – one (1) classified position – Environmental Engineer VI.

(10) In the Department of Economic Development – one (1) classified position – Economic Development Director.

(b) The establishment of the following new classified limited service positions is authorized in fiscal year 2015 as follows:

(1) In the Department of Environmental Conservation – one (1) Solid

Waste Analyst, one (1) Environmental Analyst III, one (1) Wetland Ecologist and three (3) Shorelands Preservation Specialists.

(2) In the Department of Liquor Control – one (1) Tobacco Compliance Officer.

(c) The conversion of classified limited service positions to classified permanent status is authorized in fiscal year 2015 as follows:

(1) In the Agency of Agriculture, Food and Markets – two (2) working lands staff positions - Agricultural Development Coordinator and Grants Program Specialist II.

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the Department of Environmental Conservation, and the Department of Buildings and General Services shall not be subject to the cap on positions for the duration of the Pilot.

(2) Any new positions created under the Pilot shall be authorized by the Secretary of Administration and funded within existing appropriations.

(3) Any new positions created under the Pilot shall not be transferrable outside the agency or department of the Pilot.

(4) At least 15 days prior to the establishment of Pilot positions, the Joint Fiscal Committee, the Government Accountability Committee, and the House and Senate Committees on Government Operations shall be provided a written description from the Pilot entity and the Commissioner of Human Resources of the method for evaluating the cost-effectiveness of the positions.

(5) As part of their annual budget testimony, participating departments shall report on the number and type of positions created under the Pilot and the source of funds used to support the positions, and the performance and cost outcomes associated with the positions.

(6) On or before November 2014, the Commissioner of Human Resources shall provide the Joint Fiscal Committee and the House and Senate Committees on Government Operations a report of any employee impacts such as reduction in force rights that may arise from the implementation of the Pilot.

(7) This Pilot shall sunset on July 1, 2017, unless extended or modified by the General Assembly.

Sec. E.100.1 FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA) AND STATE MATCH PAYMENTS FOR TROPICAL STORM IRENE AND SPRING 2011 FLOODING

(a) The Secretary of Administration shall report to the Joint Fiscal Committee at its September 2014 and September 2015 meetings on cumulative expenditures in the prior fiscal year in the Public Assistance Program (810005500) of Federal Emergency Management Agency (FEMA) funds and associated emergency relief and assistance funds match for the damages due to Tropical Storm Irene and Spring 2011 flooding, including to the extent possible, details about the expended funds by State agency or municipality. The report shall also include, if applicable, information on any audit findings that may result in financial impacts to the State.

(b) Reports shall be posted on the Legislative and Administration websites after submission.

(c) 2012 Acts and Resolves No. 75, Sec. 77a(b) (quarterly reports on payments from the emergency relief and assistance fund) is repealed.

Sec. E.100.2 VERMONT VETERANS' HOME; FUNDING REVIEW

(a) The Secretary of Administration shall carry out a review of the revenue and budget options for the Vermont Veterans' Home and develop a business plan with the following goals:

(1) creation of a revenue and budget approach that does not present a long-term structural deficit for the Vermont State budget; and

(2) development of a strategy that eliminates the need for ongoing General Fund subsidies by fiscal year 2018.

(b) This review shall be submitted to the Joint Fiscal Committee before November 15, 2014.

Sec. E.100.3 REVERSION

(a) Of the General Funds appropriated to the Secretary of Administration in fiscal year 2013 under the provision of 32 V.S.A. § 308c(a)(3), \$1,910,000 shall revert to the General Fund in fiscal year 2015.

Sec. E.100.4 VTHR UNIT; TRANSFER AUTHORITY

(a) The Commissioner of Finance and Management, with the approval of the Secretary of Administration, may make transfers of appropriations within

the Financial Management Fund, Medical Insurance Fund, Dental Insurance Fund, and Life Insurance Fund for fiscal year 2015, provided the total fiscal year 2015 appropriations from these funds do not exceed the total amount authorized in the fiscal year 2015 Appropriations Act.

Sec. E.100.5 VERMONT ENTERPRISE FUND

(a) There is created a Vermont Enterprise Fund, the sums of which may be used by the Governor, with the approval of the Emergency Board, for the purpose of making economic and financial resources available to businesses facing circumstances that necessitate State government support and response more rapidly than would otherwise be available from, or that would be in addition to, other economic incentives.

(b)(1) The Fund shall be administered by the Commissioner of Finance and Management as a special fund under the provisions of chapter 7, subchapter 5 of this title.

(2) The Fund shall contain any amounts transferred or appropriated to it by the General Assembly.

(3) Interest earned on the Fund and any balance remaining at the end of the fiscal year shall remain in the Fund.

(4) The Commissioner shall maintain records that indicate the amount of money in the Fund at any given time.

(c) The Governor is authorized to use amounts available in the Fund to offer economic and financial resources to an eligible business pursuant to this section, subject to approval by the Emergency Board as provided in subsection (e) of this section.

(d) To be eligible for an investment through the Fund, the Governor shall determine that a business:

(1) adequately demonstrates:

(A) a substantial statewide or regional economic or employment impact; or

(B) approval or eligibility for other economic development incentives and programs offered by the State of Vermont; and

(2) is experiencing one or more of the following circumstances:

(A) a merger or acquisition may cause the closing of all or a portion of a Vermont business, or closure or relocation outside Vermont will cause the loss of employment in Vermont;

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(B) a prospective purchaser is considering the acquisition of an existing business in Vermont;

(C) an existing employer in Vermont, which is a division or subsidiary of a multistate or multinational company, may be closed or have its employment significantly reduced; or

(D) is considering Vermont for relocation or expansion.

(e)(1) Any economic and financial resources offered by the Governor under this section must be approved by the Emergency Board before an eligible business may receive assistance from the Fund.

(2) The Board shall invite the Chair of the Senate Committee on Economic Development, Housing and General Affairs and the Chair of the House Committee on Commerce and Economic Development to participate in Board deliberations under this section in an advisory capacity.

(3) The Governor or designee, shall present to the Emergency Board for its approval:

(A) information on the company;

(B) the circumstances supporting the offer of economic and financial resources;

(C) a summary of the economic activity proposed or that would be forgone;

(D) other State incentives and programs offered or involved;

(E) the economic and financial resources offered by the Governor requiring use of monies from the Fund;

(F) employment, investment, and economic impact of Fund support on the employer, including a fiscal cost-benefit analysis; and

(G) terms and conditions of the economic and financial resources offered, including:

(i) the total dollar amount and form of the economic and financial resources offered;

(ii) employment creation, employment retention, and capital investment performance requirements; and

(iii) disallowance and recapture provisions.

(4) The Emergency Board shall have the authority to approve, disapprove, or modify an offer of economic and financial resources in its discretion, including consideration of the following:

(A) whether the business has presented sufficient documentation to demonstrate compliance with subsection (d) of this section;

(B) whether the Governor has presented sufficient information to the Board under subdivision (3) of this subsection;

(C) whether the business has received other State resources and incentives, and if so, the type and amount; and

(D) whether the business and the Governor have made available to the Board sufficient information and documentation for the Auditor of Accounts to perform a performance audit of the program.

(f)(1) Proprietary business information and materials or other confidential financial information submitted by a business to the State, or submitted by the Governor to the Emergency Board, for the purpose of negotiating or approving economic and financial resources under this section shall not be subject to public disclosure under the State's public records law in 1 V.S.A. chapter 5, but shall be available to the Joint Fiscal Office or its agent upon authorization of the Chair of the Joint Fiscal Committee, and shall also be available to the Auditor of Accounts in connection with the performance of duties under 32 V.S.A. § 163; provided, however, that the Joint Fiscal Office or its agent, and the Auditor of Accounts, shall not disclose, directly or indirectly, to any person any proprietary business or other confidential information or any information which would identify a business except in accordance with a judicial order or as otherwise specifically provided by law.

(2) Nothing in this subsection shall be construed to prohibit the publication of statistical information, rulings, determinations, reports, opinions, policies, or other information so long as the data are disclosed in a form that cannot identify or be associated with a particular business.

(g) On or before January 15 of each year following a year in which economic and financial resources were made available pursuant to this section, the Secretary of Commerce and Community Development shall submit to the House Committees on Commerce and Economic Development and on Ways and Means and to the Senate Committees on Finance and on Economic Development, Housing and General Affairs a report on the resources made available pursuant to this section, including:

(1) the name of the recipient;

- (2) the amount and type of the resources;
  - (3) the aggregate number of jobs created or retained as a result of the resources;
  - (4) a statement of costs and benefits to the State; and
  - (5) whether any offer of resources was disallowed or recaptured.
- (h) This section shall sunset on June 30, 2016 and any remaining balance in the Fund shall be transferred to the General Fund.

#### Sec. E.100.6 WOOD PRODUCTS MANUFACTURE INCENTIVE

(a) Definitions. The Secretary of Commerce and Community Development, annually on or before February 1, shall designate any two adjacent counties having at least four percent of their combined jobs provided by employers that manufacture finished wood products and having the highest combined unemployment rate in the State for at least one month in the previous calendar year. Upon making a designation, the Secretary shall send a written notice to the Commissioner of Finance and Management identifying the designated counties. The Commissioner of Finance and Management shall be responsible for making the payment under the provisions of this section. Notwithstanding 32 V.S.A. § 3102, the Commissioner of Taxes is authorized to disclose information to the Commissioner of Finance and Management necessary to implement this section.

(b) Payment. A payment against the income tax liability is available as follows:

(1) A payment of two percent of the wages paid in the taxable year by an employer for services performed in the designated counties associated with the manufacture of finished wood products. The payment shall be available to the employer in any year the counties qualify and for one year after a qualification ends. As used in this section, "finished wood products" means wood products that are manufactured into the form in which they are offered for sale to consumers.

(2) The payment, either alone or in combination with any other credit allowed by 32 V.S.A. § 5930y, shall not exceed 80 percent of the income tax liability of the employer.

(3) The recapture of development incentives established in 3 V.S.A. chapter 47, subchapter 6 shall apply to the payment in this section, except that the provisions of subsection 2512(c) of that title shall not apply to business relocation outside the designated counties.



Sec. E.105 Information and innovation – communications and information technology

(a) Of this appropriation, \$635,000 is for a grant to the Vermont Telecommunications Authority established in 30 V.S.A. § 8061.

Sec. E.106 [DELETED]

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$30,000 is from the Current Use Application Fee Special Fund and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

Sec. E.112 USE OF STATE SPACE; CLARIFICATION

(a) Notwithstanding 29 V.S.A. § 165(h), the Commissioner of Buildings and General Services shall extend through June 30, 2015 the lease for space for the Chittenden Unit for Special Investigations at current payment rates. For fiscal year 2016 and beyond, the Commissioner shall develop a long-term lease or fee-for-space arrangement for space for the Chittenden Unit for Special Investigations. If the lease or fee-for-space arrangement includes a payment below prevailing area market prices, then the Commissioner shall present it to the Joint Fiscal Committee as required by 29 V.S.A. § 165(h)(2) for approval at a Joint Fiscal Committee meeting after September 1, 2014.

Sec. E.113 Buildings and general services – engineering

(a) The \$3,196,163 interdepartmental transfer in this appropriation shall be from the fiscal year 2015 General Bond Fund appropriation in 2013 Acts and Resolves No. 51, Sec. 2(c)(5), as amended in the 2014 legislative session.

Sec. E.113.1 2013 Acts and Resolves No.1, Sec. 100(c) is amended to read:

(c) Sec. 97 (general obligation debt financing) shall take effect on ~~July 1,~~ 2014 July 1, 2015.

Sec. E.113.2 DEPARTMENT OF BUILDINGS AND GENERAL SERVICES; ALLOCATION OF ENGINEERING COSTS

(a) The Commissioner of Buildings and General Services shall implement the following recommendations from the report required by 2013 Acts and Resolves No. 51, Sec. 39, relating to accounting standards for engineering costs:

(1) initiate a process to track engineering costs to specific projects through the VTHR payroll system; and

(2) once engineering costs are tracked to specific projects, allocate these known capital costs to expenses paid from general obligation debt financing and allocate noncapital costs to expenses paid from the General Fund.

(b) The Secretary of Administration shall work with the Commissioner of Buildings and General Services to implement a project tracking procedure through the VTHR payroll system described in subdivision (a)(1) of this section.

(c) On or before January 15, 2015, the Commissioner of Buildings and General Services shall update the House Committee on Corrections and Institutions and the Senate Committee on Institutions on the implementation of the recommendations described in subsection (a) of this section.

Sec. E.118 Buildings and general services - fleet management services

(a) Any State employee that uses the standard mileage reimbursement rate for use of his or her private vehicle shall be required to use a State-owned or -leased vehicle if the mileage that is submitted for reimbursement exceeds 12,400 miles on a fiscal year basis. Exceptions may be made if the employee receives approval from his or her agency secretary or department head to exceed the 12,400 limit on mileage that is eligible for reimbursement for use of a private vehicle.

Sec. E.118.1 2010 Acts and Resolves No. 156, Sec. E.114(a), as amended by 2011 Acts and Resolves No. 3, Sec. 60, and 2013 Acts and Resolves No. 50, Sec. E.118, is further amended to read:

(a) The Commissioner of Buildings and General Services shall submit a report to the House and Senate Committees on Appropriations by January 15th of each year ~~through fiscal year 2015~~ detailing the number of ~~state~~ State employees, by department, that during the previous fiscal year exceeded a ~~11,400 mileage amount for use of their private vehicle during the previous fiscal year~~ the “mileage breakeven point,” the point at which employee mileage reimbursement becomes more expensive than use of State-owned or -leased vehicles, as calculated as part of this report.

Sec. E.125 Legislative council

(a) Notwithstanding any other provision of law, from fiscal year 2014 funds appropriated to the Legislative Council and carried forward into fiscal year 2015, the amount of \$25,000 shall revert to the General Fund.

Sec. E.126 Legislature

(a) Notwithstanding any other provision of law, from fiscal year 2014

funds appropriated to the Legislature and carried forward into fiscal year 2015, the amount of \$80,000 shall revert to the General Fund.

(b) It is the intent of the General Assembly that funding for the Legislature in fiscal year 2016 be included at a level sufficient to support an 18-week legislative session.

(c) The appropriation in Sec. B.126 of this act includes \$10,000 to support costs associated with obtaining data-based information to be used by the General Assembly to determine how well State government is working toward achieving the population-level outcomes that have been put in place to measure Vermont's quality of life. This data will also assist the General Assembly in determining how best to invest taxpayer dollars.

#### Sec. E.126.1 REPEAL

(a) 3 V.S.A. § 635a (legislators and session-only legislative employees eligible to purchase State Employees Health Benefit Plan at full cost) is repealed.

#### Sec. E.127 JOINT FISCAL COMMITTEE

(a) Notwithstanding any other provision of law, from fiscal year 2014 funds appropriated to the Joint Fiscal Committee and carried forward into fiscal year 2015, the amount of \$10,000 shall revert to the General Fund.

#### Sec. E.127.1 [DELETED]

#### Sec. E.128 Sergeant at Arms

(a) Notwithstanding any other provision of law, from fiscal year 2014 funds appropriated to the Sergeant at Arms and carried forward into fiscal year 2015, the amount of \$10,000 shall revert to the General Fund.

#### Sec. E.131 VERMONT COMMUNITY LOAN FUND

(a) Notwithstanding 32 V.S.A. § 433, the State Treasurer is authorized to invest up to \$500,000 of short-term operating or restricted funds in the Vermont Community Loan Fund on terms acceptable to the Treasurer and consistent with 32 V.S.A. § 433(b). The provisions of Sec. A.102(c) of this act shall not apply to this subsection.

(b) 2004 Acts and Resolves No. 80, Sec. 6a (authority to invest up to \$200,000.00) is repealed.

#### Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2015, investment fees shall be paid from the corpus of the Fund.

Sec. E.133.1 3V.S.A. § 479a(b)(1) is amended to read:

(1) All assets remitted to the state as a subsidy on behalf of the members of the Vermont state employees' retirement system for employer-sponsored qualified prescription drug plans pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003, except that any subsidy received from an Employer Group Waiver program is not subject to this requirement.

Sec. E.139 2013 Acts and Resolves No. 50, Sec. E.139, as amended by 2014 Acts and Resolves No. 95, Sec. 73a is further amended to read:

Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

(a) The towns ~~currently~~ engaged in litigation regarding grand list appeals of the assessment of TransCanada hydroelectric property may submit to the Attorney General legal expenditures made by those towns as a result of this litigation, as those values were established by reference to information from the Department of Taxes, Division of Property Valuation and Review. The Attorney General shall review the submitted bills and, if reasonable, approve reimbursement up to the amount transferred in subsection (b) of this section.

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Sec. E.141 Lottery commission

(a) Of this appropriation, the Lottery Commission shall transfer \$150,000 to the Department of Health, Office of Alcohol and Drug Abuse Programs, to support the gambling addiction program.

(b) The Vermont State Lottery will continue to provide financial support and recommendations for addressing problem gambling among Vermont's citizens, to include marketing, event sponsorships, and printed material.

Sec. E.141.1 REPORT; TRANSITION OF COUNCIL ON PROBLEM GAMBLING

(a) The Executive Director of the Vermont Lottery Commission and the Commissioner of Health shall provide a written update to the Joint Fiscal Committee in July 2014 on how the gambling addiction program will be operated in fiscal year 2015 and how the funds allocated in this act for gambling addiction programs will be used.

Sec. E.142 Payments in lieu of taxes

(a) This appropriation is for State payments in lieu of property taxes under 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in addition to and without regard to the appropriations for PILOT for Montpelier and for correctional facilities elsewhere in this act.

## Sec. E.143 Payments in lieu of taxes – Montpelier

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

## Sec. E.144 Payments in lieu of taxes – correctional facilities

(a) Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

\* \* \* PROTECTION TO PERSONS AND PROPERTY \* \* \*

## Sec. E.200 Attorney general

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$725,000 is appropriated in Sec. B.200 of this act.

