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GENERAL ASSEMBLY
HOUSE COMMITTEE ON APPROPRIATIONS

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MEMORANDUM

To: Representative Janet Ancel, Chair, House Committee on Ways & Means

From: Representative Kitty Toll, Chair, House Committee on Appropriations

Date: February 7, 2017

Subject: Provisions in the Governor's Proposed FY 2018 State Budget

The House Appropriations Committee has started work on the Governor's proposed FY 2018 State Budget bill and would like to inform you about proposals related areas of your subject area. A summary of these areas is listed on page 2 followed by the excerpts from the Administration proposed language.

The House Appropriations Committee welcomes and appreciates your input and would like to give you the opportunity to comment on any of the proposals; however, it is not necessary to respond to all of the proposals unless you have concerns or recommendations. If you do not wish to comment on any of the issues sent to your committee, please send a quick e-mail or note to the Committee through Theresa Utton-Jerman at tutton@leg.state.vt.us or the reporter of the subject area. If you would like to respond, it would be helpful if you could do so by the end of the day on March 1st. As a note, the Committee understands that there may be unanticipated policy changes after the deadline that may require additional discussions and recommendations by policy committees and we encourage those. Please keep the Committee apprised of any updates to earlier recommendations, through the reporter or Chair, as they develop.

There are several House Appropriations Committee budget reporters for these subject areas, please click [here](#) to review the list or go to the highlights section of the committee's webpage. If you have not already done so, please notify Theresa who your committee's budget liaison/s is for coordination and communications between the two committees.

Summary of Budget Review Sections

Language proposals:

- an increase of \$1 million from FY2017 is appropriated in Sec. D.100(a)(2) to the Vermont Housing and Conservation Trust with \$2.5 million of the total appropriation, \$12,304,840, for repayment of the housing bond (also see Sec.'s D.100.1 and D.100.2);
- a transfer of \$798,808 from the Tax Computer System Modernization to the General Fund in Sec. D.101(b);
- the transfer and updated statutory language of the Employer Assessment from the Department of Labor to Tax in Sec. E.100 and E.111.1;
- the extension of the health care claims tax through FY2018 in Sec. E.300.1;
- the repeal of the Employer Assessment from the Department of Labor with the transfer to the Department of Tax in Sec. E.400;
- allows the General Assembly to set annually the transfer of General Funds to the Education Fund by eliminating the growth formula in Sec. E.513;
- a transfer of \$400,720,162 from General Fund to the Education Fund in Sec. E.513.1;
- the allowance of the normal contribution of State teachers' retirement system and the retired teachers health and medical benefits to be funded from the Education Fund in Sec. E.514 and Sec. E.515;
- the appropriation of \$9.6 million to support early childhood education and early learning from the Fund in Sec. E.516;
- an additional appropriations of \$1.6 million to support education innovation grants from the Education Fund in Sec. E.517;
- the State funding to the University of Vermont and the Vermont State Colleges from the Education Funding in Sec. E.600 and E.602;
- an increase in funding (inflater) for the Vermont State Colleges in Sec. E.602.0.1;
- funding to the Vermont State Colleges for supplemental aid from the Education Fund in Sec. E.602.1;
- funding to the Vermont Student Assistance Corporation from the Education Fund in Sec. E.605; and
- in Sec. F.100, Sec. E.111.1 on the Employer Assessment is effective for the first quarter of receipts for calendar year 2018.

Budget Review Sections

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 Current Use 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 Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of \$12,304,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Of this appropriation \$2,500,000 shall be used for the purpose of repayment of a housing bond, the proceeds of which shall be deposited in the Vermont Housing and Conservation Trust. Notwithstanding 10 V.S.A. § 312, amounts above \$12,304,840 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 \$3,760,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$3,760,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The \$3,760,599 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) \$457,482 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) \$378,700 to the Agency of Commerce and Community Development for the Vermont Center for Geographic Information.

EXPLANATION: The 1/19/2017 consensus FY 2018 revenue forecast of \$41.9m for the Property Transfer Tax (PTT) is being allocated as follows: The Department of Taxes will receive \$518K for property valuation and review administrative costs (including computerization of the current use program). The VHCB will receive \$12,304,840 in PTT revenue to increase funding over FY 2017 by \$1 million. \$2.5M of these funds are directed towards paying the housing bond. The appropriation from the Municipal & Regional Planning Fund is \$3,760,599, which maintains level funding for the appropriations to Regional Planning Commissions and Municipal Planning Commissions from FY 2017 funding levels. The appropriation to Geographic Information Systems is level funded from FY 2017.

