



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON APPROPRIATIONS

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MEMORANDUM

To: Representative Kathryn Webb, Chair, House Committee on Education
From: Representative Kitty Toll, Chair, House Committee on Appropriations
Date: February 8, 2019
Subject: Provisions in the Governor's Proposed FY 2020 State Budget

The House Appropriations Committee has started work on the [Governor's Recommended FY 2020 State Budget](#) and would like to inform you about proposals related to your Committees' subject areas. These proposals have been included in the accompanying material. In Addition, dates for scheduled budget testimony within the House Appropriations Committee has been included on the [budget assignments sheet](#) in your budget packets, and the Committee welcomes policy committee liaisons participation in those presentations.

The House Appropriations Committee welcomes and appreciates your input and would like to give your Committee the opportunity to comment on any of the Governor's proposals; however, it is not necessary to respond to all the highlighted proposals sent to you unless you have concerns or recommendations. If you do not wish to comment on the proposals sent to your committee, please send a quick e-mail or note to Theresa Utton-Jerman at tutton@leg.state.vt.us.

If you do wish to comment on the proposals sent or any other content in the Governor's budget package that pertains to your Committee jurisdiction, please do so by the end of the day on February 27. 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 as well. Please keep the Committee apprised of any updates to earlier recommendations, through the reporter of that budget section or the Chair of the House Appropriations Committee, as they develop.

To continue good coordination and communication between the House Appropriations Committee and Policy Committees, please notify Theresa of any changes to your Committees' liaisons noted in the [budget assignments sheet](#) that has been included this packet.

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Thank you for your review and consideration.

No. XXX. An act relating to making appropriations for the support of government

(H. XXX)

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2020 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 2020. 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, 2019. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2020 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 serves as the primary source and reference for appropriations for fiscal year 2020.

(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, 2020.

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 2020, 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 2020, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2019 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 2020 except for new positions authorized by the 2019 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction.

Explanation: Standard Language.

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.999 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.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2020, \$2,315,900 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 \$1,335,900 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of \$1,335,900 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, training, apprenticeship, internship, returnship, and other on-the-job training activities that lead to employment. Up to ten percent of the funds may be used for administration of the program. \$350,000 shall be allocated for infrastructure and grants for internships through the Vermont Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Career Technical Education Programs. The amount of \$400,000 is appropriated to the Department of Labor for the purpose of awarding grants to regional technical centers and high schools to provide adult career technical education as the term is defined in 16 V.S.A. § 1522. Each of the seventeen (17) regional Career Technical Education (CTE) Centers that provides Adult CTE programs shall be awarded a base grant of \$20,000. These grants may be used to support adult program staff or instructor salaries, scholarships for eligible adult CTE students, or curriculum development for adult CTE courses. \$60,000 will be allocated to support the coordination and organization of the state's regional adult career technical education programs.

(C) The amount of \$100,000 is appropriated to the Department of Labor and shall be allocated to support the Vermont Returnship Program pursuant to 10 V.S.A. § 545. The Department of Labor may award a performance grant to assist in the coordination, outreach, and implementation of the program.

(D) The amount of \$75,000 is appropriated to the Department of Labor and shall be allocated to support workforce education and training activities for Vermont inmates in the state's correctional facilities or for former offenders seeking to reenter the labor force. The Department may fund these activities directly or in coordination with the Department of Corrections, a local restorative justice center, a Regional Career Technical Education Center, or other qualified training provider. Training opportunities funded with this allocation will be aligned with an identified employment need, and when possible, should result in an industry recognized credential.

(E) The amount of \$277,310 is appropriated to the Department of Labor to be awarded in support of demand-driven trainings or programs aimed at meeting employment needs throughout the state. High-priority sectors include: health care, construction, manufacturing, transportation, hospitality, and business services. Grants may be awarded to training providers, businesses, or service providers who help out-of-school youth, veterans, dislocated workers, mature workers, individuals in recovery, or geographically isolated job seekers to overcome barriers to employment.

(F) The remaining amount of \$133,590 is appropriated to the Department of Labor to be used for administration of the program.

(2) Loan repayment. The amount of \$30,000 as follows:

(A) Large animal veterinarians' loan repayment. The amount of \$30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan repayment program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of \$950,000 as follows:

(A) Non-degree VSAC grants. The amount of \$564,000 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to fund enrollment in a post-secondary education or training program, including adult technical education courses that are not part of a degree or accredited certificate program, and registered apprenticeship programs. A portion of these funds may be used for indirect educational expenses to students enrolled in training programs. The grants shall not exceed \$2,500 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 Tuition Benefit Program established in 16 V.S.A. § 2856 and §2857.

(C) Need-based stipends. The amount of \$36,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need based stipends pursuant to Sec. E.605.1 of this act. This allocation shall be used to fund a flat-rate, need-based stipend to be used for the purchase of books, cost of transportation, and payment of fees. VSAC 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.