## Sec. E.204 JUDICIARY; REPORT ON TRAFFIC TICKETS

(a) On or before December 1, 2014, the Court Administrator shall report to the House and Senate Committees on Appropriations and on Judiciary on the trends and data for traffic tickets filed with the Judicial Bureau. The report shall:

(1) identify the number of traffic tickets filed with the Judicial Bureau during the previous three years and the amount of revenue received by the State from the tickets;

(2) compare the number of tickets filed with the number of tickets for which fines were collected; and

(3) provide information about the reasons tickets were dismissed by the Judicial Bureau during the three-year period, to the extent that such reports can be produced by query to the Judicial Bureau's case management software.

## Sec. E.204.1 JUDICIARY; SECURITY REPORT

(a) The Court Administrator with the Manager of Security and Safety shall review current court operations and shall submit a report to the House and Senate Committees on Judiciary and on Appropriations by January 15, 2015 with any findings on the current operation and costs of providing security in all

the State's courts. The report shall include any recommendations resulting from the review to restructure such operations to result in financial savings without increasing security risk to the Judiciary. Specifically, the report shall address:

(1) any options to reduce costs when any court is not in session; and

(2) any options to reduce costs through shared security arraignments with other co-located State agencies.

Sec. E.205 [DELETED]

Sec. E.206 SPECIAL INVESTIGATIONS UNIT FUNDING STUDY COMMITTEE

(a) Creation. There is created a Special Investigations Unit Funding Study Committee for the purpose of identifying and recommending equitable and sustainable funding options for specialized investigative units.

(b) Membership, interested parties.

(1) The Committee shall be composed of the following six members:

(A) three current members of the House of Representatives, one of whom is a member of the Joint Fiscal Committee, appointed by the Speaker of the House; and

(B) three current members of the Senate, one of whom is a member of the Joint Fiscal Committee, appointed by the Committee on Committees.

(2) The Committee shall consult with interested parties, including the Attorney General, the Commissioner of Taxes, the Executive Director of the Department of State's Attorneys and Sheriffs, the Special Investigation Units Grants Program Manager, the Vermont League of Cities and Towns, the Vermont Children's Alliance, and the directors of the Special Investigation Units.

(c) Powers and duties. The Study Committee shall identify all possible funding sources for special investigation units and shall consider the sustainability and equitability of each possible source on local, county, and State levels.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Joint Fiscal Office and the Legislative Council.

(e) Report. On or before December 15, 2014, the Committee shall submit a report to the House Committees on Ways and Means and on Judiciary and the

Senate Committees on Finance and on Judiciary with its findings and any recommendations for legislative action.

(f) Meetings.

(1) Members shall elect a Chair at the first meeting that shall occur on the same date as a meeting of the Joint Fiscal Committee.

(2)(A) A majority of the members of the Committee shall be physically present at the same location to constitute a quorum.

(B) A member may vote only if physically present at the meeting location.

(C) Action shall be taken only if there is both a quorum and a majority vote of all members of the Committee.

(3) The Committee shall cease to exist on January 1, 2015.

(g) Reimbursement. For attendance at meetings during adjournment of the General Assembly, legislative members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406 for no more than four meetings.

Sec. E.208 Public safety – administration

(a) The Commissioner of Public Safety is authorized to enter into a performance-based contract with the Essex County Sheriff's Department to provide law enforcement service activities agreed upon by both the Commissioner of Public Safety and the Sheriff.

Sec. E.208.1 FIREARM STORAGE SPECIAL FUND; APPROPRIATION

(a) The sum of \$75,000 is appropriated to the Department of Public Safety from the Firearm Storage Special Fund, which is hereby created, to be managed pursuant to 32 V.S.A. chapter 7, subchapter 5, for the purpose of assisting law enforcement agencies and court-approved federally licensed firearm dealers to create facilities for the storage of firearms and other weapons pursuant to Sec. 20 of H.735 of 2014 [fee bill] (to be codified as 20 V.S.A. § 2307). The Department is authorized to administer this appropriation in its discretion in the form of interest-free loans to law enforcement agencies and court-approved federally licensed firearm dealers that apply to and are deemed eligible by the Department. Successful applicants shall enter into a repayment agreement with the Department and shall repay the loan using fees or other proceeds collected as a result of the implementation of Sec. 20 of H.735 of 2014 [fee bill] (to be codified as 20 V.S.A. § 2307). Repayments received by the Department shall be deposited into the Firearm

Storage Special Fund. The Department is authorized to prepare and execute on behalf of the State any documents necessary to make and secure such loans. Notwithstanding Sec. A.102(c) of this act, this appropriation shall carry forward until expended.

Sec. E.209 Public safety – state police

(a) Of this appropriation, \$35,000 in special funds shall be available for snowmobile law enforcement activities and \$35,000 in general funds shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of this appropriation, \$405,000 is allocated for grants in support of the Drug Task Force and the Gang Task Force. Of this amount, \$190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force and to support the efforts of the Mobile Enforcement Team (Gang Task Force), or carried forward.

Sec. E.212 Public safety – fire safety

(a) Of this General Fund appropriation, \$55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

Sec. E.215 Military – administration

(a) The amount of \$250,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856. Of this amount, \$100,000 shall be general funds from this appropriation, and \$150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, \$2,500 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; \$5,000 shall be used for the Military, Family, and Community Network; and \$10,000



shall be granted to the American Legion for the Boys' State and Girls' State programs.

(b) Of this General Fund appropriation, \$39,484 shall be deposited into the Armed Services Scholarship Fund established in 16 V.S.A. § 2541.

Sec. E. 220 Center for crime victims services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer \$51,574 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

Sec. E.221 Criminal justice training council

(a) The provisions of the memorandum of understanding between the Criminal Justice Training Council and the Vermont Network Against Domestic and Sexual Violence shall be fulfilled unless altered by mutual agreement.

Sec. E.223 Agriculture, food and markets – food safety and consumer protection

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section for the Food Safety and Consumer Protection Division to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of \$1,486,500 in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for direct grants and investments in food and forest systems pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5.

(b) Of the funds appropriated in Sec. B.224 of this act, the amount of \$13,500 in General Funds shall be used to fund grants that enable farmers' markets to accept electronic benefit transfer funds.

Sec. E.224.1 2012 Acts and Resolves No. 142, Sec. 5 is amended to read:

Sec. 5. FUNDING PRIORITIES

(a) The amounts appropriated from the ~~general fund to the Vermont working lands enterprise fund established in 6 V.S.A. § 4605~~ shall be used General Fund for use by the ~~working lands enterprise board~~ Working Lands Enterprise Board shall be used for the following purposes:

\* \* \*

Sec. E.225 Agriculture, food and markets – laboratories, agricultural resource management and environmental stewardship

(a) The Agency of Agriculture, Food and Markets shall use the Global Commitment funds appropriated in this section to provide public health approaches and other innovative programs to improve the health outcomes, health status, and quality of life for uninsured, underinsured, and Medicaid-eligible individuals in Vermont.

Sec. E.225.1 AGRICULTURE, FOOD AND MARKETS; MOSQUITO CONTROL

(a) The Secretary of Agriculture, Food and Markets may use any unexpended or unobligated funds in the budget of the laboratories, agricultural resource management and environmental stewardship program for grants to eligible mosquito control districts:

(1) for larvicide applications approved by the Secretary of Agriculture, Food and Markets to control nuisance species; or

(2) to implement management or control measures approved by the Secretary of Agriculture, Food and Markets to address a public health hazard declared under 18 V.S.A. § 2 due to an outbreak of West Nile virus, eastern equine encephalitis, or other mosquito-borne illness.

Sec. E.228 8 V.S.A. § 7116(c) is amended to read

(c) All fees and payments received by the Department under subsection (a) of this section and 10 percent of the transfer tax under subsection (b) of this section shall be credited to the ~~insurance regulatory and supervision fund~~ Insurance Regulatory and Supervision Fund under section 80 of this title. The remaining 90 percent of the transfer tax shall be deposited directly into the ~~general fund~~ General fund and reserved in the General Fund Balance Reserve established under 32 V.S.A. § 308c.

Sec. E.233 18 V.S.A. chapter 34 is amended to read:

CHAPTER 34. NUCLEAR DECOMMISSIONING CITIZENS ADVISORY  
PANEL

§ 1700. CREATION; MEMBERSHIP; OFFICERS; QUORUM

(a) There is created a ~~nuclear advisory panel~~ Nuclear Decommissioning Citizens Advisory Panel which shall consist of the following:

(1) the ~~secretary of human services~~ Secretary of Human Services, ex officio, or designee;

(2) the ~~secretary of natural resources~~ Secretary of Natural Resources, ex officio, or designee;

(3) the ~~commissioner of public service~~ Commissioner of Public Service, ex officio, or ~~his or her~~ designee;

(4) the Secretary of Commerce and Community Development, ex officio, or designee;

(5) one member of ~~an energy committee of the Vermont house of representatives~~ the House Committee on Natural Resources and Energy, chosen by the ~~speaker~~ Speaker of the ~~house~~ House;

~~(5)(6)~~ one member of ~~an energy committee of the Vermont senate~~ the Senate Committee on Natural Resources and Energy, chosen by the ~~committee~~ Committee on committees Committees; and

(7) one representative of the Windham Regional Commission or designee, selected by the Regional Commission;

(8) one representative of the Town of Vernon or designee, selected by the legislative body of that town;

~~(6)(9)~~ two six members of the public, two each selected by the ~~governor~~ Governor, the Speaker of the House, and the President Pro Tempore of the Senate. Under this subdivision, each appointing authority initially shall appoint a member for a three-year term and a member for a four-year term. Subsequent appointments under this subdivision shall be for terms of four years;

(10) two representatives of the Vermont Yankee Nuclear Power Station (VYNPS or Station) selected by the owner of the Station;

(11) a representative of the International Brotherhood of Electric Workers (IBEW) selected by the IBEW who shall be a present or former employee at the VYNPS;

(12) one member who will represent collectively the Towns of Chesterfield, Hinsdale, Richmond, Swanzey, and Winchester, New Hampshire, when selected by the Governor of New Hampshire at the invitation of the Commissioner of Public Service; and

(13) one member who will represent collectively the Towns of Bernardston, Colrain, Gill, Greenfield, Leyden, Northfield, and Warwick, Massachusetts, when selected by the Governor of Massachusetts at the invitation of the Commissioner of Public Service.

(b) Ex officio members shall serve for the duration of their time in office or until a successor has been appointed. Members of the ~~general assembly~~ General Assembly shall be appointed for two years or until their successors are appointed, beginning on or before January 15 in the first year of the biennium. Representatives designated by ex officio members shall serve at the direction of the designating authority.

(c) The ~~commissioner of public service~~ Commissioner of Public Service shall serve as ~~chairperson~~ the Chair until the Panel elects a Chair or Co-Chairs under subsection (d) of this section.

(d) The Panel annually shall elect a Chair or Co-Chairs, and a Vice Chair, for one-year terms commencing with its first meeting following the effective date of this section.

(e) A majority of the Panel's members ~~of the panel~~ shall constitute a quorum. The ~~panel~~ Panel shall act only by vote of a majority of its entire membership and only at meetings called by the ~~chairperson~~ Chair or a Co-Chair or by any ~~three~~ five of the members. The person or persons calling the meeting shall provide adequate notice to all its members.

~~(e)(f)~~ Members of the panel, ~~except for who are not~~ ex officio members ~~and except for legislative members while the general assembly is in session,~~ employees of the State of Vermont, representatives of the VYNPS, or members representing towns outside Vermont, and who are not otherwise compensated or reimbursed for their attendance shall be entitled to ~~\$30.00~~ \$50.00 per diem and their necessary and actual expenses. Funds for this purpose shall come from the monies collected under 30 V.S.A. § 22 for the purpose of maintaining the ~~public service board~~ Department of Public Service. Legislative members shall not be entitled to a per diem under this section for meetings while the General Assembly is in session.

~~(f)(g)~~ The ~~department of public service~~ Commissioner of Public Service shall:

(1) manage the provision of administrative support to the Panel, including scheduling meetings and securing meeting locations, providing public notice of meetings, producing minutes of meetings, and assisting in the compilation and production of the Panel's annual report described in section 1701 of this title;

(2) keep the ~~panel~~ Panel informed of the status of matters within the jurisdiction of the ~~panel~~ Panel;

(2)(3) notify members of the ~~panel~~ Panel in a timely manner upon receipt of information relating to matters within the jurisdiction of the ~~panel~~ Panel; and

(3)(4) upon request, provide to all members of the ~~panel~~ Panel all relevant information within the ~~department's~~ control of the Department of Public Service relating to subjects within the scope of the duties of the ~~panel~~ Panel;

(5) provide workshops or training for Panel members as may be appropriate; and

(6) hire experts, contract for services, and provide for materials and other reasonable and necessary expenses of the Panel as the Commissioner may consider appropriate on request of the Panel from time to time. Funds for this purpose shall come from the monies collected under 30 V.S.A. § 22 for the purpose of maintaining the Department of Public Service and such other sources as may be or become available.

#### § 1701. DUTIES

The Panel shall serve in an advisory capacity only and shall not have authority to direct decommissioning of the VYNPS. The duties of the ~~panel~~ Panel shall be:

(1) To hold a minimum of ~~three~~ four public meetings each year for the purpose of discussing issues relating to the ~~present and future use of nuclear power and to~~ decommissioning of the VYNPS. The Panel may hold additional meetings.

(2) To advise the ~~governor~~ Governor, the ~~general assembly~~ General Assembly, and the agencies of the ~~state thereon~~ State, and the public on issues related to the decommissioning of the VYNPS, with a written report being provided annually to the ~~governor~~ Governor and to the energy committees of the ~~general assembly~~ General Assembly. The provisions of 2 V.S.A. § 20(d) (expiration of reports) shall not apply to this report.

(2) To define the responsibilities of state agencies for assuring the safety and health of the public as the result of the operation of a fixed nuclear facility and to assess the ability of state and local governments to meet this responsibility in terms of both technical expertise and financial support;

~~(3) To discuss proposed changes in operations or specific problems that arise in the operation of a fixed nuclear facility, and to prepare and present technical data to serve as a basis for establishing the state's position on such changes or problems; To serve as a conduit for public information and education on and to encourage community involvement in matters related to the decommissioning of the VYNPS and to receive written reports and presentations on the decommissioning of the Station at its regular meetings.~~

~~(4) To maintain communications with the operators of any fixed nuclear facility, including the receipt of written reports and presentations to the panel at its regular meetings; To periodically receive reports on the Decommissioning Trust Fund and other funds associated with decommissioning of or site restoration at the VYNPS, including fund balances, expenditures made, and reimbursements received.~~

~~(5) To develop awareness in the state and in the state government of the potential liabilities, benefits, or repercussions of nuclear power generation in the state in comparison to other electrical energy sources; and To receive reports regarding the decommissioning plans for the VYNPS, including any site assessments and post-shutdown decommissioning assessment reports; provide a forum for receiving public comment on these plans and reports; and to provide comment on these plans and reports as the Panel may consider appropriate to State agencies and the owner of the VYNPS and in the annual report described in subdivision (2) of this section~~

~~(6) To review the current status of state relations with the Nuclear Regulatory Commission and to seek some agreement on federal and state regulatory efforts.~~

#### § 1702. ASSISTANCE

~~Staff services for the committee shall be furnished by the department of public service, the agency of human services, the agency of environmental conservation, and the office of the attorney general~~ The Department of Public Service, the Agency of Human Services, and the Agency of Natural Resources shall furnish administrative support to the Panel, with assistance from the owners of the VYNPS as the Commissioner of Public Service may consider appropriate.

#### Sec. E.233.1 DECOMMISSIONING ADVISORY PANEL; ASSESSMENT OF CHARGE

(a) After providing an opportunity for public comment, the Nuclear Decommissioning Citizens Advisory Panel created under 18 V.S.A. chapter 34 shall assess whether further changes to the Panel's membership or duties as

amended by this act are appropriate and shall include recommendations on such further changes in the annual report to the Governor and energy committees of the General Assembly under 18 V.S.A. § 1701(2) to be filed on or before January 15, 2015.

Sec. E.234 [DELETED]

Sec. E.238 [DELETED]

\* \* \* HUMAN SERVICES \* \* \*

Sec. E.300 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2015 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

Sec. E.300.1 APPROPRIATION ADJUSTMENT AUTHORITY FOR COMBINED WAIVER AND INDEPENDENT DIRECT CARE EXPENDITURES

(a) In the event that the Centers for Medicare and Medicaid Services approves combining the two Section 1115 waivers during State fiscal year 2015, the Secretary of Administration with the approval of the Joint Fiscal Committee, may make net neutral adjustments among Agency of Human Services appropriations as appropriate, to reflect the necessary changes in fund accounting. This authority does not allow the transfer of programs among departments.

(b) Of the General Funds appropriated in Sec. B.300 of this act \$1,735,000 is for expenditures resulting from negotiated agreements for the provision of independent direct care. The Agency may transfer these funds to the departments as needed or proposed redistribution of the funds in the budget adjustment process for fiscal year 2015.

Sec. E.300.2 REVIEW; ADAP RESIDENTIAL SUBSTANCE ABUSE TREATMENT

(a) The Agency of Human Services in consultation with the Department of Vermont Health Access, the Department of Health, the Department of Finance and Management, and the Joint Fiscal Office shall review the fiscal impact of increasing the number of preapproved residential substance treatment days from the current 15 days for adult Medicaid recipients. The review shall consider the following:

(1) the American Society for Addiction Medicine Patient Placements Criteria;

- (2) third-party payers processes for determination of length of stay;
- (3) the process for extending the number of days of residential treatment beyond 15; and
- (4) the relationship between the number of days in residence and patient outcomes.

(b) The review shall be submitted to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare by December 15, 2014.