Sec. D.100.1 32 V.S.A. § 9610 is added to read:

(d) Prior to distributions of property transfer tax revenues under 10 V.S.A. § 312, 24 V.S.A. § 4306(a), and 32 V.S.A. § 435(b)(10), \$2.5 million of the revenues received from the property transfer tax shall be used for the purpose of repayment of a housing bond the proceeds of which shall be deposited in the Vermont housing and conservation trust fund. Subsection (d) effective July 1, 2019 until July 1, 2038.

EXPLANATION : Requires that the first \$2.5M of PTT revenue be used to repay the housing bond for 20 years. **This is currently under review by the State Treasurer and Bond Council. Additional information may be forthcoming.**

Sec. D.100.2 REPEALS; PROPERTY TRANSFER TAX ALLOCATION TO THE DEPARTMENT OF TAX

(a) The following are repealed:

(1) 2011 Acts and Resolves No.45, Secs. 35 (repeal of allocation of property transfer tax revenue) and 37(10) (effective date of repeal of allocation of property transfer tax revenue).

(2) 2016 Acts and Resolves No. 172 Sec. D.100.1 (change to the effect date of repeal of the allocation of the property transfer tax).

EXPLANATION: Repeals the change in the allocation of the Property Transfer Tax to the Department of Taxes, Division of Property Evaluation and Review.

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

<u>21550</u>	<u>Land & facilities Trust Fund</u>	<u>429,000.00</u>
<u>21638</u>	<u>AG -Fees & reimbursements -Court order</u>	<u>2,000,000.00</u>
<u>21909</u>	<u>Tax Computer System Modernization</u>	<u>798,808.00</u>
<u>21973</u>	<u>GMCB regulatory and Admin Fund</u>	<u>700,000.00</u>
<u>22005</u>	<u>AHS Central Office earned federal receipts</u>	<u>32,165,542.00</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>955,000.00</u>
	<u>Caledonia Fair</u>	<u>5,000.00</u>
	<u>North Country Hospital Loan</u>	<u>24,250.00</u>

EXPLANATION: FY 2018 estimated direct applications to the General Fund.

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions are authorized in fiscal year 2018:

(1) In the Agency of Agriculture – (1) Paralegal, (1) Program Development & Policy Analyst, and (1) Microbiologist.

(2) In the Department of Tax – two (2) tax examiners.

(b) The positions established in this section shall be transferred and converted from existing vacant positions in the Executive Branch, and shall not increase the total number of authorized State positions defined in Sec. A.107 of this act.

EXPLANATION: Additional positions need for the Agency of Agriculture for operations. Department of Tax positions are needed to support the work associated with the transfer of the employer assessment from the Department of Labor. These positions will be allocated to departments from positions in the position pool; no new positions will be established.

Sec. E.111.1 32 V.S.A. chapter 245 is added to read:

CHAPTER 245 HEALTH CARE FUND CONTRIBUTION ASSESSMENT § 10501.

PURPOSE

For the purpose of more equitably distributing the costs of health care to uninsured residents of this 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.

§ 10502. DEFINITIONS

As used in this chapter:

(1) "Employee" means an individual who is:

(A) 18 years of age or older for all of a calendar quarter,

(B) employed full-time or part-time, and

(C) reported by an employer for purposes of complying with Vermont unemployment compensation law pursuant to Chapter 17 of Title 21

(2) "Employer" means a person who is required to furnish unemployment insurance coverage pursuant to Chapter 17 of Title 21.

(3)(A) "Full-time equivalent" or "FTE" means the number of employees expressed as the number of employee hours worked during a calendar quarter divided by 520. The FTE calculation shall be based on a 40 hour work week. No more than one FTE may be assessed against an individual employee, regardless of the actual number of hours worked by that employee during the calendar quarter.

(B) The hours worked during a calendar quarter means hours worked during all pay periods in that quarter for which gross wages were reported and paid. Unworked hours, such as vacation or sick time, may be excluded from the FTE calculation.

(C) "Full-time equivalent" shall not include any employee hours attributable to a seasonal employee or part-time employee of an employer who offers health care coverage to all of its regular full-time employees, provided that the seasonal employee or part-time employee has health care coverage under either a private plan or any public plan except Medicaid.

(4) "Health care coverage" shall mean any private or public plan that includes both hospital and physician services.

(5) "Part-time employee" shall mean an employee who works for an employer for fewer than 30 hours a week and fewer than 390 hours in a calendar quarter.

(6) "Seasonal employee" means an employee who:

(A) works for an employer for 20 weeks or fewer in a calendar year; and

(B) works in a job scheduled to last 20 weeks or fewer.