(D) Entrepreneur grants. The amount of \$200,000 is appropriated to the Agency of Commerce and Community Development. These funds shall be for the purpose of assisting entrepreneurs in creating new businesses employing the next generation of Vermonters. From this allocation, ACCD shall issue a performance grant of \$100,000 to the University of Vermont in support of the UVM Innovations program. The UVM Innovations group provides financial assistance to nascent businesses and technologies based on UVM intellectual property. ACCD shall also issue a performance grant of \$100,000 to the Vermont Center for Emerging Technologies (VCET) to assist entrepreneurs, students, and emerging growth firms with mentoring, technical assistance, professional networking programs and events, co-working facilities, and the management of the Vermont Seed Capital Fund.

EXPLANATION: Allocation of Next Generation funds.

Note: various sections have also been sent to the House Committees on Agriculture, Commerce & Economic Development, Corrections & Institutions, and General, Housing & Military Affairs.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2021 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 Development Board, shall recommend to the Governor on or before December 1, 2019 how the Next Generation Fund should be allocated or appropriated in fiscal year 2021 to strengthen and expand Vermont’s labor force. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

EXPLANATION: The same process as prior fiscal years.

Sec. B.1101 FISCAL YEAR 2020 ONE-TIME AND NEW GENERAL FUND APPROPRIATIONS

(a) The sum of \$10,000 is appropriated to the Agency of Commerce and Community Development to issue as a grant for the commissioning ceremony of the USS Vermont.

(b) \$1,000,000 is appropriated to the Secretary of Administration to distribute to departments to reflect the General Fund share of the employer premium associated with the Twin State Voluntary Leave Plan, implemented effective January 1, 2020. The Secretary is authorized to allocate to all departments a bi-weekly employer-paid per capita fee on behalf of all eligible employees to collect the necessary employer premium.

(c) The sum of \$2,000,000 is appropriated to the Agency of Commerce and Community Development beginning in fiscal year 2020 and each year thereafter to support individuals and families relocating to Vermont. Funding may be used to provide individualized support services, case management, program implementation, information technology upgrades, and regional support grants.

(d) The sum of \$500,000 is appropriated to the Department of Labor beginning in fiscal year 2020 and each year thereafter for the purpose of supporting individuals and families relocating to Vermont. Funding may be used to provide individualized support services, case management, program implementation, information technology upgrades, and regional support grants.

(e) In Fiscal 2020, the first \$7.0 million of Sales and Use tax revenues raised by H.XXX/S.XXX (legislation to apply the Sales and Use Tax to marketplace facilitators) shall be deposited in the General

Fund. This amount shall be appropriated to the Child Care Financial Assistance Program (CCFAP) in the Child Development Division of the Department for Children and Families, for the purposes of increasing the subsidy to child care providers. Beginning in fiscal year 2021 and biennially thereafter, the amount shall be adjusted by a percentage equal to the rate of growth in amounts charged to families by Licensed Centers as reported by the Department of Children and Families in the most recent published Vermont Child Care Market Rate Survey.

EXPLANATION: One-time appropriations for the purposes described above.

Sec. B.1102 FISCAL YEAR 2020 ONE-TIME USE OF GENERAL FUND CARRIED FORWARD FROM FISCAL YEAR 2019

(a) \$8,329,947 reserved at the end of fiscal year 2019 to be carried forward into fiscal year 2020 shall be unreserved and used for general fund appropriations in fiscal year 2020.

EXPLANATION: Use of one-time funds carried forward from fiscal year 2019 in order to fund the budgeted appropriations for fiscal year 2020.

Sec. B.1103 FISCAL YEAR 2020 ONE-TIME APPROPRIATION FOR THE RACIAL EQUITY PANEL AND EXECUTIVE DIRECTOR

(a) There is appropriated to the Agency of Administration from the Human Resource Services Internal Services Fund the amount of \$75,000 for the Racial Equity Panel and the position of the Executive Director of Racial Equity.

EXPLANATION: This continues funding into fiscal year 2020 for the purposes described above.

Sec. C.100 FISCAL YEAR 2019 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) \$500,000 is appropriated to the Agency of Digital Services to be allocated as follows:

- (1) \$200,000 for network device upgrades to enhance network safety and;
- (2) \$300,000 for network assessment.

(b) Vermont State Colleges: \$200,000 to be used over two fiscal years by Vermont Technical College to design and pilot a minimum of three Associates Degree Programs to be delivered at a minimum of three technical centers in Vermont. Year one of the Associates Degree is to be concurrent with a student's senior year of high school, so that the Associates Degree can be earned the subsequent year. Design work includes seeking appropriate approvals from accreditors.

Note: this section has also been sent to the House Committee on Commerce & Economic Development.

(c) Agency of Commerce and Community Development: \$540,000 to grant to the Vermont Economic Development Authority to serve as loan reserves to administer a Broadband Expansion Loan Program, providing start-up capital to alternative broadband providers.