Sec. E.301 Secretary's office – Global Commitment

(a) The Agency of Human Services shall use the funds appropriated in this section for payment of the actuarially certified premium required under the intergovernmental agreement between the Agency of Human Services and the managed care entity, the Department of Vermont Health Access, as provided for in the Global Commitment for Health Waiver (Global Commitment) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the State funds appropriated in this section, a total estimated sum of \$28,065,597 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$17,621,550 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$22,878,450 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$40,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) \$3,896,863 certified State match available from local education agencies for direct school-based health services, including school nurse services, that increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

(3) \$2,176,679 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) \$1,848,540 certified State match available via the University of Vermont's Child Health Improvement Program for quality improvement initiatives for the Medicaid program.

(5) \$2,521,965 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

(c) On or before December 31, 2014, designated and special service agencies that receive Global Commitments Funds for Medicaid reimbursement rate increases shall provide the Agency of Human Services their proposed allocation of these funds. On or before January 15, 2105, the Agency shall provide the House and Senate Committees on Appropriations a consolidated report of the proposed allocations.

Sec. E.304 3 V.S.A. § 3090(e) is added to read:

(e) On or before January 15 of each year, the Board shall report to the House Committees on Appropriations, on Human Services, and on Health Care and the Senate Committees on Appropriations, on Health and Welfare, and on Finance regarding the fair hearings conducted by the Board during the three preceding calendar years, including:

(1) the total number of fair hearings conducted over the three-year period and per year;

(2) the number of hearings per year involving appeals of decisions by the Agency itself and each department within the Agency, with the appeals and decisions relating to health insurance through the Vermont Health Benefit Exchange reported distinctly from other programs;

(3) the number of hearings per year based on appeals of decisions regarding:

(A) eligibility;

(B) benefits;

(C) coverage;

(D) financial assistance;

(E) child support; and

(F) other categories of appeals;

(4) the number of hearings per year based on appeals of decisions regarding each State program over which the Board has jurisdiction;

(5) the number of decisions per year made in favor of the appellant; and

(6) the number of decisions per year made in favor of the department or the Agency.

Sec. E.306 32 V.S.A. § 307(d) is amended to read:

(d) The Governor's budget shall include his or her recommendations for an annual budget for Medicaid and all other health care assistance programs administered by the Agency of Human Services. The Governor's proposed Medicaid budget shall include a proposed annual financial plan, and a proposed five-year financial plan, with the following information and analysis:

\* \* \*

(5) health care inflation trends consistent with provider reimbursements approved under 18 V.S.A. § 9376 and ~~hospital budgets approved by the Green Mountain Care Board under 18 V.S.A. chapter 221, subchapter 7~~ expenditure trends reported under 18 V.S.A. § 9375a;

\* \* \*

#### Sec. E. 306.1 EMERGENCY RULES

(a) The Agency of Human Services shall adopt rules pursuant to 3 V.S.A. chapter 25 prior to June 30, 2015 to conform Vermont's rules regarding operation of the Vermont Health Benefit Exchange to federal guidance and regulations implementing the provisions of the Patient Protection and Affordable Care Act, Pub. L. No. 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152. The rules shall be adopted to achieve timely compliance with federal laws and guidance and shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

#### Sec. E.306.2 § SUBSTANCE ABUSE TREATMENT SERVICES

##### (a) Program Objectives And Performance Measures:

(1) On or before September 15, 2014, the Chief of Health Care Reform, the Secretary of Human Services, and the Commissioners of Health and of Vermont Health Access in consultation with the Chief Performance Officer shall submit to the Joint Fiscal Committee, the House and Senate Committees on Appropriations, the House Committee on Human Services, and to the Senate Committee on Health and Welfare the program objectives for the State's substance abuse treatment services and three performance measures to measure success in reaching those program objectives.

(2) Thereafter, annually, on or before January 15, the Chief, Secretary, and Commissioners shall report to those Committees on the service delivery system's success in reaching the program objectives using the performance measure data collected for those services.

(b) Comprehensive Service Delivery System:

(1) On or before November 15, 2015, the Secretary of Administration and the Chief of Health Care Reform, in consultation with the Secretary of Human Services, shall report to the Joint Fiscal Committee, the House and Senate Committees on Appropriations, the House Committee on Human Services, and to the Senate Committee on Health and Welfare on current and additional strategies to achieve a more comprehensive health care service delivery system based on a greater integration of substance abuse payment and care coordination with physical and mental health. Recommendations may include organizational restructuring within the Agency of Human Services.

(2) The Secretary of Administration and the Chief of Health Care Reform are authorized to initiate recommended organizational restructuring if approved by the General Assembly or, if the General Assembly is not in session, by the Joint Fiscal Committee.

(c) Transfer of Global Commitment Funds:

(1) Subsequent to meeting the requirements of subsection (a) of this section, the Secretary of Administration and the Chief of Health Care Reform are authorized to transfer Global Commitment funds from the Department of Vermont Health Access (DVHA) to the Office of Alcohol and Drug Abuse Programs for the Care Alliance for Opioid Addiction. A written notification shall be submitted to the Joint Fiscal Committee for funds transferred under this subdivision and shall include a description of the specific use of funds within the Care Alliance for Opioid Addiction consistent with the objectives identified in subsection (a) of this section.

(2) Anticipated or identified savings in DVHA or other departments of the Agency of Human Services identified as a result of the increase expenditures through the Care Alliance for Opioid Addiction shall be included in the notification set forth in subdivision (1) of this subsection.

(d) Payment Methodology:

(1) On or before March 15, 2015, the Chief of Health Care Reform, Secretary of Human Services, and Commissioners of Health and of Vermont Health Access shall submit to the House and Senate Committees on Appropriations, the House Committee on Human Services, and to the Senate

Committee on Health and Welfare a report on designing the payment methodology for substance abuse and mental health services to achieve the objectives in subsection (a) of this section. The report shall include the benefits, drawbacks, and costs of:

- (A) rate setting;
- (B) capitated funding;
- (C) performance-based contracts;
- (D) cost-based reimbursement;
- (E) capacity grants; and
- (F) bundled payments.

Sec. E.306.3 2 V.S.A. chapter 20 is added to read:

CHAPTER 20. HEALTH REFORM OVERSIGHT COMMITTEE

§ 691. COMMITTEE CREATION

There is created a legislative Health Reform Oversight Committee. The Committee shall be composed of the following six members:

- (1) the Chair of the House Committee on Appropriations;
- (2) the Chair of the Senate Committee on Appropriations;
- (3) the Chair of the House Committee on Ways and Means;
- (4) the Chair of the Senate Committee on Finance;
- (5) the Chair of the House Committee on Health Care; and
- (6) the Chair of the Senate Committee on Health and Welfare;

§ 692. POWERS AND DUTIES

(a) When the General Assembly is adjourned, the Committee shall provide legislative oversight and review of revenue collection, expenditures, and planning related to health care reform efforts in Vermont.

(b) When the General Assembly is adjourned in fiscal year 2015, the Commissioner of Vermont Health Access shall provide monthly updates regarding Vermont Health Benefit Exchange operations, enrollment data, coverage status, customer support, and Exchange website functionality.

(c) Effective on January 1, 2015, all reports previously submitted to the Health Care Oversight Committee shall be submitted to the Health Reform Oversight Committee.

§ 693. ASSISTANCE

(a) The Committee shall have the administrative, technical, and legal assistance of the Legislative Council and the Joint Fiscal Office.

(b)(1) The Secretary of Administration and other members of the Executive Branch shall report to the Committee upon request.

(2) If applicable, the Secretary shall submit an electronic report to the Joint Fiscal Office for distribution to members of the Committee that summarizes any plans or actions taken by the Executive Branch to delay health care reform project schedules as a result of:

(A) increased costs exceeding official estimates;

(B) changes in the consensus revenue forecast of the Health Care Resources Fund;

(C) changes in the availability of federal funding; or

(D) any other changes related to the planning for and implementation of health care reform as directed by 2011 Acts and Resolves No. 48.

§ 694. MEETINGS

(a) The Committee shall select a chair from among its members at the first meeting of each biennium.

(b) Meetings shall be convened by the Chair and when practicable shall be held in conjunction with meetings of the Joint Fiscal Committee.

(c)(1) A majority of the members of the Committee shall be physically present at the same location to constitute a quorum.

(2) A member may vote only if physically present at the meeting location.

(3) Action shall be taken only if there is both a quorum and a majority vote of the members physically present and voting.

§ 695. REIMBURSEMENT

For attendance at meetings during adjournment of the General Assembly, members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to section 406 of this title for no more than six meetings.

Sec. E.306.4 REPEALS

(a) 2 V.S.A. chapter 24 (Health Care Oversight Committee) is repealed on January 1, 2015.

(b) 2004 Acts and Resolves No. 122, Sec. 141c (Mental Health Oversight Committee), as amended by 2006 Acts and Resolves No. 215, Sec. 293a and 2007 Acts and Resolves No. 65, Sec. 124b, is repealed on January 1, 2015.

Sec. E.306.5 MEDICAID PRIMARY CARE RATES

(a) The State shall continue its efforts to bring the Medicaid reimbursement rates for providers of primary care closer to Medicare levels.

Sec. E.306.6 HUMAN SERVICE PROGRAMS OVERSIGHT PROPOSAL

(a) The fiscal year 2015 report required under 2 V.S.A. § 852(c) shall be made on or before December 31, 2014. In the report, the Health Care Oversight Committee shall, in consultation with the Mental Health Oversight Committee, recommend if a single oversight structure is needed to be the successor to the Health Care Oversight Committee and the Mental Health Oversight Committee.

Sec. E.307 2013 Acts and Resolves No. 79, Sec. 53(d) is amended to read:

(d) Secs. 31 (Healthy Vermonters) and 32 (VPharm) shall take effect on January 1, 2014, except that the Department of Vermont Health Access may continue to calculate household income under the rules of the Vermont Health Access Plan after that date if the system for calculating modified adjusted gross income for the Healthy Vermonters and VPharm programs is not operational by that date, but no later than December 31, ~~2014~~ 2015.

Sec. E.308 CHOICES FOR CARE; SAVINGS, REINVESTMENTS, AND SYSTEM ASSESSMENT

(a) In the Choices for Care program, “savings” means the difference remaining at the conclusion of the fiscal year between the annual amount of funds appropriated for Choices for Care, excluding allocations for the provision of acute care services, and the sum of expended and obligated funds less an amount equal to one-percent of the previous fiscal year total Choices for Care expenditure to function as a reserve to be used in the event of a fiscal need to freeze Moderate Needs Group enrollment. Savings shall be calculated by the Department of Disabilities, Aging, and Independent Living and reported to the Joint Fiscal Office.

(1) It is the intent of the General Assembly that the Department of Disabilities, Aging, and Independent Living only obligate funds for expenditures approved under current law.

(b)(1) Any funds appropriated for long-term care under the Choices for Care program shall be used for long-term services and supports to recipients. In using these funds, the Department of Disabilities, Aging, and Independent Living shall give priority for services to individuals assessed as having high and highest needs and meeting the terms and conditions of the Choices for Care waiver.

(2)(A) First priority for the use of any savings from the long-term care appropriation after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and community-based services. Savings may also be used for quality improvement purposes in nursing homes but shall not be used to increase nursing home rates under 33 V.S.A. § 905.

(B) Savings either shall be one-time investments or shall be used in ways that are sustainable into the future. Excluding appropriations allocated for acute services, any unexpended and unobligated State General Fund or Special Fund appropriation remaining at the close of a fiscal year shall be carried over to the next fiscal year.

(C) The Department of Disabilities, Aging, and Independent Living shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(c) The Department, in collaboration with Choices for Care participants, participants' families, and long-term care providers, shall conduct an annual assessment of the adequacy of the provider system for delivery of home- and community-based services and nursing home services. On or before October 1 of each year, the Department of Disabilities, Aging, and Independent Living shall report the results of this assessment to the House Committees on Appropriations and on Human Services and the Senate Committees on Appropriations and on Health and Welfare in order to inform the reinvestment of savings during the budget adjustment process.

(d) On or before January 15 of each year, the Department of Disabilities, Aging, and Independent Living shall propose reinvestment of the savings calculated pursuant to this section to the General Assembly as part of the Department's proposed budget adjustment presentation.

(e) Concurrent with the procedures set forth in 32 V.S.A. § 305a, the Joint Fiscal Office and the Secretary of Administration shall provide to the Emergency Board their respective estimates of caseloads and expenditures for programs under the Choices for Care Medicaid Section 1115 waiver.

(f) 2013 Acts and Resolves No. 50, Sec. E.308 shall be repealed effective

on passage of this act.

(g) Beginning on July 1, 2014, notwithstanding subdivision (b)(2)(A) of this section, reinvestment funds in fiscal year 2015 resulting from savings identified at the close of fiscal year 2014 in the Choices for Care program shall first be allocated for expenditure increase in the Choices for Care home-and community-based programs due to negotiated agreements related to independent direct care in those programs and secondly be allocated for the purposes of 2014 Acts and Resolves No. 95, Sec.75a.

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2015 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000, of which \$135,000 is State general funds and \$340,000 is AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. It is the intent of the General Assembly that if the AIDS Medication Rebates special funds appropriated in this subsection are unavailable, the funding for Vermont AIDS service and peer-support organizations for client-based support services shall be maintained through the General Fund or other State-funding sources. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(A) AIDS Project of Southern Vermont, \$120,281;

(B) HIV/HCV Resource Center, \$38,063;

(C) VT CARES, \$219,246;

(D) Twin States Network, \$45,160;

(E) People with AIDS Coalition, \$52,250.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

(3)(A) The Secretary of Human Services shall immediately notify the Joint Fiscal Committee if at any time there are insufficient funds in VMAP to assist all eligible individuals. The Secretary shall work in collaboration with persons living with HIV/AIDS to develop a plan to continue access to VMAP medications until such time as the General Assembly can take action.



(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2015, the Department of Health shall provide grants in the amount of \$100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; and anti-stigma campaigns. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(b) Funding for the tobacco programs in fiscal year 2015 shall consist of the \$2,393,377 in tobacco funds and \$302,507 in Global Commitment funds appropriated in Sec. B.312 of this act. The Tobacco Evaluation and Review Board shall determine how these funds are allocated to tobacco cessation, community-based, media, public education, surveillance, and evaluation activities. This allocation shall include funding for tobacco cessation programs that serve pregnant women.

Sec. E.312.1 18 V.S.A. § 1130 is amended to read:

**§ 1130. IMMUNIZATION ~~PILOT PROGRAM~~ FUNDING**

(a) As used in this section:

(1) "Health care facility" shall have the same meaning as in section 9402 of this title.

(2) "Health care professional" means an individual, partnership, corporation, facility, or institution licensed or certified or authorized by law to provide professional health care services.

(3) "Health insurer" shall have the same meaning as in section 9402 of this title, but does not apply to insurers providing coverage only for a specified disease or other limited benefit coverage.

(4) “Immunizations” means vaccines and the application of the vaccines as recommended by the practice guidelines for children and adults established by the Advisory Committee on Immunization Practices (ACIP) to the Centers for Disease Control and Prevention (CDC).

(5) “State health care programs” ~~shall include Medicaid, Dr. Dynasaur, and any other~~ means any health care program providing immunizations with funds available through the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act State and federal sources.

(6) “Covered lives” means the number of Vermont residents covered under a health insurance plan provided or administered by a health insurer.

(b)(1) The Department of Health shall ~~establish~~ administer an immunization ~~pilot~~ program with the ~~ultimate goal~~ goals of ensuring universal access to vaccines for all Vermonters at no charge to the individual and ~~to reduce~~ reducing the cost at which the ~~state~~ State may purchase vaccines. The ~~pilot program shall be in effect from January 1, 2010, through December 31, 2014. During the term of the pilot program, the~~ Department shall purchase, provide for the distribution of, and monitor the use of vaccines as provided for in this subsection and subsection (c) of this section. The cost of the vaccines and an administrative surcharge shall be reimbursed by health insurers as provided for in subsections (e) and (f) of this section.

(2) The Department shall solicit, facilitate, and supervise the participation of health care professionals, health care facilities, and health insurers in the immunization ~~pilot~~ program in order to accomplish the State’s goal of universal access to immunizations at the lowest practicable cost to individuals, insurers, and ~~state~~ State health care programs.

(3) The ~~department~~ Department shall gather and analyze data regarding the immunization ~~pilot~~ program for the purpose of ensuring its quality and maximizing protection of Vermonters against diseases preventable by vaccination.

(c) The immunization ~~pilot~~ program shall ~~include a bulk purchasing pool to maximize the discounts, rebates, or negotiated price of all vaccines for children and certain recommended vaccines for adults~~ purchase vaccines from the federal Centers for Disease Control and Prevention at the lowest available cost. The Department shall determine annually which vaccines for adults shall be purchased under the program. ~~The Department may join a multi-state purchasing pool or contract with a wholesale distributor to negotiate prices for the vaccines provided through the program.~~

(d) The immunization ~~pilot~~ program shall provide for distribution of the vaccines to health care professionals and health care facilities for administration to patients.

(e) Health insurers shall ~~reimburse~~ remit to the Department ~~for the actual cost of vaccines provided to their subscribers and for the administration surcharge established in subsection (f) of this section, as established by the Commissioner of Health based on the recommendation of the Immunization Funding Advisory Committee established in subsection (g) of this section.~~

(f) The Department shall charge each health insurer a surcharge for the costs and administration of the immunization ~~pilot~~ program. The surcharge shall be deposited into an existing special fund and used solely for the purpose of administering the ~~pilot~~ program.