(7) "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:

(i) is enrolled in Medicaid;

(ii) has no other health care coverage under either a private or public plan except Medicaid; or

(iii) has purchased health insurance coverage as an individual through the Vermont Health Benefit Exchange.

§ 10503. HEALTH CARE FUND CONTRIBUTION ASSESSMENT

(a) The Commissioner of Taxes shall assess and an employer shall pay a quarterly Health Care Fund contribution for each full-time equivalent uncovered employee employed during that quarter in excess of four full-time equivalent employees.

(b) The amount of the contribution shall be \$151.12 for each full-time equivalent employee in excess of four. Starting in calendar year 2017, the amount of the 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.

(c) Health Care Fund contribution assessments under this chapter shall be determined on a calendar quarter basis, due and payable on or before the 25th day of the calendar month succeeding the close of each quarter. All administrative provisions of chapter 151 of this title

shall apply to this chapter, except penalty and interest shall apply according to chapter 103 of this title.

(d) Revenues from the Health Care Fund contributions collected shall be deposited into the State Health Care Resources Fund established under 33 V.S.A. § 1901d.

§ 10504. HOURS WORKED BY UNCOVERED EMPLOYEES; CALCULATION AND REPORTING

(a) Employers shall report to the Department of Taxes the number of hours worked by each uncovered employee on a return provided by the Department. The return shall be filed at the same time payment is required under subsection 10503(c) of this chapter, shall be filed electronically, and shall include any information required by the Commissioner.

(b) Quarterly health care contributions shall be calculated in the following manner:

(1) An employer shall divide the total hours worked by all uncovered employees during a quarter by 520, to represent one full-time equivalent employee. The employer shall then round the resulting number down to the nearest whole number and subtract four. The employer shall then multiply the resulting number by the amount established under subsection 10503(b) of this chapter to determine the amount of assessment due for the quarter.

(A) For full-time salaried employees, employers shall use 520 hours a quarter for the total hours worked.

(B) For all employees who worked more than 520 hours in a quarter, employers shall use 520 hours a quarter for the total hours worked.

(2) The Commissioner shall provide an electronic declaration of health care coverage form for employers to collect the health coverage statuses of their employees for purposes of this assessment. The form shall preserve the confidentiality of the type of coverage possessed by the employee and the employer shall only use the form for purposes of this assessment.

(A) An employer shall annually obtain a declaration of health care coverage from every employee who is not enrolled in a plan offered by the employer.

(B) An employer shall maintain declarations of health care coverage for a minimum of three years in a manner reasonably available for review and audit.

(C) Employees for whom no declaration of coverage is obtained shall be treated as uncovered.

(c) In the case of an employee leasing agreement, leased employees shall be considered employees of a client company and not employees of an employee leasing company.

§ 10505. HEALTH BENEFIT COSTS

(a) Employers shall provide their employees with an annual statement indicating:

(1) the total monthly premium cost paid for any employer-sponsored health benefit plan;

(2) the employer's share and the employee's share of the total monthly premium; and

(3) any amount the employer contributes toward the employee's cost-sharing requirement or other out-of-pocket expenses.

(b) Notwithstanding the provisions of subsection (a) of this section, an employer who reports the cost of coverage under an employer-sponsored health benefit plan as required by 26 U.S.C. § 6051(a)(14) shall be deemed to be in full compliance with the requirements of this section.

EXPLANATION: Statutory changes needed to transfer the Employer Assessment to the Department of Taxes from the Department of Labor.

Sec.E.300.1 2013 Acts and Resolves No. 73, Sec. 60(10) is amended to read:

(10) Secs. 48-51 (health claims tax) shall take effect on July 1, 2013 and 52 and 53 (health claims sunset) shall take effect on July 1, ~~2017~~ 2018.

EXPLANATION: Extends the health care claims tax Sunset until the end of FY 2018.

Sec. E.400 REPEAL

(a) 21 V.S.A. Chapter 25 (Employer Assessment) is repealed.

EXPLANATION: Removes the Employer Assessment from the Department of Labor, transfer to the Tax Department in Sec. E.111.1 of this act.

Sec. E.513 16 V.S.A. § 4025(a)(2) is amended to read:

~~(2) For each fiscal year, the~~ The amount of the general funds appropriated and transferred to the Education Fund shall be \$305,900,000.00, to be increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal year for which the payment is being determined, plus an additional one tenth of one percent set annually by the general assembly.