(d) The Department of Public Safety: \$200,000 to purchase equipment and items as deemed necessary by the Commissioner to:

- (1) improve the forensic capabilities of the Vermont Forensic Lab;
- (2) update and improve state-wide radio communications;
- (3) improve the training capabilities of the Fire Academy;
- (4) enhance the Department's ability to respond to natural and manmade disasters;
- (5) upgrade equipment for Vermont State Police special teams.

(e) To the Department of Buildings and General Services: \$500,000 for the purpose of installing electric vehicle charging stations at state facilities, and to support the purchase of fully electric vehicles for the State motor pool.

(f) To the Department for Children and Families' Weatherization program: \$500,000 to supplement weatherization efforts.

EXPLANATION: One-time appropriations for fiscal year 2019 to strengthen Vermont's digital infrastructure, protect the general public, establish an associate degree program, invest in electric vehicle infrastructure, and increase weatherization efforts.

Sec. C.101 CALCULATION OF THE FISCAL YEAR 2020 BUDGET STABILIZATION RESERVE
(a) General Fund appropriations in the amount of \$22,200,000 in fiscal year 2019 are exempt from the 2019 General Fund appropriation total used to calculate the budget stabilization requirement for fiscal year 2020 established by 32 V.S.A. § 308.

EXPLANATION: The fiscal year 2019 Budget Adjustment Act included the use of \$22.2M in one-time General Fund revenue to pay in full the OPEB interfund loan to the General Fund. The unique and truly one-time nature of this adjustment to overall fiscal year appropriations of such a magnitude should not be included when determining the fiscal year 2020 contribution to the General Fund budget stabilization reserve.

Sec. C.102 2018 Acts and Resolves (Special Session) No. 11, Sec. D.101, as amended by 2019 Acts and Resolves No. XX, otherwise known as the 2019 Budget Adjustment Act, is further amended to read:

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(5) The full amount of any unencumbered balance in the Education Financial System Fund, established by 32 V.S.A. § 6075a, fund number 21244, shall be transferred to the Education Fund.

EXPLANATION: The Agency of Education requests that the Education Financial System fund be subsumed by the Education Fund. Sec. E.500 of this Act repeals the statute authorizing the creation of the Education Financial System fund.

Note: this section has also been sent to the House Committee on Ways & Means.

Sec. C.103 ADDITIONAL GENERAL FUND PURSUANT TO THE TRANSITION OF STATE HEALTH CARE RESOURCES FUND REVENUES TO THE GENERAL FUND

(a) By transitioning the State Health Care Resources Fund revenue to the General Fund pursuant to 2018 Acts and Resolves No. 11 (Special Session), Section D.108, and further pursuant to 2019 Acts and Resolves No. XX, otherwise known as the fiscal year 2019 Budget Adjustment Act, Sections 7a through 7k, the Emergency Board's adoption of the projected revenue upgrade to the State Health Care Resources Fund for fiscal year 2019 will result in an additional \$4,921,779 available to the General Fund in fiscal year 2019.

EXPLANATION: General Fund operating statement reflects the additional revenue, which presents a General Fund available revenue above the current official forecast.

Sec. C.104. 2018 Acts and Resolves No. 11 (Special Session), Sec. D.101 is amended to read:

(a) Notwithstanding any other provision of law, the following amounts are transferred from the funds indicated:

(5) From the General Fund to the Connectivity Fund established pursuant to 30 V.S.A. § 7516: \$955,000.

(A) The amount transferred pursuant to this subpart (5) shall be for the sole purpose of funding grants through the Connectivity Initiative as provided in 30 V.S.A. §7515b(b). These monies shall not be subject to the distribution requirements of 30 V.S.A. §7511(a)(1)(A)-(D).

(6) From the General Fund to the ThinkVermont Innovation Fund: \$45,000.

(A) The amount transferred pursuant to this subpart (6) shall be for funding technical assistance grants for connectivity projects.

(7) From the General Fund to Emergency Relief Assistance Fund: \$948,271.

EXPLANATION: Includes General Fund transfers for additional funds to support the Connectivity Initiative. Provides anticipated cash flow needs for the Emergency Relief Assistance Fund into late fiscal year 2019 and early fiscal year 2020.

Sec. C.104.1 3 V.S.A. Sec. 2471e is added to read:

There is created a special fund to be called the “Think Vermont Innovation Fund.” The Fund shall comprise monies appropriated by the General Assembly. The Fund shall be used to provide technical assistance grants to Vermont communities planning broadband projects.

EXPLANATION: Establishes a dedicated special fund for the purpose of providing technical assistance grants to Vermont communities considering the implementation or expansion of broadband infrastructure. Creation of a special fund enhances the ability to implement a granting cycle that may cross over multiple fiscal years.

Sec. C.105. GENERAL FUND RESERVES AND CARRY FORWARD

(a) Notwithstanding 32 V.S.A. Sec. 308c, \$8,329,947 of undesignated and unreserved General Fund surplus at the close of fiscal year 2019 shall be reserved in the General Fund and carried forward into fiscal year 2020 to be used during fiscal year 2020 for General Fund appropriations.