(g)(1) ~~No later than July 1, 2009, the Commissioner shall convene an advisory committee to provide recommendations regarding the immunization pilot program, including:~~

~~(A) the vaccines to be included in the pilot program;~~

~~(B) the pilot program's target patient utilization goal for each vaccine selected for inclusion in the pilot program;~~

~~(C) the purchase price of vaccines;~~

~~(D) the administrative surcharge established pursuant to subsection (f) of this section; and~~

~~(E) the design of the evaluation for the immunization pilot program.~~

~~(2) The advisory committee shall include representatives from the three largest health insurers licensed to do business in Vermont and the Department of Vermont Health Access and shall be chaired by the Chief of the Immunization Program for the Department of Health.~~

~~(3) The advisory committee shall meet throughout the term of the pilot program.~~

The Immunization Funding Advisory Committee is established to provide the Commissioner of Health with an annual per-member per-month cost for vaccines for the pediatric population, an annual per-member per-month cost for vaccines for the adult population, and a recommendation for the amount of the yearly vaccine assessment. The Committee shall comprise the following nine members:

(A) the Executive Officer of the Board of Pharmacy;

(B) the Executive Director of the Green Mountain Care Board;

(C) a representative of the Vermont Blueprint for Health, nominated by the Director of the Blueprint and appointed by the Commissioner of Health;

(D) three representatives of health insurers, one from each of the State's largest private health insurers, as determined by the number of covered lives, appointed by the Commissioner of Health;

(E) a representative of the American Academy of Pediatrics, Vermont chapter, appointed by the Commissioner of Health;

(F) a representative of the American Academy of Family Medicine, Vermont chapter, appointed by the Commissioner of Health; and

(G) a representative of employers that self-insure for health coverage, appointed by the Commissioner of Health.

(2) The Committee shall select a chair from among its members at the first meeting of each calendar year. The Committee shall receive administrative support from the Department of Health.

(3) By January 1 of each year, the Committee shall provide to the Commissioner the annual fiscal assessment and the per-member per-month cost for pediatric vaccines based on the total number of pediatric covered lives reported by health insurers and the per-member per-month cost for adult vaccines based on the total number of adult covered lives reported by health insurers.

~~(h) The Department of Health shall develop, with input from the advisory committee established pursuant to subsection (g) of this section, an evaluation methodology to determine the costs and effectiveness of the pilot program, including whether the total cost to health insurers of participation in the pilot program is less than or equal to their estimated costs had they not participated in the program. If federal purchase requirements do not further the goal of ensuring universal access to vaccines for all, the Commissioner may, following consultation with the Immunization Funding Advisory Committee, discontinue the program with six months' advance notice to all health care professionals and to all health insurers with Vermont covered lives.~~

~~(i) The Department may adopt rules under 3 V.S.A. chapter 25 if necessary to implement this section.~~

Sec. E.312.2 [DELETED]

Sec. E.313 Health – alcohol and drug abuse programs

(a) For the purpose of meeting the need for outpatient substance abuse

services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the State, a State-qualified alcohol and drug abuse counselor may apply to the Department of Health, Division of Alcohol and Drug Abuse Programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the Division of Alcohol and Drug Abuse Programs may use the following criteria to determine whether to enroll a State-supported Medicaid and uninsured population substance abuse program in the Division's network of designated providers, as described in the State plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the Division's standards, licensure standards, and accreditation standards established by the Commission on 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.

Sec. E.313.1 [DELETED]

Sec. E.314 [DELETED]

#### Sec. E.314.1 MENTAL HEALTH BUDGET PRESENTATION

(a) In order for the General Assembly to evaluate whether the State is meeting the goals in 2012 Acts and Resolves No. 79 of increasing community supports, decreasing inpatient care, and moving toward a less coercive system and to evaluate the outcomes of the system wide investments made as the result of Act 79, the Departments of Mental Health and of Vermont Health Access shall in consultation with the State's Chief Performance Officer, as designee of the Secretary of Administration, provide a longitudinal capacity, caseload, expenditure, and utilization analysis with the fiscal year 2016 budget presentation for:

- 
- (1) Inpatient Services by the following funding categories:
- (A) Level 1 inpatient psychiatric services;
  - (B) other involuntary inpatient psychiatric services;
  - (C) inpatient psychiatric services for community rehabilitation and treatment clients;
  - (D) inpatient psychiatric services for other Medicaid patients; and
  - (E) emergency department wait times for an acute inpatient psychiatric bed for minors and adults.
- (2) Residential Services by categories of service, including:
- (A) Intensive Recovery;
  - (B) Crisis Residential and Hospital Diversion;
  - (C) group homes;
  - (D) supported independent living; and
  - (E) secure residential.
- (3) Community Mental Services by categories of service, including:
- (A) community rehabilitation and treatment;
  - (B) crisis programs;
  - (C) outpatient clinics; and
  - (D) peer support programs.
- (4) Other Mental Health Support Services and Administration.

Sec. E.314.2 TRANSPORTING PATIENTS

(a) As part of its fiscal year 2016 budget proposal, the Department of Mental Health shall report to the House and Senate Committees on Appropriations and on Judiciary, the House Committee on Human Services and the Senate Committee on Health and Welfare, the total number of transports, the number of persons transported in restraints, the number of transports done pursuant to 18 V.S.A. § 7511 and the number of transports of children pursuant to 33 V.S.A. § 5123 during the previous calendar year. The Department shall also provide the estimated cost of entering into contracts only with designated professionals or law enforcement officers for the transport of persons pursuant to 18 V.S.A. § 7511 or of children pursuant to 33 V.S.A. § 5123.

Sec. E.314.3 [DELETED]

Sec. E.314.4 PSYCHIATRIC HOSPITAL STAFFING

(a) By July 1, 2014, the Department of Mental Health shall establish criteria by which to determine the appropriate staffing level at the Vermont Psychiatric Care Hospital. The criteria shall consider the need to provide sufficient direct care and administrative and support staff consistent with the requirement to provide effective treatment services in an environment that monitors patient care, and the safety needs of patients, and aligns with the guidelines of the federal Centers for Medicare and Medicaid Services.

(b) The Department shall provide a written report to the Joint Fiscal Committee and the Mental Health Oversight Committee in July 2014 regarding the staffing plan for the Vermont Psychiatric Care Hospital. The report shall justify and demonstrate the need for each of the administrative and support staff included in the plan, with the goal of limiting positions to those that are essential to meet the needs of operating the hospital.

(c) By July 1, 2014, the Department of Mental Health, in consultation with the State's Chief Performance Officer, as designee of the Secretary of Administration, shall identify desired outcomes, performance measures, and data requirements required to measure whether the hospital is achieving the stated outcomes for patient care, and the effectiveness of treatment services, patient monitoring, and safety requirements at the Vermont Psychiatric Care Hospital and shall provide a written report to the Joint Fiscal Committee and the Mental Health Oversight Committee in July, 2014.

Sec. E.314.5 [DELETED]

Sec. E.316 33 V.S.A. § 1702 is added to read:

§ 1702. PAYMENT ERROR RATE REPORT

On or before January 1 of the year following any federal fiscal year in which the State of Vermont receives a federal sanction for a payment error rate greater than the federal threshold in the Supplemental Nutrition Assistance Program (SNAP), the Department for Children and Families shall report to the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare regarding:

(1) the number of households that received SNAP benefits and were discovered to have an overpayment or underpayment in the sanction year due to agency error, including the average amount of the overpayments and underpayments and the total amount of each; and

(2) the Department's specific plans for sanction reinvestment to improve its error rate for the next federal fiscal year and prevent sanction in the future.

Sec. E.318 33 V.S.A. § 3504 is added to read:

§ 3504. SUPPLEMENTAL CHILD CARE GRANTS

In instances in which Extraordinary Financial Relief will not maintain ongoing access to high quality child care, the Department for Children and Families may provide additional support to ensure access to high-quality, comprehensive child care that meets the needs of working parents in high-poverty areas of Vermont. Licensed child care centers may be considered for this additional financial support to help ensure ongoing access to high-quality child care in areas of the State where none exists, as determined by the Commissioner. Financial assistance may be granted, at the discretion of the Commissioner, if the child care center meets the following criteria:

- (1) provides full-day child care year-round;
- (2) serves infants and toddlers;
- (3) is located in a high-poverty area without access to public transportation, as determined by the Commissioner;
- (4) maintains a 5 star rating in the STep Ahead Recognition System (STARS) program;
- (5) maintains a caseload in which at least 80 percent of enrollees receive a 100 percent child care subsidy; and
- (6) receives child care subsidies as its primary source of program revenue.

Sec. E.321 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM

(a) For State fiscal year 2015, the Agency of Human Services may continue 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 being served with General Assistance funds. The program shall operate in a consistent manner within existing statutes and rules and policies effective on July 1, 2013, and any succeeding amendments thereto, and may create programs and provide services consistent with these policies. Eligible activities shall include, among others, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments,



rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The program may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish outcomes and procedures for evaluating the program overall, and for each district in which the Agency operates the program, it shall establish procedures for evaluating the district program and its effects.

(c) The Agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of the General Assistance flexibility program.

#### Sec. E.321.1 GENERAL ASSISTANCE EMERGENCY HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2015 may be used for emergency housing in catastrophic situations, for the cold weather exemption, and, with supervisory approval, for vulnerable populations without a catastrophic need as defined in emergency rules adopted by the Agency after July 1, 2013, except in instances when:

(1) appropriate shelter space, as defined in rules adopted by the Agency pursuant to subsection (c) of this section, is available; or

(2) the applicant household has caused its own loss of housing, as defined in rules adopted by the Agency pursuant to subsection (c) of this section.

(b) Except as described in subsection (a) of this section, the Agency may only provide General Assistance emergency housing benefits in catastrophic situations as defined in rules. The cold weather exemption issued by the Department for Children and Families' Economic Services Division dated October 25, 2012, and any succeeding amendments to it, shall remain in effect.

(c) The Agency shall adopt permanent rules pursuant to 3 V.S.A. chapter 25 that implement the eligibility system for emergency housing to vulnerable populations that do not have a catastrophic need established by emergency rules adopted after July 1, 2013. Until the Agency adopts permanent rules incorporating the eligibility system for emergency housing to vulnerable populations described in this section, the Agency shall continue to adopt emergency rules pursuant to 3 V.S.A. § 844, implementing such an

eligibility system. Eligibility for vulnerable populations shall be limited to 28 calendar days and subject to available funds, supervisory review, and approval.

Sec. E.321.2 33 V.S.A. § 1114 is amended to read:

§ 1114. DEFERMENTS, MODIFICATIONS, AND REFERRAL

\* \* \*

(b) The work requirements shall be either modified or deferred for:

\* \* \*

(5) A participant who is needed in the home on a full or part-time basis in order to care for an ill or disabled parent, spouse, or child. In granting deferments, the Department shall fully consider the participant's preference as to the number of hours the participant is able to leave home to participate in work activities. A deferral or modification of the work requirement exceeding 60 days due to the existence of illness or disability pursuant to this subdivision shall be confirmed by the independent medical review of one or more physicians, physician assistants, advanced practice registered nurses, or other health care providers designated by the Secretary of Human Services prior to receipt of continued financial assistance under the Reach Up program.

\* \* \*

(d) Absent an apparent condition or claimed physical, emotional, or mental condition, participants are presumed to be able-to-work. A participant shall have the burden of demonstrating the existence of the condition asserted as the basis for a deferral or modification of the work requirement. A deferral or modification of the work requirement exceeding 60 days due to the existence of conditions rendering the participant unable-to-work shall be confirmed by the independent medical review of one or more physicians, physician assistants, advanced practice registered nurses, or other health care providers designated by the Secretary of Human Services prior to receipt of continued financial assistance under the Reach Up program.

\* \* \*

(f) As used in this section, "health care provider" means a person, partnership, or corporation, other than a facility or institution, licensed or certified or authorized by law to provide professional health care service in this State to an individual during that individual's medical care, treatment, or confinement.

Sec. E.324 HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) For the purpose of a crisis set-aside, for seasonal home heating fuel assistance through December 31, 2014, 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 2014–2015 crisis set-aside and for seasonal home heating fuel assistance through December 31, 2014 and if LIHEAP funds awarded as of December 31, 2014 for fiscal year 2015 do not exceed \$2,550,000, subsequent payments under the Home Heating Fuel Assistance Program shall not be made prior to January 30, 2015. 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, 2014, the Commissioner of Finance and Management may anticipate receipts into the Home Weatherization Assistance Trust Fund.

Sec. E.324.1 33 V.S.A. § 2605 is amended to read:

§ 2605. BENEFIT AMOUNTS

\* \* \*

(f) Households that make undesignated payments for energy for home heat in the form of rent and are participating in a public, subsidized, or Section 8 housing program shall be eligible for a nominal annual home heating fuel assistance benefit of ~~\$5.00~~ \$21.00.

(g) Residents of the dwelling unit who make reasonable compensation in the form of room rent and who are not members of the same household shall be eligible for an annual home heating fuel assistance benefit in the amount of ~~\$50.00~~ \$21.00.

(h) Households receiving benefits from 3SquaresVT whose head of household is not otherwise eligible for a fuel benefit under this section shall be eligible for a nominal annual home heating fuel assistance benefit of ~~\$3.00~~ \$21.00.

Sec. E 324.2 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it, if the benefit

cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

Sec. E.324.3 PLAN TO ADVANCE COORDINATION OF THE HOME HEATING FUEL ASSISTANCE PROGRAM AND THE HOME WEATHERIZATION ASSISTANCE PROGRAM

(a) The Commissioner for Children and Families, the Chief Administrator of the Office of Economic Opportunity, and the Director of the Office of Home Heating Fuel Assistance, shall develop a plan to advance the coordination of the Home Heating Fuel Assistance Program (HHFAP) and the Home Weatherization Assistance Program (HWAP). The plan shall include the programmatic and fiscal impacts and shall maximize coordination of the two programs in pursuit of the following objectives:

(1) to weatherize homes of low-income households to reduce energy consumption, resulting in a reduction in the financial burden for the weatherization customer;

(2) to adjust the HHFAP benefit after a home is weatherized to reflect fuel consumption costs and savings resulting from weatherization services;

(3) to identify an incentive for people to weatherize once the HWAP and HHFAP are more formally coordinated; and

(4) to adjust HHFAP payments to households residing in homes constructed to energy efficiency standards, to the extent that this information is available.

(b) On or before January 15, 2015, the Commissioner for Children and Families shall submit the plan described in subsection (a) of this section to the General Assembly.

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the General Fund appropriation in Sec. B.325 of this act, \$1,092,000 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 Emergency Solutions Grants Funds. Grant decisions shall be made with assistance from the Vermont Coalition to End Homelessness.

Sec. E.326 Department for children and families – OEO – weatherization

assistance

(a) Of the Special Fund appropriation in Sec. B.326 of this act, \$750,000 is for the replacement and repair of home heating equipment.

Sec. E.326.1 [DELETED]

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

(a) Prior to the certification of any new adult day program, the Department shall require a demonstration that the new program is filling an unmet need for adult day services in a given geographic region.

Sec. E.330.1 [DELETED]

Sec. E.337 COMMUNITY HIGH SCHOOL OF VERMONT

(a) On or before July 15, 2014, the Commissioner of Corrections, in consultation with the Community High School of Vermont Board, shall prepare and submit a report to the Joint Legislative Corrections Oversight Committee on the current trends relating to the student population at the Community High School of Vermont. The report shall include the following:

(1) a detailed description of the School's programs, curriculum, and outcomes;

(2) data and projections on the student population, including the total number of students enrolled at the School, the number of students who are currently incarcerated, student ages, and the current cost per student;

(3) a comparison of the School's current cost per student with statewide education spending per student; and

(4) an analysis of the use of more efficient delivery systems, including technology.

(b) On or before January 1, 2015, the Joint Legislative Corrections Oversight Committee shall prepare and submit recommendations to the General Assembly based on the report submitted in subsection (a) of this section for a plan to fund programs and curriculum at the Community High

School of Vermont. The Committee shall include recommendations whether the School may enroll students who are not in the custody of the Commissioner and who have not completed secondary education if space is available and no budget increase would be required.

Sec. E.338 2008 Acts and Resolves No. 179, Sec. 22(a), as amended by 2010 Acts and Resolves No. 157, Sec. 14, as further amended by 2012 Acts and Resolves No. 104, Sec. 38 and by 2013 Acts and Resolves No. 41, Sec. 1a, is amended to read:

(a) Secs. 11 and 12 of this act shall take effect on ~~July 1, 2014~~ July 1, 2016.

Sec. E.339 Corrections – Correctional services - out of state beds

(a) Of the funds appropriated in Sec. B.339 of this act, up to \$202,000 shall be used to fund the Windham County Electronic Monitoring Pilot Program as follows:

(1) up to \$147,200 shall be used to reimburse the State's Attorneys and Sheriffs for costs incurred by the Windham County Sheriff's Office for operation of the Windham County Electronic Monitoring Pilot Project.

(2) up to \$54,800 shall be used to reimburse the Joint Fiscal Office for a contract for evaluation of the pilot project.

Sec. E.339.1 13 V.S.A. § 7554c is added to read:

§ 7554c. WINDHAM COUNTY ELECTRONIC MONITORING PILOT PROGRAM

(a)(1) The Windham County Sheriff's Office (WCSO) shall establish and manage a two-year electronic monitoring pilot program in Windham County for the purpose of supervising persons ordered to be under electronic monitoring as a condition of release pursuant to section 7554 of this title, to home detention pursuant to section 7554b of this title, and home confinement furlough pursuant to 28 V.S.A. § 808b. The program shall be a part of an integrated community incarceration program and shall provide 24-hours-a-day, seven-days-a-week electronic monitoring with supervision and immediate response.

(2) For purposes of this program:

(A) if electronic monitoring is ordered by the Court pursuant to section 7554 of this title, the Court shall use the criteria in section 7554b for determining whether home detention is appropriate;

(B) the seven-day waiting period under 7554b of this title shall not apply; and

(C) for persons who are under the custody of the Department of Corrections pursuant to section 7554b of this title and 28 V.S.A. § 808b, the WCSO shall notify the Department of any violations.

(b) The goal of the pilot program is to assist policymakers in determining whether electronically monitored home detention and home confinement can be utilized for pretrial detention and as a post-adjudication option to reduce recidivism, to improve public safety, and to save valuable bed space for detainees and inmates who should be lodged in a correctional facility. Additional benefits may include reducing transportation costs, increasing detainee access to services, reducing case resolution time, and determining if the program can be replicated statewide.