EXPLANATION: Changes the General Fund Transfer to the Education Fund. Eliminates the formula growth and allows the transfer to be set by the General Assembly annually.

Sec. E.513.1 Appropriation and transfer to education

(a) Pursuant to 16 V.S.A. § 4025(a)(2) as amended by Sec. E.513 of this act, there is appropriated in fiscal year 2018 from the General Fund for transfer to the Education Fund the amount of \$400,720,162.

EXPLANATION: Transfer from the General Fund to the Education Fund

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 \$88,409,437 of which \$84,709,437 shall be the State's contribution and \$3,700,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, \$8,346,261 is the "normal contribution," and \$80,063,176 is the "accrued liability contribution."

(c) Notwithstanding 16 V.S.A. § 4025(b), the normal contribution shall be an appropriation from the Education Fund.

EXPLANATION: Same language as prior years. Allows the normal contribution to be funded with Education funds.

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$26,660,966 will be contributed to the Retired Teachers' Health and Medical Benefits plan. Notwithstanding 16 V.S.A. § 4025(b), this appropriation shall be from the Education Fund.

EXPLANATION: Same language as prior year. Allows the retired teachers health and medical benefits to be funded with Education funds.

Sec. E.516 Early Education

(a) Of this appropriation, \$9,600,000 from the Education Fund shall be to support early childhood education and early learning. Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$7,500,000 shall be used for Child Care Financial Assistance Program in the Agency of Human Services.

(2) \$1,000,000 is appropriated to the Secretary of Education to establish grants to promote full day pre-k programs for high poverty kids that provide integrated services and transportation. The grants may target partnerships between Head Start and schools and/or providers.

(A)The Secretary shall establish criteria for these competitive grants, which shall prioritize funding to proposals that:

(i) optimize resources to expand services and hours;

(ii) encourage Head Start;

(iii) employ innovative approaches; and

(iv) collaborate with partner organizations.

(B) These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(3) \$600,000 is appropriated to the Secretary of Education to establish grants to develop shared services systems for child care providers. These systems increase operational efficiencies using centralized shared services, including but not limited to: payroll, bulk purchasing, and staff recruitment. The Secretary shall establish criteria for these competitive grants. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(4) \$500,000 is appropriated to the Secretary of Education to establish a municipal child care innovation matching grant program for municipal governments to develop innovative child care solutions, including, but not limited to:

(A) scholarship models designed to make high-quality child care accessible and family participation more consistent;

(B) capacity grants to high-quality child care centers designed to expand the number of slots available; and

(C) evidence-based home visiting initiatives.

(D) The Secretary shall establish criteria for these competitive grants. These grants shall be match one-to-one by federal funds, municipal funds, and/or private donations.

EXPLANATION: Allocation of early education funds.

Sec. E.517 Innovation Grants

(a) Of this appropriation, \$1,600,000 from the Education Fund shall be to support education innovation grants. Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$500,000 is appropriated to the Secretary of Education to establish annual classroom innovation grants for educators teaching students from pre-kindergarten through high school. The Secretary shall establish criteria for these competitive grants to award and promote

innovative thinking in the classroom. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(2) \$500,000 is appropriated to the Secretary of Education to establish annual management and modernization grants to assist school boards and school management with training opportunities, technology upgrades, and expertise in school efficiency and consolidation, plus assistance with instituting best practices in special education. The Secretary shall establish criteria for these grants to assist districts with expert consulting services, like those currently provided by District Management Council, which have already identified successful strategies for doing better with less. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(3) \$250,000 is appropriated to the Secretary of Education to establish school technology and connectivity grants funding to help schools advance a vision for technology-supported education. Resources can support either the cost of upgrading to higher speed internet access or funding plans to use technology to support better operations or transformational practices.

(A)The Secretary shall establish criteria for these competitive grants, which shall include, but not limited to:

(i) school participation in the FCC's E-Rate program; and

(ii) school internet speeds less than 25 mbps.

(B) These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(d) \$200,000 is appropriated to the Secretary of Education to establish code camp grants for elementary and middle school students to encourage science, technology, engineering, and mathematics (STEM) education at an early age. The Secretary shall establish criteria for these grants. These funds may be matched to federal funds, special funds, grants, donations, and private funds.

(e) \$150,000 shall be used to fund Agency of Education efforts to boost Career and Technical Education.

EXPLANATION: Allocation of innovation grant funds.

Sec. E.600 University of Vermont

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15th day of each calendar month of the year.

(b) Funding for the University of Vermont shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

(1) 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.

(2) Of this appropriation \$1,000,000 shall be used to provide financial assistance to low-middle income Vermont Students.