(1) Of the amount carried forward into fiscal year 2020 in subsection (a), \$2,400,000 is intended to support the appropriation in Sec. B.515 of the fiscal year 2020 Big Bill for the purpose of pre-funding Retired Teachers’ Health Care and Medical Benefits at the earliest possible date.

EXPLANATION: As part of the fiscal year 2019 BAA, \$8,329,947 will carry forward into fiscal year 2020 to be used for appropriations in fiscal year 2020.

Sec. C.106. 10 V.S.A. § 219(d) is amended to read:

(d) In order to ensure the maintenance of the debt service reserve requirement in each debt service reserve fund established by the Authority, there may be appropriated annually and paid to the Authority for deposit in each such fund, such sum as shall be certified by the Chair of the Authority, to the Governor, the President of the Senate, and the Speaker of the House, as is necessary to restore each such debt service reserve fund to an amount equal to the debt service reserve requirement for such fund. The Chair shall annually, on or about February 1, make, execute, and deliver to the Governor, the President of the Senate, and the Speaker of the House, a certificate stating the sum required to restore each such debt service reserve fund to the amount aforesaid, and the sum so certified may be appropriated, and if appropriated, shall be paid to the Authority during the then current State fiscal year. The principal amount of bonds or notes outstanding at any one time and secured in whole or in part by a debt service reserve fund to which State funds may be appropriated pursuant to this subsection shall not exceed ~~\$175,000,000.00~~ \$181,000,000, provided that the foregoing shall not impair the obligation of any contract or contracts entered into by the Authority in contravention of the Constitution of the United States.

EXPLANATION: Required statutory change related to the proposed Broadband Expansion Loan Program.

Sec. C.107 30 V.S.A § 8064(a)(1) is amended to read:

(a)(1) The Authority may issue its negotiable notes and bonds in such principal amount as the Authority determines to be necessary to provide sufficient funds for achieving any of its corporate purposes, including the payment of interest on notes and bonds of the Authority, establishment of reserves to secure the notes and bonds including the reserve funds created under section 8065 of this title, and all other expenditures of the Authority incident to and necessary or convenient to carry out its corporate purposes and powers. However, the bonds or notes of the Authority outstanding at any one time shall not exceed ~~\$40,000,000.00~~ \$34,000,000. No bonds shall be issued under this section without the prior approval of the Governor and the State Treasurer or their respective designees. In addition, before the Authority may

initially exercise its bonding authority granted by this section, it shall submit to the Emergency Board of the State a current business plan, including an explanation of the bond issue or issues initially proposed.

EXPLANATION: Required statutory change related to the proposed Broadband Expansion Loan Program.

Sec. C.108. ELECTRIC VEHICLE PURCHASE AND LEASE INCENTIVE

(a) Up to \$1,500,000 of any amount remaining in the AG-Fees & Reimbursements-Court Order fund number 21638 after satisfying the transfer of \$2,000,000 to the General Fund pursuant to 2018 Acts and Resolves No. 11 (Special Session), Sec. D.101(b)(2), and attributable to the Volkswagen settlement, may be used to implement an electric vehicle purchase and lease incentive for Vermont residents to be administered by the Agency of Transportation.

(1) Commensurate with any amount of funds pursuant to subsection (a), a one-time appropriation shall be created for the Agency of Transportation.

EXPLANATION: Creation of an electric vehicle purchase and lease incentive with contingent funding. The incentive would be needs-based using the Median Household Income at or below 140%.

* * * Computer System Modernization Fund * * *

Sec. C.109. 2007 Acts and Resolves No. 65, Sec. 282, as amended by 2011 Acts and Resolves No. 63, Sec. C.103, as amended by 2013 Acts and Resolves No. 1, Sec. 65, as amended by 2014 Acts and Resolves No. 95, Sec. 62, as amended by 2018 Acts and Resolves No. 87, Sec. 47, as amended by 2018 Acts and Resolves No. 11 (Special Session), Sec. E.111.1 is further amended to read:

Sec. 282. TAX COMPUTER SYSTEM MODERNIZATION FUND

(a) Creation of fund.

(1) There is established the Tax Computer System Modernization Special Fund to consist of:

* * *

(C) ~~The~~ Forty percent of the incremental tax receipts received as a direct result of the implementation of the integrated tax system beginning in calendar year 2014, including any additional data warehouse modules. The Commissioner of Finance and Management shall approve baseline tax receipts in order to measure the increment from the new integrated tax system.