(c) The WCSO shall work with the Crime Research Group (CRG) for design and evaluation assistance. The program shall be evaluated by CRG to determine if the stated goals have been attained, the cost and savings of the program, identifying what goals or objective were not met and if not, what could be changed to meet the goals and objectives to ensure program success. The Joint Fiscal Office shall contract with the CRG to provide design and evaluation services.

(d) The pilot program shall be in effect from July 1, 2014, through June 30, 2016.

Sec. E.342 Vermont veterans' home – care and support services

(a) 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.

Sec. E.342.1 20 V.S.A. § 1713 is amended to read:

§ 1713. VERMONT VETERANS' HOME BOARD OF TRUSTEES

(a) The Vermont ~~veterans' home~~ Veterans' Home is governed by the Vermont ~~veterans' home board of trustees~~ Veterans' Home Board of Trustees.

(b) The ~~board~~ Board shall consist of ~~20~~ 21 members, ~~15 of whom shall be veterans who have been honorably discharged from any branch of the United States armed services, to:~~

(1) Twenty members shall be appointed by the ~~governor~~ Governor for staggered terms of three years, at least 15 of whom shall be veterans who have been honorably discharged from any branch of the U.S. Armed Forces. Each appointed trustee shall serve until a successor has been appointed. In the event

~~a~~ an appointed trustee vacates the ~~board~~ Board, is unable to serve, or is removed by the Governor for cause, the ~~governor~~ Governor shall appoint another trustee to serve the unexpired term of the departing trustee.

(2)(A) One member of the Board shall be a classified employee who has at least five years of service at the Home. This trustee shall be elected by a secret ballot administered by the Board and cast by the classified employees of the Home. This trustee shall not vote in case of a real or apparent conflict of interest, shall serve a term of three years and until a successor is elected, and may be removed by the Governor for cause.

(B) The Board shall give notice of a vacancy of this trustee position and hold an election no more than 30 days from the notice date. In the event this trustee vacates the Board, is unable to serve, or is removed by the Governor for cause, the classified employees of the Home shall elect another classified employee of the Home to serve the remainder of the unexpired term.

(c) The ~~board~~ Board shall ~~annually~~ elect ~~annually~~ a ~~president~~ President, a ~~vice president~~ Vice President, and a ~~secretary~~ Secretary from among its members. Eleven members shall constitute a quorum at all meetings; provided, however, if there is a vacancy on the ~~board~~ Board, the number of trustees constituting a quorum shall be one more than one-half the number of ~~appointed~~ the remaining trustees.

(d) Pursuant to 32 V.S.A. § 1010, trustees who are not ~~state~~ State employees shall be entitled to per diem and reimbursement for actual and necessary expenses incurred in connection with performing their duties under this chapter.

#### Sec. E.342.2 REPEAL

(a) On July 1, 2017, 20 V.S.A. § 1713(b)(2)(A)–(B) (creating the classified employee position on the Vermont Veterans' Home Board of Trustees) is repealed and the requirement for a classified employee position on the Board shall cease.

Sec. E.342.3 20 V.S.A. § 1714 is amended to read:

#### § 1714. POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Except as otherwise provided in this chapter, the Board shall have all powers necessary and convenient for governing the Home, providing services to veterans and other residents, and otherwise performing its duties under this chapter, including the authority to:



(1) Adopt policies, procedures, and bylaws regarding the operation of the Board and the operation and management of the Home.

(2) Receive, hold, accept, manage, and convey any interest in real or personal property acquired by the Home by gift, grant, purchase, devise, or otherwise for the purpose of managing the Home and providing services to veterans and such members of their families as the Board deems proper, under such conditions and regulations as the Board may from time to time prescribe. Included within the powers granted by this subdivision, and notwithstanding any other contrary provision of law, is the authority to apply and administer the real or personal property to further the purposes of the Home in accordance with the terms specified by gift, grant, or devise; provided that in the absence of specified terms, the ~~board~~ Board shall have the authority to apply and administer the property in the manner and for the purposes the Board deems appropriate. Also included within the powers granted in this subdivision is the authority to hold title to the real property originally conveyed to the Trustees of the Soldiers Home in Vermont by the Trenor W. Park Home for Destitute Children and Women by quitclaim deed dated January 15, 1887, which shall be administered in the manner provided by the gift.

(3) By written procedure, establish, revise, and collect charges for residential room and board. Charges collected under this subdivision shall be credited to special funds, established and administered pursuant to 32 V.S.A. chapter 7, subchapter 5, and shall be available to the Home to offset the cost of providing services.

(4) Recommend for appointment by the Governor a licensed nursing home administrator to serve as the ~~Commandant~~ Chief Executive Officer of the Home. The ~~Commandant~~ Chief Executive Officer shall be appointed for an indefinite term and shall be subject to removal, after consultation with the Governor, upon a majority vote of the ~~board~~ Board. The ~~Commandant~~ Chief Executive Officer shall be exempt from the State's classified service.

(5) Contract for professional services necessary and appropriate ~~for accounting and managing gifts, grants, or devises acquired by the Home~~ in a manner consistent with 3 V.S.A. chapter 14.

(6) Contract for managerial and administrative services, provided the contract is reviewed and either renewed or renegotiated each year by the Board in a manner consistent with 3 V.S.A. chapter 14.

(7) Contract with the federal Department of Veterans Affairs for services related to the purpose of the Home.

(8) ~~Contract for the services of a medical director.~~ [Repealed.]

(9) ~~Contract for chaplain services.~~ [Repealed.]

(10) Establish committees of the Board as necessary for the efficient and effective operation of the Home.

(11) Adopt rules in accordance with 3 V.S.A. chapter 25 for the purpose of administering the provisions of this chapter.

(12) Admit and care for veterans and other residents whose admission does not interfere with the Board's ability to serve its core mission of caring for veterans. No resident shall be admitted whose admission precludes federal funding or otherwise violates federal law or regulation governing the Vermont Veterans' Home.

Sec. E.342.4 20 V.S.A. § 1716 is amended to read:

§ 1716. ~~COMMANDANT~~ CHIEF EXECUTIVE OFFICER

The ~~commandant~~ Chief Executive Officer shall be the chief administrative officer of the ~~home~~ Home and shall exercise general supervision over the business and affairs of the ~~home~~ Home. In addition to other duties, the ~~commandant~~ Chief Executive Officer shall:

(1) Attend meetings of the ~~board~~ Board and act as its treasurer.

(2) Make reports concerning the ~~home~~ Home to the ~~board~~ Board at such times and in such detail as the ~~board~~ Board directs, together with recommendations the ~~commandant~~ Chief Executive Officer deems appropriate for the welfare and care of the residents of the ~~home~~ Home.

(3) Report annually to the ~~general assembly~~ legislative standing committees of jurisdiction regarding the ~~home's~~ Home's budget.

(4) Subject to approval of the ~~board~~ Board, appoint a deputy or an executive assistant, ~~and a private secretary, both a Marketing and Admissions Coordinator, a Financial Director, an Environmental Services Manager, and a Nursing Services Director, all of whom shall be appointed for an indefinite term and shall be subject to removal upon a majority vote of the board Board.~~ These positions shall be exempt from the ~~state's~~ State's classified service.

(5) ~~Subject to approval of the board, appoint a director of nursing services, a personnel manager, a finance manager, a facilities manager, and~~ Appoint all other ~~staff employees~~ necessary for the efficient management of the ~~home~~ Home, all of whom shall be classified ~~state~~ State employees subject to the provisions of Vermont statutes.

(6) Supervise and direct all employees of the ~~home~~ Home and prescribe their duties not otherwise established by the ~~board~~ Board or by ~~state~~ State or federal law.

(7) Ensure that all laws, rules, regulations, and policies pertaining to the ~~home~~ Home are observed.

(8) Prepare policies related to operation of the ~~home~~ Home, subject to approval by the ~~board~~ Board.

(9) Collect all sums due and payable to the ~~home~~ Home and transfer the same to the ~~state treasurer~~ State Treasurer when received.

(10) Perform such other duties as may be directed by the ~~board~~ Board to carry out the purposes of this chapter.

(11) Report annually on or before July 1 to the Secretary of Administration, the House Committees on Appropriations, on General, Housing and Military Affairs, and on Government Operations, the Senate Committees on Appropriations, on Economic Development, Housing and General Affairs, and on Government Operations on the number of employees who work at the Vermont Veterans' Home for 16 hours or fewer per week.

Sec. E.342.5 20 V.S.A. § 1717 is amended to read:

§ 1717. MANAGEMENT OF FUNDS

(a) Notwithstanding the provisions of subdivision 1714(2) of this chapter, all funds of the ~~home not already managed in accordance with subchapter 1 of chapter 7 of Title 32~~ Home, except residents' funds as described in subsection (e) of this section, shall be ~~transferred to~~ held by the ~~state treasurer to be~~ State Treasurer and credited to appropriate accounts established in compliance with subsection (b) of this section and 32 V.S.A. § 401(a).

(b) There are created one or more ~~special and permanent~~ funds to be held in trust ~~and administered pursuant to subchapter 5 of chapter 7 of Title 32~~. To these funds shall be credited ~~those~~ donations and endowments ~~transferred to the state treasurer in subsection (a) of this section and any future donations and endowments~~ to the ~~home~~ Home with and without specific restrictions on their use. Interest and earnings ~~both prospectively and retrospectively earned on accruing to~~ the funds created by this subsection shall be credited to the respective fund. The funds deposited pursuant to this subsection shall not be considered funds of the ~~state~~ State and shall be used solely for the purposes of this chapter, subject to the terms and conditions of the gift and to the terms and conditions of the donation or endowment. Upon deposit with the State Treasurer's Office, the Home may request from the State Treasurer's Office

and may retain locally up to \$10,000.00 of donations and endowments, which may be expended consistent with their applicable terms and conditions, for supporting residents of the home. The funds shall be maintained in an account pursuant to 32 V.S.A. § 431. The Chief Executive Officer shall make a report at each scheduled Board meeting of the locally retained donations and endowments. The report shall include any amounts requested by the Home from the State Treasurer's Office, the nature of the funds, the account balance, and any expenditures.

(c) Monies from the funds established by this section may be expended by the ~~home~~ Home upon submission of vouchers, submitted at the direction and with the approval of the ~~board~~ Board, to the ~~commissioner of finance and management~~ Commissioner of Finance and Management in compliance with 32 V.S.A. § 463, and issuance of warrants pursuant to 32 V.S.A. §§ 461 and 465. The ~~commissioner~~ Commissioner shall approve expeditiously any request for a release of funds if the request is in conformance with all applicable ~~state~~ State law.

(d) On no less than a quarterly basis, the ~~treasurer~~ Chief Executive Officer of the Home shall provide a statement of account activity and fund balances to the ~~board~~ Board.

(e) Notwithstanding ~~subchapter 1 of chapter 7 of Title 32~~ the provisions of 32 V.S.A. chapter 7, subchapter 1, the ~~home~~ Home is authorized to retain ~~those~~ funds when acting in a trustee capacity for individual residents of the ~~home~~ Home. Establishment and maintenance of accounts for this purpose shall be pursuant to 32 V.S.A. § 431 and any other relevant provisions of law.

(f) ~~Notwithstanding 32 V.S.A. § 5(a)(3), the \$1,000.00 limit for reporting pursuant to that subdivision shall be \$10,000.00 as applied to the home~~ Grants, gifts, donations, loans, or other things of value may be accepted pursuant to the provisions of 32 V.S.A. § 5.

Sec. E.342.6 20 V.S.A. § 1719 is amended to read:

#### § 1719. LEGAL ACTIONS

(a) Except for purposes of collecting charges due under subdivision ~~1714(a)(3)~~ 1714(3) of this ~~title~~ chapter, the ~~board~~ Board shall have no independent authority to sue, be sued, complain, or defend in its own name or on behalf of the ~~home~~ Home. The ~~attorney-general~~ Attorney General shall represent the ~~board~~ Board and the ~~home~~ Home in all civil actions as provided by law. Outside legal counsel may be obtained with the concurrence of the ~~attorney-general~~ Attorney General.

\* \* \*

Sec. E.342.7 32 V.S.A. § 5 is amended to read:

§ 5. ACCEPTANCE OF GRANTS

(a) No original of any grant, gift, loan, or any sum of money or thing of value may be accepted by any agency, department, commission, board, or other part of State government except as follows:

\* \* \*

(3)(A) This section shall not apply to the following items, provided that the acceptance of those items will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities:

(i) the acceptance of grants, gifts, donations, loans, or other things of value with a value of \$5,000.00 or less, or to;

(ii) the acceptance by the Department of Forests, Parks and Recreation of grants, gifts, donations, loans, or other things of value with a value of \$15,000.00 or less, provided that such acceptance will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities; or

(iii) the acceptance by the Vermont Veterans' Home of grants, gifts, donations, loans, or other things of value with a value of \$10,000.00 or less.

(B) The Secretary of Administration and Joint Fiscal Office shall be promptly notified of the source, value, and purpose of any items received under this subdivision. The Joint Fiscal Office shall report all such items to the Joint Fiscal Committee quarterly.

\* \* \*

Sec. E.342.8 3 V.S.A. § 3002(b) is amended to read:

(b) The following units are attached to the ~~agency~~ Agency for administrative support:

(1) ~~Vermont veterans' home.~~ [Repealed.]

(2) ~~Governor's committee on children and youth.~~ [Repealed.]

(3) ~~Interdepartmental council on aging.~~ [Repealed.]

(4)-(17) [Repealed.]

(18) Governor's ~~committee on employment of the handicapped~~  
Committee on Employment of Persons with Disabilities.

(19) [Repealed.]

(20) [Repealed.]

Sec. E.345 Green mountain care board

(a) The Green Mountain Care Board shall use the Global Commitment Funds appropriated in this section to encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

Sec. E.345.1 8 V.S.A. § 4062(h) is amended to read:

(h)(1) This The authority of the Board under this section shall apply only to the rate review process for policies for major medical insurance coverage and shall not apply to the policy forms for major medical insurance coverage or to the rate and policy form review process for policies for specific disease, accident, injury, hospital indemnity, dental care, vision care, disability income, long-term care, student health insurance coverage, or other limited benefit coverage; to Medicare supplemental insurance; or to benefit plans that are paid directly to an individual insured or to his or her assigns and for which the amount of the benefit is not based on potential medical costs or actual costs incurred.

(2) The policy forms for major medical insurance coverage, as well as the policy forms, premium rates, and rules for the classification of risk for the other lines of insurance described in subdivision (1) of this subsection shall be reviewed and approved or disapproved by the Commissioner. In making his or her determination, the Commissioner shall consider whether a policy form, premium rate, or rule is affordable and is not unjust, unfair, inequitable, misleading, or contrary to the laws of this State. The Commissioner shall make his or her determination within 30 days after the date the insurer filed the policy form, premium rate, or rule with the Department. At the expiration of the 30-day period, the form, premium rate, or rule shall be deemed approved unless prior to then it has been affirmatively approved or disapproved by the Commissioner or found to be incomplete. The Commissioner shall notify an insurer in writing if the insurer files any form, premium rate, or rule containing a provision that does not meet the standards expressed in this subsection. In such notice, the Commissioner shall state that a hearing will be granted within 20 days upon the insurer's written request.

(3) Medicare supplemental insurance policies shall be exempt only from the requirement in subdivisions (a)(1) and (2) of this section for the Green Mountain Care Board's approval on rate requests and shall be subject to the remaining provisions of this section.

Sec. E.345.2 2013 Acts and Resolves No. 79, Sec. 5b is amended to read:

Sec. 5b. STANDARDIZED HEALTH INSURANCE CLAIMS AND EDITS

(a)(1) As part of moving away from fee-for-service and toward other models of payment for health care services in Vermont, the Green Mountain Care Board, in consultation with the Department of Vermont Health Access, health care providers, health insurers, and other interested stakeholders, shall develop a complete set of standardized edits and payment rules based on Medicare or on another set of standardized edits and payment rules appropriate for use in Vermont. The Board and the Department shall adopt by rule the standards and payment rules that health care providers, health insurers, and other payers shall use beginning on January 1, ~~2015~~ 2016 and that Medicaid shall use beginning on January 1, 2017.

\* \* \*

\* \* \* LABOR \* \* \*

Sec. E.400 21 V.S.A. § 1314(c) is amended to read:

(c) If an employing unit fails to comply adequately with the provisions of subsection (b) of this section and section 1314a of this title, the Commissioner shall determine the benefit rights of a claimant upon such information as is available. Prompt notice in writing of the determination shall be given to the employing unit. The determination shall be final with respect to a noncomplying employer as to any charges against its experience-rating record for benefits paid to the claimant before the week following the receipt of the employing unit's reply. The employing unit's experience rating record shall not be relieved of these charges, notwithstanding any other provision of this chapter, ~~unless the amount of benefits is recovered from the claimant, or unless the Commissioner determines that failure to comply was due to unavoidable accident or mistake.~~

Sec. E.400.1 21 V.S.A. § 1347(c) is amended to read:

(c) The person liable under this section shall repay such amount to the Commissioner for the ~~fund~~ Fund. In addition to the repayment, if the Commissioner finds that a person intentionally misrepresented or failed to disclose a material fact with respect to his or her claim for benefits, the person

shall pay an additional penalty of 15 percent of the amount of the overpaid benefits. Any additional penalty amount collected shall be deposited in the Fund. Such amount may be collectible by civil action in a Vermont ~~district or superior court~~ District or Superior Court, in the name of the Commissioner.

\* \* \* K-12 EDUCATION \* \* \*

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health-care-related projects. It is the goal of these projects to reduce the rate of uninsured or underinsured persons, or both, in Vermont and to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 UNIFORM CHART OF ACCOUNTS COMPLETION, TRANSITION, TRAINING, AND SUPPORT

(a) On or before June 30, 2015, GASB compliant Uniform Chart of Accounts and Financial Reporting requirements shall be established by the Agency of Education which shall:

(1) be comprehensive in respect to compliance with federal funds reporting requirements; and

(2) provide the financial information necessary for State and local education decision makers in regard to specific program costs and evaluation of student outcomes.