(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.

EXPLANATION: Mostly standard language for the University of Vermont. Part (b) – new – allows UVM to receive funding from the education fund and part (b)(1) – new – adds an additional \$1M for financial assistance to Vermont Students.

Sec. E.602 Vermont state colleges

(a) The Commissioner of Finance and Management shall issue warrants to pay one-twelfth of this appropriation to the Vermont State Colleges on or about the 15th day of each calendar month of the year.

(b) Funding for the Vermont State Colleges shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

(1) 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.

(2) Of this appropriation, \$4,000,000 shall be used to make access to college more affordable for Vermonter and to continue building Vermont's workforce.

EXPLANATION: Mostly standard language for the Vermont State Colleges. Part (b) – new – allows VSC to receive funding from the education fund and part (b)(1) – new – adds an additional \$4M VSC.

Sec. E.602.0.1 ANNUAL APPROPRIATION INCREASE FOR THE VERMONT STATE COLLEGES; REPORT

(a) Beginning in fiscal year 2019, the General Assembly shall annually increase the appropriation for the Vermont State Colleges by the mean of the prior six years of nominal average wage growth in Vermont.

(b) In order to receive this annual increase the Vermont State Colleges shall:

(1) hold student tuition increase at or below the mean of the prior six years of nominal average wage growth in Vermont in fiscal years, 2019, 2020 and 2021;

(2) establish the following performance indicators throughout the Vermont State College System:

(A) increase the number of Vermonters earning credentials of value;

(B) improve on-time degree completion; and

(C) increase the number of first generation Vermont college graduates.

(D) The Vermont State Colleges shall distribute these funds to each state college using a formula based on the performance indicators lists above.

(3) continue to drive efficiency efforts to reduce operating expenses and grow its student population.

(c) The Chancellor of the Vermont State Colleges shall provide report to the General Assembly on or before January 15th of each year. The report shall include:

(1) the current financial performance and outlook for the Colleges;

(2) details on how degree and nondegree programs that align with high-wage, high-growth jobs in Vermont for the decade ahead.

EXPLANATION: This language outlines the annual increase for the Vermont State Colleges and the reporting requirements to continue receiving the appropriation.

Sec. E.602.1 Vermont state colleges – Supplemental Aid

(b) Funding for the Vermont State Colleges – Supplemental Aid shall be provided from the Education Fund notwithstanding 16 V.S.A. § 4025(b).

EXPLANATION: Allows the Vermont State Colleges to receive education funds for the supplemental aid program.

Sec. E.605 Vermont student assistance corporation

(a) Funding for the Vermont student assistance corporation shall be provided from the Education fund notwithstanding 16 V.S.A. § 4025(b).

(b) Of this appropriation, \$25,000 is appropriated from the Education 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, \$1,000,000 shall be used to fund the Vermont Student Assistance Corporation non-degree program.

(d) Of the appropriated amount remaining after accounting for subsections (b), (c) and (f) of this section, not less than 93 percent of this appropriation 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.

(f) Of this appropriation, not more than \$200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

(g) The Vermont Student Assistance Corporation shall conduct a review of the Non-Degree Grant program utilizing the Results Based Accountability approach. This review shall be submitted to the House and Senate Committees on Appropriations as part of the Vermont Student Assistance Corporation fiscal year 2019 budget submission.

EXPLANATION: Standard language for VSAC. (a) allows VSAC to use education funds; (b) of this section is an appropriation to a trust fund that provides annual grant support to students attending VSC, UVM or a VT independent college that do not have parental support. (c) directs additional \$1M appropriation to the non-degree grant program.

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (Federal Contingency and Human Services Caseload reserve), E.100.2, E.300.3, E.300.4, E.300.5 (transfer Director of Health Care Reform and duties to the Agency of Human Services), and E.300.1 (HIT fund sunset), shall take effect on passage.

(b) Sec. E.111.1 (Employer assessment transfer to the Department of Taxes) and Sec. 400 (repeal of employer assessment requirement from the Department of Labor) shall take effect on January 1, 2018 with the return of the fourth quarter of 2017 being due January 25, 2018.

(c) Sec.E.602.0.2 (summit on substance abuse workforce) shall take effect retroactively on March 31, 2017.

(d) All remaining sections shall take effect on July 1, 2017.

EXPLANATION: Transfer of director of health care reform, change to caseload reserve, effective on passage. Employer assessment move from DOL to Tax effective for the first quarter of receipts in calendar year 2018. Substance abuse summit requirement effective prior to the summit. Remaining sections effective on July 1, 2017.