(2) Balances in the Fund shall be administered by the Department of Taxes and used for the exclusive purposes of funding: A) ancillary development of information technology systems necessary for implementation and continued operation of the data warehouse project; B) payments due to the vendor under the data warehouse project contract; C) enhanced compliance costs related to the data warehouse project; D) planning for an integrated tax system solution, including present-day analysis of business case and business requirements, requests for proposals and due diligence; E) implementation of tax types, including new tax types, and any additional data warehouse modules into the selected integrated tax system solution; F) a micro-simulation model for use by the Department of Taxes and the Joint Fiscal Office, and the data maintenance costs related to the model; ~~and~~ G) implementation of an ancillary scanning system to enhance the operation of tax types incorporated into the integrated tax system solution; and H) planning for and implementation of education property tax grand list management software, including present-day analysis of business case and business requirements, requests for proposals and due diligence. All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund. Interest earned by the Fund shall be deposited into the Fund. This Fund is established in the State Treasury pursuant to 32 V.S.A. chapter 7, subchapter 5.

* * *

(c) ~~Transfer.~~

~~(1) Twenty percent of the tax receipts received pursuant to subdivision (a)(1)(A) of this section after payment to the vendor under the data warehouse contract shall be transferred to the General Fund~~

~~annually for the duration of that contract. Thereafter, 20 percent of the tax receipts received pursuant to subdivision (a)(1)(A) shall be transferred to the Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer System Modernization Fund.~~

~~(2) Twenty percent of the incremental tax receipts calculated pursuant to subdivision (a)(1)(C) shall be transferred to the Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer Modernization Fund. [Repealed.]~~

* * *

Note: this section has also been sent to the House Committee on Ways & Means.

Sec. C.110. SPECIAL FUND APPROPRIATIONS FOR TAX COMPUTER SYSTEMS

(a) \$10,000,000 is appropriated to the Department of Taxes from the Tax Computer System Modernization Special Fund established pursuant to 2007 Acts and Resolves No. 65, Sec. 282, as amended by 2011 Acts and Resolves No. 63, Sec. C.103, as amended by 2013 Acts and Resolves No. 1, Sec. 65, as amended by 2014 Acts and Resolves No. 95, Sec. 62, as amended by 2018 Acts and Resolves No. 87, Sec. 47, as amended by 2018 Acts and Resolves No. 11 (Special Session), Sec. E.111.1, and as further amended by Sec. X4 of this act. This appropriation shall carry forward through fiscal year 2022.

EXPLANATION: Statutory amendments to change the distribution of Tax Computer Modernization Special Fund receipts, as well as session law establishing spending authority for the Tax Department. As a result, 60% of incremental tax receipts will go to the source fund (e.g., GF or other) versus the current 20%.

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 \$9,804,840 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 \$9,804,840 from the property transfer tax and surcharge established by 32 V.S.A. § 9602a that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(A)The dedication of \$2,500,000 in revenue from the property transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the affordable housing bond (10 V.S.A. § 314) is to be offset by the reduction of \$1,500,000 in the appropriation to the Vermont Housing and Conservation Board and \$1,000,000 from the surcharge established by 32 V.S.A. § 9602a. The FY 2020 appropriation of \$9,804,840 to VHCB reflects the \$1,500,000 reduction. The affordable housing bond and related property transfer tax and surcharge provisions are repealed after the life of the bond on July 1, 2039. Once the bond is retired, the \$1,500,000 reduction in the appropriation to VHCB is intended to be restored.

(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: This language remains unchanged from the 2018 Act and Resolves (Special Session) No. 11, Sec. D.100.

Sec. D.101 FUND TRANSFERS, REVERSIONS, 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 Next Generation Initiative Fund established by 16 V.S.A. § 2887: \$2,315,990.

EXPLANATION: Transfer funds to the Next Generation Fund for the purposes proposed in the fiscal year 2020 budget and reflects using Education Funds for one-hundred percent of Flexible Pathways programs.

Note: this section has also been sent to the House Committee on Commerce & Economic Development.

(2) From the General Fund to the Environmental Contingency Fund established by 10 V.S.A. § 1283: \$317,000.

EXPLANATION: Transfer funds to the Environmental Contingency Fund in order to pay the annual loan installment to the Drinking Water State Revolving Loan Fund via Sec. E.711 of this Act.

(3) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. §4803: \$3,385,000.

EXPLANATION: Transfer from the Clean Water Fund to the Agricultural Water Quality Special Fund. Transfer includes funding for grants and staff and operating costs.

(4) From the Clean Water Fund established by 10 V.S.A. §1388 to the Lakes in Crisis Special Fund created under 10 V.S.A. §1315: \$50,000.

EXPLANATION: Transfer from the Clean Water Fund to the Lakes in Crisis Special Fund. Transfer includes funding for grants, and staff and operating costs.

(5) 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: \$423,966.

EXPLANATION: Standard annual transfer to support the program at the Agency of Commerce and Community Development.

(6) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 1f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. Sec. § 951a for funding fiscal year 2021 transportation infrastructure bonds debt service: \$2,502,613.

EXPLANATION: This transfer funds the pre-payment of FY 2020's TIB debt service. The terms of the TIB do not allow the use of TIB revenues on a pay-go basis until the debt service is reserved; this pre-payment allows pay-go revenues to be expended on projects beginning July 1, 2019. Last year's big bill had a similar transfer to fund FY 2019 TIB debt service.