(b) The Agency of Education shall hire a contractor or contractors through the State's procurement process to assist them in the establishment and completion of the requirements of subsection (a) of this section. Contract deliverables shall include but not be limited to:

(1) a comprehensive accounting manual, with related business rules;

(2) specifications for school financial software; and

(3) a detailed transition and support plan that ensures local reporting entities required to record and report information consistent with requirements of subsection (a) of this section can fully comply on or before July 1, 2017.

Sec. E.500.2 EDUCATION ANALYST

(a) The establishment of one (1) new limited service exempt position – Education Analyst in the Agency of Education is authorized in fiscal year 2014. The position shall work across the Agency to create tools and indicators for use by education decision makers at the State and local level. The analyst will correlate



and identify connections among the various functional areas within the Agency, including but not limited to student test scores, attendance, graduation and continuation rates, demographics, district expenditures by category, and staffing patterns. The analyst will assist local and State level decision makers to assess the return on education dollars based on analysis of opportunities provided, cost-effectiveness, and outcomes for a given level of expenditure.

Sec. E. 500.3 SUPPLEMENTAL PROPERTY TAX RELIEF FUND USE

(a) Of the special funds appropriated in Sec. B.500 of this act, \$3,500,000 is appropriated from the Supplemental Property Tax Relief Fund to be used as follows:

(1) in fiscal year 2015, the funds necessary to fund the analyst position established in Sec E.500.2 of this act.

(2) in fiscal year 2015, up to \$400,000 shall be used for Sec. E.500.1(2)-(b) of this act.

(3) any remaining funds in this appropriation shall carry forward for the purposes of this subdivision upon authorization of the General Assembly or the Joint Fiscal Committee if the legislature is not in session. The purpose is to improve the operation of the educational system leading to property tax relief, including:

(A) continuation of the analyst position established in Sec E.500.2 of this act;

(B) implementation of integrated systems to maintain financial data and longitudinal student data that enable measurement and district-to-district comparisons to support education-related decisions at the State and local levels;

(C) support for one-time investments to enhance the capacity of schools and the Agency of Education for continuous improvement toward reliable comparative data and accounting systems to improve fiscal decision making and increase fiscal transparency;

(D) investments and expenditures incurred in carrying out system changes; and

(E) incentives or rewards to control education spending while maintaining or improving outcomes for students.

(b) As part of the fiscal year 2016 budget presentation, the Agency shall include the amount of funds available from the appropriated fund for the purposes of subdivision (a)(3) of this section and any recommended expenditures of these funds in fiscal year 2016.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,537,222 shall be used by the Agency of Education in fiscal year 2015 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary 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 \$181,438 may be used by the Agency of Education for its participation in the higher education partnership plan.

Sec. E.503 Education – state-placed students

(a) The Independence Place Program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. E.504 Education – adult education and literacy

(a) Of this appropriation, \$3,250,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c), \$650,000 to pay college providers of the dual enrollment program on behalf of school districts, and \$100,000 to support the Vermont Virtual Learning Collaborative at the River Valley Regional Technical Center School District.

Sec. E.505 ADJUSTMENTS TO EDUCATION PAYMENTS

(a) For fiscal years 2014 and 2015 only, the Secretary of Education is authorized upon the request of a district to adjust any payment authorized under 16 V.S.A. § 4011 or 4028, if the Secretary determines that the following conditions have been met:

(1) The district requesting the adjustment has documented the request to the satisfaction of the Secretary.

(2) The request for an adjustment was made with the Agency within one year of the circumstance necessitating the adjustment.

(3) The adjustment request is not the result of knowing or willful misfeasance on the part of the district or its employees.

(4) The district has conducted regular audits of its operations.

(b) Any decision of the Secretary under this section shall be final.

Sec. E.512 Education – Act 117 cost containment

(a) Notwithstanding any other provision of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the State's

60 percent of the statewide total special education expenditures of funds which are not derived from federal sources.

Sec. E.513 Appropriation and transfer to education fund

(a) Pursuant to Sec. B.513, there is appropriated in fiscal year 2015 from the General Fund for transfer to the Education Fund the amount of \$295,816,793.

Sec. E.513.1 16 V.S.A. § 4025(a)(2) is amended to read:

(2) For each fiscal year, the amount of the general funds appropriated or transferred to the ~~education fund~~ Education Fund shall be ~~\$276,240,000.00~~ \$277,400,000.00 increased by the most recent New England economic project cumulative price index, as of November 15, for state and local government purchases of goods and services from fiscal year 2012 through the fiscal year for which the payment is being determined, plus an additional one-tenth of one percent.

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be \$72,857,163.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$10,129,837 is the "normal contribution," and \$62,727,326 is the "accrued liability contribution."

Sec. E.514.1 16 V.S.A. § 1944b is added to read:

§ 1944b. RETIRED TEACHERS' HEALTH AND MEDICAL BENEFITS FUND

(a) There is established a Retired Teachers' Health and Medical Benefits Fund (Benefits Fund) to pay retired teacher health and medical benefits, including prescription drug benefits, when due in accordance with the terms established by the Board of Trustees of the State Teachers' Retirement System of Vermont pursuant to subsection 1942(p) and subdivision 1944(c)(12) of this title. The Benefits Fund shall be administered by the Treasurer.

(b) The Benefits Fund shall consist of:

(1) all monies remitted to the State on behalf of the members of the State Teachers' Retirement System of Vermont for prescription drug plans pursuant to the Employer Group Waiver Plan with Wrap pursuant to the Medicare Prescription Drug Improvement and Modernization Act of 2003;

(2) any monies appropriated by the General Assembly for the purpose of paying the health and medical benefits for retired members and their dependents provided by subsection 1942(p) and subdivision 1944(c)(12) of this title;

(3) any monies pursuant to subsection (e) of this section;

(4) any monies the General Assembly transfers from the Supplemental Property Tax Relief Fund pursuant to 32 V.S.A. § 6075; and

(5) any monies pursuant to section 1944d of this title.

(c) No employee contributions shall be deposited in the Benefits Fund.

(d) Interest earned shall remain in the Benefits Fund, and all balances remaining at the end of a fiscal year shall be carried over to the following year; provided, however, that any amounts received in repayment of interfund loans established under subsection (e) of this section may be reinvested by the State Treasurer.

(e) Notwithstanding any provision to the contrary, the State Treasurer is authorized to use interfund loans from the General Fund for payment into the Benefits Fund, which monies shall be identified exclusively for the purposes of payments of retired teacher health and medical benefits pursuant to this section. Any monies borrowed through an interfund loan pursuant to this section shall be paid from monies in the Benefits Fund or from other funds legally available for this purpose. It is the intent of the General Assembly to appropriate sufficient General Fund revenue, after consideration of all other revenue and disbursements, such that the interfund loan shall be paid in full on or before June 30, 2023. The Governor shall include in the annual budget request an amount sufficient to repay any interfund borrowing according to a schedule developed by the State Treasurer. The State Treasurer shall pay the interest and principal as due in accordance with authority granted under 32 V.S.A. § 902(b). The State Treasurer shall assess a rate of interest on the outstanding balance of the interfund loan comparable to the rate paid by private depositories of the State's monies, or to the yield available on investments made pursuant to 32 V.S.A. § 433. No interfund loans made under this authority shall, in the aggregate, exceed \$30,000,000.00.

(f) It is the intent of the General Assembly to appropriate the required contributions necessary to pay retired teacher health and medical benefits by combining annual increases in base appropriations, but not from the education fund, and surplus revenues as they become available, so that the full cost of retired teacher health and medical benefits payments shall be met in base appropriations by fiscal year 2024. To the extent that other revenue sources

are identified, the General Fund obligation shall not be reduced, until all annual disbursements to repay the interfund loan in subsection (e) of this section are satisfied.

Sec. E.514.2 16 V.S.A. § 1944 is amended to read:

§ 1944. VERMONT TEACHERS' RETIREMENT FUND

(a) Fund. All of the assets of the system shall be credited to the ~~Vermont teachers' retirement fund~~ Vermont Teachers' Retirement Fund.

(b) Member contributions.

(1) Contributions deducted from the compensation of members shall be accumulated in the Fund and separately recorded for each member.

(2) The proper authority or officer responsible for making up each employer payroll shall cause to be deducted from the compensation of each group A member five and one-half percent of the member's earnable compensation ~~and~~; from each group C member with at least five years of membership service as of July 1, 2014, five percent of the member's earnable compensation; and from each group C member with less than five years of membership service as of July 1, 2014, six percent of the member's earnable compensation, including compensation paid for absence as provided by subsection 1933(d) of this title. In determining the amount earnable by a member in a payroll period, the ~~board~~ Board may consider the rate of compensation payable to such member on the first day of a payroll period as continuing throughout the payroll period, and it may omit deduction from compensation for any period less than a full payroll period if a teacher was not a member on the first day of the payroll period, and to facilitate the making of deductions it may modify the deduction required of any member by such an amount as shall not exceed one-tenth of one percent of the annual earnable compensation upon the basis of which such deduction is made. The actuary shall make annual valuations of the reduction to the recommended State contribution attributable to the increase from five to six percent, and the Board shall include the amount of this reduction in its written report pursuant to subsection 1942(r) of this title.

\* \* \*

Sec. E.514.3 16 V.S.A. § 1944c is added to read:

§ 1944c. EMPLOYER CHARGES FOR FEDERAL GRANTS OR REIMBURSEMENTS

(a) Notwithstanding any provision of law to the contrary, effective on July 1, 2015, the employer retirement costs and administrative operating expenses related to the retirement plans applicable to those teachers whose funding is provided from federal grants or through federal reimbursement shall be paid by local school systems or educational entities that participate in the Vermont Teachers' Retirement Fund from those federal monies.

(b) The percentage rates to be applied shall be determined by an actuary approved by the Board of Trustees of the State Teachers' Retirement System of Vermont and shall be applied to the total earnable compensation of members prepared by the actuary in compliance with subsection 1942(r) of this title. The Secretary of Education shall annually provide an accounting of federal grants and federal reimbursements, by school system, upon which payment by the participating schools shall be determined.

(c) The State Treasurer and the Secretary of Education shall establish procedures for the collection and deposit of those monies in the State Teachers' Retirement System of Vermont. The Secretary of Education may delay implementation upon review of the federal grant program to permit timely and accurate claims for reimbursement of retirement expenses under a particular federal program in order to receive funding under that program. The Secretary of Education shall provide an annual report to the House and Senate Committees on Appropriations and on Education regarding progress in implementation of this section.

Sec. E.514.4 16 V.S.A. § 1944d is added to read:

§ 1944d. EMPLOYER ANNUAL CHARGE FOR TEACHER HEALTH CARE

The employer of teachers who become members of the State Teachers' Retirement System of Vermont on or after July 1, 2015 shall pay an annual assessment for those teachers' health and medical benefits. The assessment shall be the value, as approved annually by the Board of Trustees based on the actuary's recommendation, of the portion of future retired teachers' health and medical benefits attributable to those teachers for each year of service in the State Teachers' Retirement System of Vermont. The equivalent number for the June 30, 2013 valuation is \$1,072.00.

Sec. E.514.5 16 V.S.A. § 4001(6)(B)(ix) is added to read:

(ix) The assessment paid by the employer of teachers who become members of the State Teachers' Retirement System of Vermont on or after July 1, 2015, pursuant to section 1944d of this title.

## Sec. E.514.6 [DELETED]

\* \* \* HIGHER EDUCATION \* \* \*

## Sec. E.600 University of Vermont

(a) The Commissioner of Finance and Management shall issue warrants to pay a total of 49.5 percent of this appropriation to the University of Vermont in equal amounts on or about the 15th day of each of the first six calendar months of the year, and a total of 50.5 percent of this appropriation to the University of Vermont in equal amounts on or about the 15th day of each of the last six calendar months of the year. The effect of this schedule is a one-percent increase over fiscal year 2014, effective with the January 2015 payment.

(b) Of this appropriation, \$380,326 shall be transferred to EPSCoR (Experimental Program to Stimulate Competitive Research) for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or private funds, or both.

(c) If Global Commitment Fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the General Fund or other State funding sources.

(d) The University of Vermont will use the Global Commitment Funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, deliver high-quality health care services to Medicaid beneficiaries and to the uninsured or underinsured persons, or both, in Vermont and across the nation.

## Sec. E.602 Vermont state colleges

(a) The Commissioner of Finance and Management shall issue warrants to pay a total of 49.5 percent of this appropriation to the Vermont State Colleges in equal amounts on or about the 15th day of each of the first six calendar months of the year, and a total of 50.5 percent of this appropriation to the Vermont State Colleges in equal amounts on or about the 15th day of each of the last six calendar months of the year. The effect of this schedule is a one-percent increase over fiscal year 2014, effective with the January 2015 payment.

(b) Of this appropriation, \$427,898 shall be transferred to the Vermont Manufacturing Extension Center for the purpose of complying with State matching fund requirements necessary for the receipt of available federal or

private funds, or both.

Sec. E.603 Vermont state colleges – allied health

(a) Disbursements made under this appropriation prior to January 1, 2015 shall be at the same level as in fiscal year 2014. Disbursements made on January 1, 2015 and later shall reflect a one-percent increase.

(b) 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.

(c) 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 315 health care providers annually. These graduates deliver direct, high-quality health care services to Medicaid beneficiaries and uninsured or underinsured persons, or both.

Sec. E.605 Vermont student assistance corporation

(a) The fiscal year 2015 appropriation is a one-percent increase over the fiscal year 2014 appropriation, starting on January 1, 2015. The fiscal year 2015 disbursements shall be paid as follows: 30 percent in July, or \$5,824,354; 30 percent in August, or \$5,824,354; 20 percent in November, or \$3,882,903; and 20 percent in January at the one-percent annualized increase, or \$3,979,976. All disbursements made after July 1, 2015 shall reflect an annualized one-percent increase over the fiscal year 2014 appropriation.

(b) 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.

(c) Of this appropriation, not more than \$100,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

(d) Except as provided in subsections (b) and (c) of this section, not less than 93 percent of grants shall be used for direct student aid.

(e) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

Sec. E. 605.1 [DELETED]

Sec. E. 605.2 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS



(a) Of the Next Generation Funds appropriated in Sec. B1100(a)(3)(C) of this act, \$50,000 shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course as defined in 16 V.S.A. § 942(7) and § 944 or in early college as defined in 16 V.S.A. § 4011(e) and § 942(8) to be used for the purchase of books, transportation costs, and payment of fees. The Vermont Student Assistance Corporation shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(b) VSAC shall report on the program to the House and Senate Committees on Education and on Appropriations on or before January 15, 2015.

\* \* \* NATURAL RESOURCES \* \* \*

Sec. E.701 AGENCY OF NATURAL RESOURCES PAYMENT IN LIEU OF TAXES

(a) Appraisal moratorium. For the purpose of payments in lieu of taxes to municipalities in fiscal year 2015, lands held by the Agency of Natural Resources (ANR) and subject to the provisions of 32 V.S.A. § 3708(a)(1) shall be appraised at the fair market value of the land in fiscal year 2014, as certified by the Director of Property Valuation and Review, provided that in fiscal year 2015, such lands held by ANR shall be appraised at 102 percent of the fair market value of the land in fiscal year 2014. For lands held by ANR and subject to the provisions of 32 V.S.A. § 3708(a)(2), payments in lieu of taxes to municipalities in fiscal year 2015 shall be made as specified in 32 V.S.A. § 3708(a)(2).

(b) Appeals of appraisal. During the moratorium established under subsection (a) of this section, there shall be no right, in fiscal year 2015, for a municipality to appeal the appraised values of ANR lands certified by the Director of Property Valuation and Review in fiscal year 2014.

(c) Report to General Assembly. On or before November 15, 2014, the Division of Property Valuation and Review (PVR), the Agency of Natural Resources, and the Joint Fiscal Office in consultation with the Vermont League of Cities and Towns, shall submit to the House and Senate Committees on Natural Resources and Energy, the House Committee on Ways and Means, and the Senate Committee on Finance a report regarding the formula used by PVR to calculate ANR's annual payment in lieu of taxes. The report shall include:

(1) recommendations as to the formulas to be used for valuation of ANR lands and ANR PILOT payments in the future, including whether ANR

lands should be assessed at full appraised value and not contingent on the current use value;

(2) if a change is recommended to the formula under subdivision (1) of this subsection, a proposal for implementing the new formula, including a schedule for transition to the new formula.

(d) Repeal. Subsections (a) and (b) of this section shall be repealed on July 1, 2015.

Sec. E.704 Forests, parks and recreation - forestry

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

Sec. E.706 Forests, parks and recreation – lands administration

(a) This Special Fund appropriation shall be authorized, notwithstanding the provisions of 3 V.S.A. § 2807(c)(2).

\* \* \* COMMERCE AND COMMUNITY DEVELOPMENT \* \* \*

Sec. E.800 VERMONT TRAINING PROGRAM

(a) Notwithstanding 10 V.S.A. § 531, the Secretary may authorize up to ten percent of the funds allocated within the Vermont Training Program for employers that meet at least one but fewer than three of the criteria specified within 10 V.S.A. § 531(b) and (c)(3).

Sec. E. 800.1 10 V.S.A. § 122 is amended to read:

§ 122. VERMONT CENTER FOR GEOGRAPHIC INFORMATION;  
~~INCORPORATED~~; ESTABLISHMENT

(a) The ~~state~~ State of Vermont shall support a comprehensive strategy for the development and use of a geographic information system including:

\* \* \*

(9) ~~Financing considerations.~~ [Repealed.]