(7) Notwithstanding 2016 Acts and Resolves No. 172, Section E. 228, all or a portion of the unencumbered balances in the Insurance Regulatory and Supervision Fund (Fund Number 21075), the Captive Insurance Regulatory and Supervision Fund (Fund Number 21085), and the Securities Regulatory and Supervision Fund (Fund Number 21080) expected to be approximately \$29,955,763 shall be transferred to the General Fund, provided that on or before July 1, 2019, the Commissioner of Financial Regulation certifies to the Joint Fiscal Committee that the transfer of such balances, or any smaller portion deemed proper by the Commissioner, will not impair the ability of the Department in fiscal year

2020 to provide thorough, competent, fair, and effective regulatory services, or maintain accreditation by the National Association of Insurance Commissioners; and that the Joint Fiscal Committee does not reject such certification.

EXPLANATION: In past years, the Direct Application from the Department of Financial Regulation (DFR) was considered a part of the Administration’s overall fiscal plan. In the interest of transparently demonstrating the Administration’s intention to use DFR funding, the amount for fiscal year 2020 is included above, inclusive of recommended changes to DFR’s fees.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2020:

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

<u>22005</u>	<u>AHS Central Office earned federal receipts</u>	<u>6,474,593.00</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>1,805,000.00</u>
<u>62100</u>	<u>Unclaimed Property Fund</u>	<u>1,305,143.00</u>
	Caledonia Fair	5,000.00
	<u>North Country Hospital Loan</u>	<u>24,250.00</u>

(2) An amount estimated to be \$2,000,000 shall be transferred from the following fund to the General Fund in FY 2020:

21638 AG-Fees & reimbursement – Court order

(3) An amount estimated to be \$2,032,817 shall be transferred from the following fund to the General Fund in FY 2020:

21928 Secretary of State Services Funds

EXPLANATION: FY 2020 estimated direct applications to the General Fund.

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2020:

(1) The following amounts shall revert to the General Funds from the Accounts indicated:

<u>1210001000</u>	<u>Legislative Council</u>	<u>75,000.00</u>
<u>1210002000</u>	<u>Legislature</u>	<u>175,000.00</u>
<u>1220000000</u>	<u>Joint Fiscal Office</u>	<u>30,000.00</u>

EXPLANATION: FY 2020 estimated reversion to the General Fund

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 2019 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. Sec. 435a. shall remain for appropriation in fiscal year 2020.

EXPLANATION: Annual language.

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 2020 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2020 is not negative shall be transferred in fiscal year 2020 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

EXPLANATION: Annual language.

Section D.104: 32 V.S.A. § 308b is amended to read:

(c) The Human Services Caseload Reserve shall contain two sub-accounts:

(1) A sub-account for incurred but not reported Medicaid expenses. Each year beginning with fiscal year 2020, the Department of Finance and Management shall adjust the amount reserved for incurred but not reported Medicaid expenses to equal the amount specified in the most recently completed Comprehensive Annual Financial Report as of June 30th of the prior fiscal year for the estimated amount of incurred but not reported Medicaid expenses associated with the current Medicaid Global Commitment waiver.

EXPLANATION: This language makes a technical change to allow for the transfer to occur at the beginning of any fiscal year, as the CAFR for the prior fiscal year is not completed until December of the subsequent fiscal year.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following permanent classified positions is authorized in fiscal year 2020:

(1) In the Department of Children and Families' Family Services Division – nineteen (19) positions as follows, which shall be transferred and converted from existing vacant positions in the Executive Branch and shall not increase the total number of authorized State positions, as defined in Section A.107 of this Act:

(A) Thirteen (13) Family Services Workers;

(B) Two (2) Family Services Supervisors;

(C) Three (3) Resource Coordinator positions;

(D) One (1) Assistant Attorney General to fill the position of a Staff Attorney III.

EXPLANATION: Repurposes nineteen (19) existing positions as part of the Family Services initiative.

Sec. E.101 ADDITIONAL GENERAL FUND PURSUANT TO THE TRANSITION OF STATE HEALTH CARE RESOURCES FUND REVENUES TO THE GENERAL FUND

(a) By transitioning the State Health Care Resources Fund revenue to the General Fund pursuant to 2018 Acts and Resolves No. 11 (Special Session), Section D.108, and pursuant to Sections. XX – XX of 2019 Acts and Resolves No. XX, also known as the fiscal year 2019 Budget Adjustment Act, the Emergency Board's adoption of the projected revenue upgrade to the State Health Care Resources Fund for fiscal year 2020 will result in an additional \$2,909,970 available to the General Fund in fiscal year 2020.

EXPLANATION: General Fund operating statement reflects the additional revenue, which presents a General Fund available revenue above the current official forecast.

Sec. E.102 2015 Acts and Resolves No. 58, Sec. E.112 is amended to read:

(b) Notwithstanding any provision of Title 30 of the Vermont Statutes Annotated, Public Service Board order, or other provision of law to the contrary:

(1) The Department and Efficiency Vermont (EVT) shall augment the Program for a preliminary period of ~~four~~ eight years commencing in fiscal year 2016 under which EVT shall provide the Department with support for the Program to deliver cost-effective energy efficiency and conservation measures to State buildings and facilities. The Department and EVT may agree to continue conducting this

augmented Program in subsequent fiscal years, after considering recommendations for improvement based on evaluation of the preliminary period.

(2) In addition to the requirements of subdivision (1) of this section, the project shall include provision by EVT of support for personnel to implement the Program during fiscal years 2016 to ~~2019~~ 2023.

(B) Under this subdivision (2), EVT shall provide up to \$290,000 during fiscal year 2016. For the remaining ~~three~~ eight fiscal years, EVT shall provide an additional amount sufficient to support annual salary and benefit adjustments. These funds shall be received in the Facilities Operations Fund established in 29 V.S.A. § 160a, and may be spent using excess receipts authority.

(3) The Public Service Board shall adjust any performance measures applicable to EVT to recognize the requirements of this section.

(c) The Department and EVT shall execute a new or amended memorandum of understanding to implement this section, which shall include targets for future energy savings, a process for determining how savings targets are met, and details of EVT's commitment for personnel over a ~~four~~ eight-year time period.

(d) On or before October 1 of each year commencing in 2016 and ending in ~~2019~~ 2023, the Department and EVT shall provide a joint report on the implementation of this section.

(5) The report to be submitted in 2019 and in 2023 shall contain an evaluation of the Program authorized under this section and any resulting recommendations, including recommendations related to Program continuation beyond 2023.

EXPLANATION: Required amendments to corresponding session law in order to reauthorize the program for an additional four years. Three associated positions at BGS in the Office of Energy, one permanent and two limited service, will be funded for an additional four years through Efficiency Vermont.

EXPLANATION: Cruiser camera purchases were completed leaving an appropriation balance of \$561,782 during fiscal year 2019. However, body camera data storage costs were determined to be prohibitive. Therefore, the Department of Public Safety requested as part of its fiscal year 2019 Budget Adjustment Act submission to use the remaining appropriation's balance for the purchase of other needed law enforcement safety equipment including the implementation of less lethal weapon options based on an independent review commissioned by the Vermont State Police. This change further amends session law to allow the use of these funds for any associated investments necessary for oral fluids testing.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, \$15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

EXPLANATION: This is annual language that covers administrative costs for the current use program software.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2020, investment fees shall be paid from the corpus of the Fund.

EXPLANATION: Annual language allowing investment fees to be paid from the fund, instead of from the FY 2020 state contribution charged to the departments of State government.

Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

(a) Of the appropriation in Sec. B.139 of this act, \$9,000 shall be transferred to the Attorney General and \$70,000 shall be transferred to the Department of Taxes, Division of Property Valuation and Review and reserved and used with any remaining funds from the amount previously transferred for final payment of expenses incurred by the Department or towns in defense of grand list appeals regarding the reappraisals of the hydroelectric plants and other property owned by TransCanada Hydro Northeast, Inc. and its successor Great River Hydro, LLC in the State of Vermont. Expenditures for this purpose shall be considered qualified expenditures under 16 V.S.A. § 4025(c).

EXPLANATION: Annual language that appropriates funding to support towns' litigation cost for the "Great River Hydro, LLC" (formerly "TransCanada Northeast") project.

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. Payments in lieu of taxes under this section shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

EXPLANATION: Annual language clarifying that these payments are in addition to, and separate from, those appropriated elsewhere in the Act for the city of Montpelier and correctional facilities.

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.

EXPLANATION: Clarifies that the Montpelier PILOT payment is to come from the PILOT special fund. Standard language.

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.

EXPLANATION: Clarifies that the correctional facilities payment is to come from the PILOT special fund. Standard language.

* * * 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), \$1,390,500 is appropriated in Sec. B.200 of this act.

EXPLANATION: Same provisions as in fiscal year 2019.

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.

EXPLANATION: Same provisions as in fiscal year 2019.

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.

EXPLANATION: Same provisions as in fiscal year 2019.

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.

EXPLANATION: Same provisions as in fiscal year 2019.

Sec.E.215 Military – Administration

(a)The amount of \$1,426,718 shall be disbursed to the VSAC for the National Guard Tuition Benefit Program established in 16 VSA Sec 2856 and Sec. 2857. Of this amount, \$1,276,718 shall be general funds appropriated in Section B.215, and \$150,000 shall be Next Generation special funds, as appropriated in Section B.1100(a)(3)(B) of this act.

EXPLANATION: Increase in the National Guard Tuition Benefit Program. The funding for Next Gen. remains level with fiscal year 2019.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, \$1,000 shall be used for continuation of the Vermont Medal Program; \$4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; \$7,500 shall be used for the Veterans' Day parade; \$5,000 shall be 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.

EXPLANATION: Language and amount same as in FY 2019, with the exception of making no additional contribution to Armed Services Scholarship Fund.