\* \* \*

(b) In order to develop and implement that strategy, and to ensure that all data gathered by state agencies that is relevant to the VGIS shall be in a form that is compatible with, useful to, and shared with that geographic information system, there is hereby established ~~a nonprofit public corporation to be known as the Vermont center for geographic information, hereinafter called "the center," as a body corporate and politic and a public instrumentality of the state~~

as a division under the Agency of Commerce and Community Development the Vermont Center for Geographic Information (the Center).

~~(c) The center shall be a nonprofit corporation and shall not have authority to issue any capital stock. The property of the center shall be used solely to promote its purposes as herein defined. The center shall assume title to property other than the data acquired by the state for the support of a geographic information system, but shall return title to such property to the state if the property is not used to promote the center's purposes as herein defined or upon any dissolution of the corporation. No part of the activities of the center shall consist of participating in or intervening in, including the publishing or distribution of statements, any political campaign on behalf of any candidate for public office. Upon any dissolution of the corporation, any assets remaining after payment of or provision for its debts and liabilities shall be distributed according to applicable provisions of state law. No part of the net assets or net earnings of the center shall inure to the benefit of or be paid or distributed to any officer, director, or employee of the center, or to any donor to the center. The state reserves the right at any time to alter, amend, repeal or otherwise change the structure, organization, programs or activities of the center, including the power to terminate the corporation, subject to any limitation on the impairment of the obligations of any contract or contracts entered into by the center. [Repealed.]~~

Sec. E.800.2 10 V.S.A. § 123 is amended to read:

§ 123. POWERS AND DUTIES

~~(a) The center shall have all the general powers conferred by 11B V.S.A. § 3.02 and all amendments thereto, and all other powers necessary, desirable, or incidental fully to effectuate its corporate purposes except where otherwise limited by statute. [Repealed.]~~

\* \* \*

~~(e) The center shall be subject to the provisions of 1 V.S.A. §§ 312-314 with respect to the right of the public to receive notice of and attend meetings, 1 V.S.A. §§ 315-320 with respect to the access of the public to its records and documents, and 1 V.S.A. § 172 regarding joint authority of the board. [Repealed.]~~

Sec. E. 800.3 3 V.S.A. § 2402 is amended to read:

§ 2402. CREATION OF AGENCY

(a) ~~An agency of commerce and community development~~ Agency of Commerce and Community Development is created consisting of the following:

\* \* \*

(2) ~~The department of housing and community affairs~~ Department of Housing and Community Development.

\* \* \*

(6) The Vermont Center for Geographic Information.

\* \* \*

Sec. E. 800.4 3 V.S.A. § 2475 is added to read:

§ 2475. VERMONT CENTER FOR GEOGRAPHIC INFORMATION

The Vermont Center for Geographic Information is created as a division within the Agency of Commerce and Community Development and shall be administered and have the duties as set forth in 10 V.S.A. chapter 8 (geographic information).

Sec. E. 800.5 TRANSITIONAL PROVISIONS

(a) Funding. Funds appropriated in Sec. B.123 of this act shall be transferred as appropriate to the Agency of Commerce and Community Development to effectuate the transfer of the Vermont Center for Geographic Information, Incorporated to a division of the Agency as set forth in Sec. E.800.4 of this act, 3 V.S.A. § 2475. The fiscal year 2016 budget submission shall reflect the completed transfer to the Agency.

(b) Position creation and transfer.

(1) Within the Agency of Commerce and Community Development's Vermont Center for Geographic Information (VCGI) created under Sec. E.800.4 of this act, three (3) classified positions and one (1) exempt position are established, and two (2) classified positions are transferred and converted from the position pool of the Executive Branch of State government. The position titles shall be determined by the Secretary of the Agency of Commerce and Community Development in consultation with the Commissioner of Human Resources.

(2) Existing employees of the nonprofit Vermont Center for Geographic Information who hold positions similar to the positions established or transferred under subdivision (1) of this subsection shall be permitted to

transfer to the positions within the VCGI established in subdivision (1) of this subsection upon the effective date of this section.

(c) Personnel location. The Secretary of Commerce and Community Development shall determine where the offices of the VCGI shall be housed.

(d) Assets and liabilities. The assets and liabilities of the VCGI shall become the assets and liabilities of the Agency of Commerce and Community Development.

(e) Legal and contractual obligations. The Executive Director of the VCGI, in consultation with the Secretary of Commerce and Community Development, shall identify all grants and contracts of the VCGI and create a plan to redesignate the Agency of Commerce and Community Development as the responsible entity. The plan shall ensure that all existing grantors, grantees, and contractors are notified of the redesignation.

#### Sec. E. 800.6 REPEAL

(a) 10 V.S.A. §§ 124 (Board of Directors), 125 (Officers), and 126 (Audit) are repealed.

#### Sec. E.801 8 V.S.A. § 6017(a)(1) is amended to read:

(a)(1) There is hereby created a fund to be known as the Captive Insurance Regulatory and Supervision Fund for the purpose of providing the financial means for the Commissioner of Financial Regulation to administer this chapter, chapter 142, and chapter 142A of this title and for reasonable expenses incurred in promoting the captive insurance industry in Vermont. The transfer of 11 percent of the premium tax under subsection 6014(h) of this title, and all fees and assessments received by the Department pursuant to the administration of these chapters shall be credited to this Fund. Of this amount, not more than ~~two~~ three percent of the premium tax under section 6014 may be ~~transferred to~~ expended by the Agency of Commerce and Community Development, with approval of the Secretary of Administration, for promotional expenses. All fees received by the Department from reinsurers who assume risk solely from captive insurance companies and are subject to the provisions of subsections 3634a(a) through (f) of this title, shall be deposited into the Captive Insurance Regulatory and Supervision Fund. All fines and administrative penalties, however, shall be deposited directly into the General Fund.

#### Sec. E.804 Community development block grants

(a) Community Development Block Grants shall carry forward until expended.

## \* \* \* TRANSPORTATION \* \* \*

Sec. E.909 Transportation – central garage

(a) Of this appropriation, \$7,218,200 is appropriated from the Transportation Equipment Replacement Account within the Central Garage Fund for the purchase of equipment as authorized in 19 V.S.A. § 13(b).

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

Sec.F.100 10 V.S.A. chapter 12 is amended to read:

CHAPTER 12. VERMONT ECONOMIC DEVELOPMENT AUTHORITY

\* \* \*

Subchapter 12. ~~Technology Loan~~ Vermont Entrepreneurial Lending Program  
§ 280aa. FINDINGS AND PURPOSE

(a)(1) ~~Technology-based companies~~ Vermont-based businesses in seed, start-up, and growth stages are a vital source of innovation, employment, and economic growth in Vermont. The continued development and success of this increasingly important sector of Vermont's economy these businesses is dependent upon the availability of flexible, risk-based capital.

(2) Because the primary assets of ~~technology-based companies~~ sometimes Vermont-based businesses in seed, start-up, and growth stages often consist almost entirely of intellectual property or insufficient tangible assets to support conventional lending, such these companies frequently do may not have access to conventional means of raising capital, such as asset-based bank financing.

(b) To support the growth of ~~technology-based companies~~ Vermont-based businesses in seed, start-up, and growth stages and the resultant creation of high-wage higher wage employment in Vermont, a ~~technology loan program~~ is established under this subchapter the General Assembly hereby creates in this subchapter the Vermont Entrepreneurial Lending Program.

§ 280bb. ~~TECHNOLOGY-LOAN~~ VERMONT ENTREPRENEURIAL LENDING PROGRAM

(a) There is created a ~~technology (TECH) loan program~~ the Vermont Entrepreneurial Lending Program to be administered by the Vermont ~~economic development authority~~ Economic Development Authority. The ~~program~~ Program shall seek to meet the working capital and capital-asset financing

needs of ~~technology-based companies~~ Vermont-based businesses in seed, start-up, and growth stages. The Program shall specifically seek to fulfill capital requirement needs that are unmet in Vermont, including:

(1) loans up to \$100,000.00 to manufacturing businesses and software developers with innovative products that typically reflect long-term, organic growth;

(2) loans up to \$1,000,000.00 in growth-stage companies that do not meet the underwriting criteria of other public and private entrepreneurial financing sources; and

(3) loans to businesses that are unable to access adequate capital resources because the primary assets of these businesses are typically intellectual property or similar nontangible assets.

(b) ~~The Vermont economic development authority~~ Authority shall establish ~~such~~ adopt regulations, policies, and procedures for the ~~program~~ Program as are necessary to carry out the purposes of this subchapter. The authority's lending criteria shall include consideration of in-state competition and whether a company has made reasonable efforts to secure capital in the private sector increase the amount of investment funds available to Vermont businesses whose capital requirements are not being met by conventional lending sources.

(c) When considering entrepreneurial lending through the Program, the Authority shall give additional consideration and weight to an application of a business whose business model and practices will have a demonstrable effect in achieving other public policy goals of the State, including:

(1) The business will create jobs in strategic sectors such as the knowledge-based economy, renewable energy, advanced manufacturing, wood products manufacturing, and value-added agricultural processing.

(2) The business is located in a designated downtown, village center, growth center, industrial park, or other significant geographic location recognized by the State.

(3) The business adopts energy and thermal efficiency practices in its operations or otherwise operates in a way that reflects a commitment to green energy principles.

(4) The business will create jobs that pay a livable wage and significant benefits to Vermont employees.

(d) The Authority shall include provisions in the terms of an loan made under the Program to ensure that a loan recipient shall maintain operations

within the State for a minimum of five years from the date on which the recipient receives the loan funds from the Authority or shall otherwise be required to repay the outstanding funds in full.

\* \* \*

#### Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (fiscal year 2014 fund transfers), C.101 (fiscal year 2014 reversions), C.102 (Legal Aid homeowner assistance allocation), C.103 (Secretary of State campaign finance system development), C.105 (ACCD Secretary cost allocation), C.106 (fiscal year 2014 supplemental one-time appropriations), C.106.1 (flood-related payment), C.106.2 (fiscal year 2014 economic development transfers), C.106.3 (fiscal year 2014 higher education trust fund contributions), C.108 (public retirement plan study), C.109 (committee on child protection), D.102 (tobacco litigation settlement fund balance), D.104 (General Fund and Transportation Fund Balance reserves), D.105 (supplemental property tax relief fund repeals; fiscal year 2014 surplus), D.107 (deposit of settlement receipts), E.100.5 (Vermont Enterprise Fund), E.233 (Decommissioning Advisory Panel), E.500.2 (education analyst position), and E.505 (adjustments to education payments) of this act shall take effect on passage.

(b) Sec. E.100.6 (wood products manufacture incentive) shall take effect retroactively on January 1, 2014 and apply to tax year 2014.

(c) Sec. E.118.1 (mileage reimbursement report) shall take effect on passage and shall apply to the report due by January 15, 2014.

(d) Notwithstanding 1 V.S.A. § 214, Sec.126.1 (repeal of legislator eligibility to purchase State Employees Health Benefit Plan) shall take effect on passage and shall apply retroactively to January 1, 2014, except that members and session-only employees of the General Assembly who were enrolled in the State Employees Health Benefit Plan on January 1, 2014 may continue to receive coverage under the plan through the remainder of the 2014 plan year.

(e) Sec. E.228 (LIMA fees/transfer tax in General Fund balance reserve) shall take effect on passage and shall apply as of February 19, 2014.

(f) Sec. E.308 shall take effect on passage and shall apply to fiscal year 2014 and fiscal year 2015.

(g) Sec. E.701 (ANR pilot appraisal) shall take effect on passage and shall apply as of April 1, 2014.



(h) Secs. E.800.1 (10 V.S.A. § 122, GIS establishment), E.800.2 (10 V.S.A. § 123, GIS powers and duties), and E.800.6 (repeal) shall take effect on March 30, 2015.

(i) All remaining sections shall take effect on July 1, 2014.

*M. JANE KITCHEL  
RICHARD W. SEARS, JR.  
DIANE B. SNELLING*

*Committee on the part of the Senate*

*MARTHA P. HEATH  
MITZI JOHNSON  
PATRICK M. BRENNAN*

*Committee on the part of the House*

### **Addendum to the Report of Committee of Conference**

#### **H. 885**

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

By adding the following sections to be numbered Secs. E.500.4, E.500.5, E.500.6, E.500.7, and E.600.1 to read as follows:

Sec. E.500.4 16 V.S.A. § 176 is amended to read:

§ 176. POSTSECONDARY SCHOOLS CHARTERED IN VERMONT

\* \* \*

(d) Exemptions. The following are exempt from the requirements of this section except for the requirements of subdivision (c)(1)(C) of this section:

(1) ~~Programs~~ Nondegree-granting and non-credit granting programs of education sponsored by a trade, labor, business, or professional organization that are conducted solely for that organization's membership or for members of the particular industries or professions served by that organization.

\* \* \*

(m) Nothing in this chapter shall prohibit the State from participating in any interstate reciprocity agreement for the purpose of authorizing online postsecondary programs. For purposes of reciprocity between states for institutional authorization, the Secretary, or other Vermont agency as appropriate, shall investigate any complaints related to Vermont institutions participating in a recognized interstate reciprocity agreement.

Sec. E.500.5 16 V.S.A. § 176a(e) is amended to read:

(e) Exemptions. The following are exempt from the provisions of this section:

(1) ~~Programs~~ Nondegree-granting and non-credit granting programs of education sponsored by a trade, labor, business, or professional organization that are conducted solely for that organization's membership or for members of the particular industries or professions served by that organization.

\* \* \*

(6) Programs of education offered solely via the Internet or electronic media, provided that the program's home state has entered into an interstate reciprocity agreement with Vermont and the program:

(A) is a member in good standing of the agreement within the home state; and

(B) has no "physical presence" in Vermont as that term is defined in the agreement.

Sec. E.500.6 16 V.S.A. § 11(28) is amended to read:

(28) "State-placed student" means:

(A) a Vermont student who has been placed in a school district other than the district of residence of the student's parent, parents, or guardian or in an approved residential facility by a Vermont ~~state~~ State agency, a Vermont licensed child placement agency, a designated community mental health agency, ~~or~~ any other agency as defined by the Secretary, or by a court of competent jurisdiction in another state, territory, or country; or

(B) a Vermont student who:

(i) is 18 years of age or older;

(ii) is living in a community residence as a result of placement by a Vermont ~~state~~ State agency, a Vermont licensed child placement agency, ~~or~~ a designated community mental health agency, or by a court of competent jurisdiction in another state, territory, or country, and whose residential costs are paid for in whole or in part by one of these agencies; and

(iii) resides in a school district other than the district of the student's parent or parents; or

\* \* \*

Sec. E.500.7 SPECIAL EDUCATION EXPENDITURES; PILOT PROGRAM; REPORT

(a) There is created a three-year pilot program designed to encourage reduced special education expenditures through the use of best practices to provide special education services in the general classroom setting. Pursuant to a process and criteria to be developed by the Secretary of Education and based upon the Schoolwide Integrated Framework for Transformation (SWIFT), the districts comprising the four supervisory unions currently engaged in implementing the SWIFT model may expend special education mainstream block grant funds received pursuant to 16 V.S.A. § 2961 in a manner other than as required by State Board of Education Rule 2366.2.

(b) To be eligible for the pilot program, all districts within a supervisory union shall submit a joint application providing information prescribed by the Secretary on or before September 1, 2014. The joint application shall:

(1) describe how the districts' special education spending plan under the SWIFT model will be less costly than special education spending without using the SWIFT model;

(2) describe how the districts will serve students on individual education programs in a general classroom setting using the SWIFT model;

(3) describe the manner in which the districts shall measure student performance; and

(4) demonstrate how the use of the SWIFT model shall result in fewer students found to be in need of special education services at the end of the three-year pilot program.

(c) Beginning in 2015, annually on or before January 15 for the duration of the pilot program, the Secretary shall submit a report to the House and Senate Committees on Education, the House Committee on Ways and Means, and the Senate Committee on Finance regarding the results of the pilot project and any recommendations for legislative action.

(d) This section is repealed on July 1, 2017.

Sec. E.600.1 16 V.S.A. § 2282(b) is amended to read:

(b) ~~Except for those attending the college of medicine, the amount of tuition for eligible Vermont residents for attendance during each academic year shall be not more than 40 percent of the tuition charged to nonresident students. Tuition for eligible Vermont residents for shorter terms shall be no more per credit hour than that charged eligible Vermont residents during the academic year~~ A Vermont resident who is enrolled in the University as a full-time undergraduate student shall not pay tuition in an amount that exceeds 40 percent of the tuition charged to a nonresident student.

and by adding a new Sec. G.100(g) to read as follows and by relettering the remaining subsections to be alphabetically correct:

(g) Sec. E.600.1 (University of Vermont tuition) shall take effect on passage and shall not apply to students who are enrolled as of that date in the University of Vermont in (1) a distance education course or program; (2) a graduate program other than in the College of Medicine.

*M. JANE KITCHEL  
RICHARD W. SEARS, JR.  
DIANE B. SNELLING*

*Committee on the part of the Senate*

*MARTHA P. HEATH  
MITZI JOHNSON  
PATRICK M. BRENNAN*

*Committee on the part of the House*

Which were considered and adopted on the part of the House.

### **Joint Resolution Adopted in Concurrence**

#### **J.R.S. 60**

By Senator Campbell,

**J.R.S. 60.** Joint resolution relating to final adjournment of the General Assembly in 2014.

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

That the President of the Senate and the Speaker of the House of Representatives adjourn their respective houses *sine die* on the tenth day of May, 2014.

Was taken up read and adopted in concurrence.

#### **Rules Suspended; Bill Messaged to Senate Forthwith**

On motion of **Rep. Turner of Milton**, the rules were suspended and the bill was ordered messaged to the Senate forthwith.

#### **S. 221**

House bill, entitled

An act relating to providing statutory purposes for tax expenditures

**Rules Suspended; Action Ordered Messaged to Senate Forthwith  
and Bills Delivered to the Governor Forthwith**

On motion of **Rep. Turner of Milton**, the rules were suspended and action on the bills were ordered messaged to the Senate forthwith and the bills delivered to the Governor forthwith.

**H. 227**

House bill, entitled

An act relating to licensing and regulating property inspectors

**H. 501**

House bill, entitled

An act relating to operating a motor vehicle under the influence of alcohol or drugs

**H. 884**

House bill, entitled

An act relating to miscellaneous tax changes

**H. 885**

House bill, entitled

An act relating to making appropriations for the support of government

**Remarks Journalized**

On motion of **Rep. Wright of Burlington**, the following remarks by **Rep. Kilmartin of Newport City** were ordered printed in the Journal:

“Mr. Speaker:

I rise to inform the body, that I will not be running this year for the House of Representatives.

I do so with a sense of regret, but with a profound sense of gratitude and thanks, first to my wife, Gail, who, along with many spouses of members of the General Assembly, pays a great price for our public service.

Our spouses, and families, do pay a price. In Gail’s case, it has often meant stoking the wood boiler to literally keep the “home fires burning”, digging ditches to prevent flooding in the basement from January thaws and spring runoff, and praying mightily that I will be kind in my interrogations, and temperate in my arguments.

I strongly suspect the Speaker and others have wondered about the effectiveness of her prayers, but be assured she does pray that I will be both kind and temperate. For my failures in that regard, which have been many, I apologize.

I want to thank members of the House and Senate who were aware of the challenges that Gail has been facing since late October 2013. They are challenges experienced by other women who have served and are serving in General Assembly. Your prayers, thoughts and expressions of concern have been a great strength and encouragement to Gail, our two daughters, Courtney and Tyler, and myself.

The world outside the Golden Dome may not see what I have seen in this regard. They do not see that some of the deepest expressions of concern and support come from those colleagues with whom we appear to have the deepest disagreements.

We are a “family” here, and when these kinds of personal challenges arise, we do “carry each other’s burdens”. Gail and I thank you.

Today, I conclude my fourteenth year of service in the House of Representatives. It is dangerous to mention names in these types of remarks, but it is equally dangerous not to express appreciation for those whose memories and experiences are particularly vivid. They add color and texture to our time together.

My first four years were on Judiciary, with Peg Flory at the helm. Poor Peg! She had to work overtime to tame me, far more than members of the other caucus. If you doubt she accomplished her goal, Peg and some others will tell you, “She did.” The jury may still be out.

Notwithstanding the presence of Tom Little, Tom Koch, Ann Donahue, the Speaker, and several other experienced lawyers, Peg, in my humble opinion, was the “best lawyer in the House.”

Next, it was Education, with George Cross as Chair. I enjoyed being George’s consigliere, for those of you who are familiar with “godfather” nomenclature. Everyone on that committee became “friends” in the true sense of the word...we could hear each other’s heartbeats because we learned to listen to each other. The affection, respect and bonding that occurred, as well as the “farm to school” program that was spawned by the vision of Mitzi, and the late and sorely missed, Rosemary McLaughlin, was unequaled in my experience here. Every committee vote was unanimous.

George, Dave Potter, Tim Jerman, Ann Mook and myself are still here, and still draw upon those bonds of trust and friendship that grew under George's tutelage and guidance. George Cross, I salute you.

After four more years on Education, and annoying and vexing *in extremis* the member from Burlington and the Speaker, and becoming an equal partner of the "Waite-Simpson/John Zenni Educational Choice Partnership", I had a radical change of assignment...to House Ag with Carolyn Partridge and her weekly baked goods which we all cherished.

Little did the powers-that-be realize that I was only one generation off the farm...my mom grew up on a dairy farm in the Clove Valley, Dutchess County, New York.

On House Ag, I was "home" and we had a great time there. Of course living during the session with the famous Vermont agricultural icon, Bobby Starr, I often wondered if other members of House Ag thought Bobby was mentoring me at breakfast. O.K., truth be known...he was mentoring me...Bobby is the smartest and smoothest public servant I ever met, and I am indeed fortunate to call him my friend.

I do note, no one ever asked me, not even Bobby, to milk a cow at the Farm Days competitions.

These last two years have been spent on Transportation, with Pat Brennan and the gang. I thought I had died and gone to heaven!

Here "the rubber met the road". No vague, abstract concepts like "social justice", equity, due process. This was a truly pro-development committee that was truly non-partisan. "Regardless of your political beliefs, if you can't get there from here, you can't practice them. You gotta have a highway."

I had the NEK seat occupied by Janet Peaslee for over 25 years. WOW!!! While I didn't think I would have her longevity, I did think it would be nice to be there for a while, especially to help grow the Kingdom.

But longevity or permanency is not ours to claim by right or privilege, as we are reminded of daily. Our presence here is determined by the will of the citizens and the "hand of God."

#### **Remarks Journalized**

On motion of **Rep. Morrissey of Bennington**, the following remarks by **Reps. Burke of Brattleboro, Campion of Bennington and Davis of Washington** were ordered printed in the Journal:

Remarks by **Rep. Burke of Brattleboro**:

“Mr. Speaker:

I think most everyone here knows that the representative from Burlington, Representative Wizowaty, will be leaving this chamber.

In a recent email she beautifully likened what we do here to an opera, with people playing various roles in the whole production. I would like to celebrate the important role that Suzi Wizowaty has played in her consistent and persistent advocacy for criminal justice reform.

I know she will continue to make important contributions to state policy through the work of her non-profit organization.

I will miss her and wish her great success.”

Remarks by **Rep. Champion of Bennington:**

“Mr. Speaker:

Today marks Rep. Anne Mook’s last day of service as a representative of the great town of Bennington and we are all indeed lucky to have had Ann here working on our behalf for the past ten years.

I’m told Anne’s arrival in the legislature was smooth sailing. Members of the education committee who served with Anne said she arrived “with her feet on the ground and ready to work.” Rep. Donovan shared with me that Anne brought a tremendous amount of experience to the tables - she had been a school teacher, community leader, director of our area parks and recreation, but perhaps best known as teaching many young people how to swim, including reporter Neil Goswami. Others shared with me how much passion and leadership Anne brought to technical education, making certain that those institutions were the best they could be.

I’ve never seen her frazzled - well except when it came to working with Rep. Miller and me on redistricting. Anne and I first met when I thanked her for her support of marriage equality and our friendship has grown ever since.

Thank you, Anne, for all you’ve given to me and to our community - and the state of Vermont. I’ll always be grateful.”

Remarks by **Rep. Davis of Washington:**

“Mr. Speaker:

Though the member from Williamstown couldn’t be here today, I rise to thank him for his many years of public service representing me, one of his constituents, and his many other constituents across Orange -1 District I will miss his joking as we attended the different events together. He would say “Susan and I often vote the same on a bill for different reasons.” We will all



miss his sense of humor and his dedication to the citizens of Vermont”

#### **Senate Notified of Completion of House Business**

**Rep. Jewett of Ripton** moved that the House direct the Clerk to inform the Senate that the House has completed the business of the second half of the biennial session pursuant to J.R.S. 60.

#### **Governor Notified of Completion of House Business**

**Rep. Jewett of Ripton** moved that the Speaker appoint a committee of six to inform the Governor that the House has completed the business of the second half of the biennial session and is ready to adjourn pursuant to J.R.S. 60.

Thereupon, the Speaker appointed as members of the committee:

**Rep. Koch of Barre Town**

**Rep. Dickinson of St. Albans Town**

**Rep. Kilmartin of Newport City**

**Rep. Peltz of Woodbury**

**Rep. Wizowaty of Burlington**

**Rep. Davis of Washington**

#### **Governor Presented at the Bar of the House**

The committee appointed to wait upon the Governor retired to the Executive Chamber and returned with His Excellency, Governor Peter Shumlin, and presented him at the bar of the House. The Governor addressed the House and, having completed his remarks, was escorted from the Hall by the committee.

#### **Adjournment**

At seven o'clock and eighteen minutes in the evening, on motion of **Rep. Jewett of Ripton**, the House adjourned pursuant to J.R.S. 60.

### **FINAL MESSAGES AND COMMUNICATIONS**

#### **Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the tenth day of May, 2014, he approved and signed bills originating in the House of the following titles:

**H. 758 An act relating to notice of potential layoffs**

**H. 795** An act relating to victim's compensation and restitution procedures

**H. 874** An act relating to consent for admission to hospice care and for DNR/COLST orders

**H. 875** An act relating to fines for driving with license suspended

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the fourteenth day of May, 2014, he approved and signed bills originating in the House of the following titles:

**H. 863** An act relating to public records;

**H. 890** An act relating to approval of amendments to the charter of the City of Burlington regarding the redistricting of City election areas.

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the twentieth day of May, 2014, he approved and signed bills originating in the House of the following titles:

**H. 350** An act relating to the posting of medical unprofessional conduct decisions and to investigators of alleged unprofessional conduct;

**H. 373** An act relating to updating and reorganizing Title 33;

**H. 612** An act relating to Gas Pipeline Safety Program penalties;

**H. 699** An act relating to temporary housing;

**H. 870** An act relating to the merger of the Town of Pittsford and the Pittsford Fire District No. 1;

**H. 892** An act relating to approval of the adoption and the codification of the charter of the Central Vermont Public Safety Authority;

- H. 893** An act relating to approval of the adoption and the codification of the charter of the North Branch Fire District No. 1;
- H. 894** An act relating to approval of amendments to the charter of the City of Montpelier and to merging the Montpelier Fire District No. 1 into the City of Montpelier.

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-second day of May, 2014, he approved and signed bills originating in the House of the following titles:

- H. 123** An act relating to Lyme disease and other tick-borne illnesses
- H. 217** An act relating to smoking in lodging establishments, hospitals and child care facilities and on State lands
- H. 227** An act relating to licensing and regulating property inspectors
- H. 578** An act relating to administering State funds for loans to individuals for replacement of failed wastewater systems and potable water supplies
- H. 656** An act relating to professions and occupations regulated by the Office of Professional Regulations
- H. 695** An act relating to establishing a product stewardship program for primary batteries
- H. 728** An act relating to developmental services' system of care
- H. 765** An act relating to establishing new levels of law enforcement officer certification
- H. 877** An act relating to repeal of report requirements that are at least five years old

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-third day of May, 2014, he approved and signed a bill originating in the House of the following title:

**H. 497 An act relating to the open meeting law**

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-seventh day of May, 2014, he approved and signed bills originating in the House of the following titles:

**H. 596 An act relating to miscellaneous amendments to health care laws**

**H. 740 An act relating to transportation impact fees**

**H. 809 An act relating to designation of new town centers and growth centers**

**H. 823 An act relating to encouraging growth in designated centers and protecting natural resources**

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the twenty-eighth day of May, 2014, he approved and signed bills originating in the House of the following titles:

**H. 270 An act relating to providing access to publicly funded prekindergarten education**

**H. 483 An act relating to adopting revisions to Article 9 of the Uniform Commercial Code**

**H. 555 An act relating to the commitment of a criminal defendant who is incompetent to stand trial because of a traumatic brain injury**

**H. 869 An act relating to miscellaneous agricultural subjects**

**H. 882 An act relating to compensation for certain state employees****Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the second day of June, 2014, he approved and signed a bill originating in the House of the following title:

**H. 872 An act relating to the State's transportation program and miscellaneous changes to the State's transportation laws.****Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the third day of June, 2014, he approved and signed a bills originating in the House of the following titles:

**H. 325 An act relating to the rights of children of arrested and incarcerated parents****H. 501 An act relating to operating a motor vehicle under the influence of alcohol or drugs****H. 581 An act relating to guardianship of minors****H. 650 An act relating to establishing the Ecosystem Restoration and Water Quality Improvement Special Fund****H. 881 An act relating to approval of the adoption and the codification of the charter of the Town of Westford****Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the fourth day of June, 2014, he approved and signed a bills originating in the House of the following titles:

**H. 526 An act relating to the establishment of lake shoreland protection standards**

**H. 646 An act relating to unemployment insurance**

**H. 884 An act relating to miscellaneous tax changes**

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the ninth day of June, 2014, he approved and signed a bills originating in the House of the following titles:

**H. 552 An act relating to raising the Vermont minimum wage**

**H. 681 An act relating to the professional regulation for veterans, military service members, and military spouses**

**H. 864 An act relating to capital construction and State bonding budget adjustment**

**H. 885 An act relating to making appropriations for the support of government**

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the tenth day of June, 2014, he approved and signed a bills originating in the House of the following titles:

**H. 225 An act relating to a statewide policy on the use of and training requirements for electronic control devices**

**H. 413 An act relating to the Uniform Collateral Consequences of Conviction Act**

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the sixteenth day of June, 2014, he approved and signed a bills originating in the House of the following titles:

**H. 297 An act relating to Vermont telecommunications policy**

**H. 735 An act relating to Executive Branch and Judiciary fees**

**Message from Governor**

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

Mr. Speaker:

I am directed by the Governor to inform the House that on the eighteenth day of June, 2014, he approved and signed a bills originating in the House of the following titles:

**H. 88 An act relating to parental rights and responsibilities involving a child conceived as a result of a sexual assault**

**H. 790 An act relating to Reach Up, Reach Ahead, and the Enhanced Child Care Services Subsidy Program**

**Message from the Senate No. 83**

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

Mr. Speaker:

I am directed to inform the House that:

The Governor has informed the Senate that on the twenty-seventh day of May, 2014, he approved and signed bills originating in the Senate of the following titles:

**S. 40.** An act relating to establishing an interim committee that will develop policies to restore the 1980 ratio of state funding to student tuition at Vermont State Colleges and to make higher education more affordable.

**S. 70.** An act relating to the delivery of raw milk at farmers' markets.

**S. 195.** An act relating to increasing the penalties for second or subsequent convictions for disorderly conduct, and creating a new crime of aggravated disorderly conduct.

**S. 211.** An act relating to permitting of sewage holding and pumpout tanks for public buildings.

**S. 225.** An act relating to a report on recommended changes in the structure of Vermont State employment in order to reduce employment-related stress.

**S. 234.** An act relating to Medicaid coverage for home telemonitoring services.

**S. 241.** An act relating to binding arbitration for State employees.

**S. 247.** An act relating to the regulation of marijuana for symptom relief and dispensaries.

**S. 291.** An act relating to the establishment of transition units at State correctional facilities.

The Governor has informed the Senate that on the twenty-eighth day of May, 2014, he approved and signed bills originating in the Senate of the following titles:

**S. 86.** An act relating to miscellaneous changes to election laws and to lobbyist reporting.

**S. 168.** An act relating to making miscellaneous amendments to laws governing municipalities.

**S. 218.** An act relating to temporary employees.

**S. 256.** An act relating to the solemnization of a marriage by a Judicial Bureau hearing officer.

**S. 275.** An act relating to the Court's jurisdiction over youthful offenders.

The Governor has informed the Senate that on the fourth day of June, 2014, he approved and signed a bill originating in the Senate of the following title:

**S. 208.** An act relating to solid waste management.

The Governor has informed the Senate that on the fifth day of June, 2014, he approved and signed a bill originating in the Senate of the following title:

**S. 316.** An act relating to child care providers.

The Governor has informed the Senate that on the tenth day of June, 2014, he approved and signed bills originating in the Senate of the following titles:

**S. 239.** An act relating to the regulation of toxic substances.

**S. 281.** An act relating to vision riders and a choice of providers for vision and eye care services.



The Governor has informed the Senate that on the eleventh day of June, 2014, he approved and signed bills originating in the Senate of the following titles:

**S. 28.** An act relating to gender-neutral nomenclature for the identification of parents on birth certificates.

**S. 202.** An act relating to the energy efficiency charge.

**S. 263.** An act relating to the authority of assistant judges in child support contempt proceedings.

**S. 293.** An act relating to reporting on population-level outcomes and indicators and on program-level performance measures.

The Governor has informed the Senate that on the twelfth day of June, 2014, he approved and signed a bill originating in the Senate of the following title:

**S. 314.** An act relating to miscellaneous amendments to laws related to motor vehicles.

The Governor has informed the Senate that on the sixteenth day of June, 2014, he approved and signed a bill originating in the Senate of the following title:

**S. 287.** An act relating to involuntary treatment and medication.

The Governor has informed the Senate that on the seventeenth day of June, 2014, he approved and signed bills originating in the Senate of the following titles:

**S. 184.** An act relating to law enforcement policies on eyewitness identification and bias-free policing and on recording of custodial interrogations in homicide and sexual assault cases.

**S. 264.** An act relating to technical corrections to civil and criminal procedure statutes.

**S. 295.** An act relating to pretrial services, risk assessments, and criminal justice programs.

**S. 308.** An act relating to regulating precious metal dealers.

The Governor has informed the Senate that on the twenty-fourth day of June, he approved and signed bills originating in the Senate of the following titles:

**S. 220.** An act relating to furthering economic development.

**S. 221.** An act relating to providing statutory purposes for tax expenditures.

**S. 237.** An act relating to civil forfeiture proceedings in cases of animal cruelty.

**S. 299.** An act relating to sampler flights.

**Communication from Rep. Michele Kupersmith**

“Hon. Shapleigh Smith  
Speaker of the House  
Vermont State House  
Montpelier, VT 05602

July 30, 2014

Dear Shap,

Please accept this letter as m notice of resignation from my House seat, Chittenden District 7-1. Effective today, July 30, 2014. I take this step to move into a full time position within the Vermont Department of Labor, commencement date August 11, 2014.

I make this move with a mixed heart. I have considered it a major privilege to serve my native state in this capacity, and will truly miss it dearly. But I am now ready to build out some of the policies that this body, with your support, has been successful in advancing.

Shap, I want to express my deepest thanks for your leadership and your friendship. You are masterful in understanding how to develop and advance policies that serve Vermonters – individuals and businesses alike. Your caring, combined with your smarts and grounded wisdom, will continue to guide me through future challenges. Thank you.

My very best wishes for the next biennium.

Very truly yours,  
/s/Michele F. Kupersmith

Cc:  
Donald G. Milne, Clerk of the House  
Governor Peter Shumlin”