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 \$49,253 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.

EXPLANATION: Same provisions as in fiscal year 2019, amount updated to reflect the total cost of the position.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of \$594,000 in general funds is appropriated for expenditure by the Working Lands Enterprise Board established in 6 V.S.A. § 4606 for investments in food and forest system businesses and services providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

EXPLANATION: The appropriation for the Working Lands program is maintained with grant-making focused on creating and maintaining jobs, increasing sales, enhancing efficiency, expanding markets, and training the workforce that Vermont's businesses need to succeed.

Sec. E.233 30 V.S.A. § 22(c) is amended to read:

(c) Of the revenue deposited into the special fund for the maintenance of engineering and accounting forces, ~~40~~ 35 percent shall be allocated to the Public Utility Commission and ~~60~~ 65 percent shall be allocated to the Department of Public Service.

EXPLANATION: A redistribution of proceeds from the "Gross Receipts Tax" is proposed by the fiscal year 2020 budget in order to sustainably fund the Department of Public Service.

* * * HUMAN SERVICES * * *

Sec. E.300 CONTINGENCY FUNDING FOR THE ACO CLAIMS TAIL

(a) In the event that costs are incurred during fiscal year 2020 specifically attributable to the Medicaid claims tail for beneficiaries within the Accountable Care Organization, and that exceed available statewide Global Commitment appropriations, commensurate matching funds may be used from the AHS Non-budgeted Revenue account and associated Global Commitment spending authority may be adjusted accordingly to accommodate anticipated gross expenditures.

EXPLANATION: If costs associated with the ACO Claims Tail exceed gross Global Commitment revenue as recommended by the Medicaid Consensus Forecast process, and as adopted by the Emergency Board for fiscal year 2020, then AHS may use funds from the AHS Non-budgeted Revenue account as state matching funds, and the necessary gross Global Commitment spending authority may be commensurately adjusted.

Sec. E.300.1 TRANSITION OF STATE HEALTH CARE RESOURCES FUND REVENUES TO THE GENERAL FUND

(a) The Department of Finance and Management shall report the total statewide revenues received from each of the following revenue sources both historically and prospectively and compare those amounts to the total amount of State fund sources appropriated in Sec. B.301, as amended by the Budget Adjustment Act for fiscal year 2019:

- (1) all revenue from cigarette and tobacco products taxes levied pursuant to 32 V.S.A. chapter 205;
- (2) all revenue from health care provider assessments pursuant to 33 V.S.A. chapter 19, subchapter 2;
- (3) all revenue from the employer health care premium contribution pursuant to 21 V.S.A. chapter 25;
- and
- (4) all revenue from health care claims assessments pursuant to 32 V.S.A. § 10402.

(b) The State agency or department to which the revenue is remitted shall maintain the same level of accounting detail for each of the revenue sources listed in subdivisions (a)(1)–(4) of this section as was maintained prior to July 1, 2020.

EXPLANATION: This will provide the reporting of revenues to the General Fund previously attributable to the State Health Care Resources Fund.

Sec. E.300.2 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2020 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

EXPLANATION: Same language as FY 2019 (2018 SS Act 11 Sec. E.300.1), FY 2018 (2017 Act 85 Sec. E.300), FY 2017 (2016 Act 172 Sec. E.300), FY 2016 (2015 Act 58, Sec. E. 300) and FY 2015 (2014 Act 179 Sec. E.300). 2013 Act 50 Sec.D.104 requires the tobacco settlement funds withheld to be deposited in the Tobacco Trust Fund.

Sec. E.300.3 FUNDING FOR THE OFFICE OF THE HEALTH CARE ADVOCATE

(a) Of the funds appropriated in Sec. B.300 of this act, \$1,457,406 shall be used for the contract with the Office of the Health Care Advocate.

EXPLANATION: Pursuant to 2015 Act 54 Sec 53(c)

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 \$26,348,983 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$23,295,650 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$27,204,350 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of \$50,500,000. 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) \$3,053,333 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

EXPLANATION: Amounts updated to reflect fiscal year 2020 estimates.

Sec. E.301.1 Secretary's office – Global Commitment

(c) Up to \$15,400,000 is transferred from the AHS Federal Receipts Holding Account to the Interdepartmental Transfer Fund consistent with the amount appropriated in Section B.301 – Secretary's Office – Global Commitment of this Act.

EXPLANATION: Language is required to clarify the source of IDT funds in the AHS Global Commitment appropriation as proposed in the fiscal year 2020 budget.

Sec. E.301.2 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT

(a) In order to facilitate the end-of-year closeout for fiscal year 2020, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2020 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of

the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

EXPLANATION: Medicaid services are included in numerous appropriations within AHS, and outside of AHS. While best efforts are made to accurately project expenditures in each appropriation in the Big Bill, and refined again in the BAA, there is always a need at the end of the year to true-up to actual expenditures and activities. The JFC reporting requirement ensures that the legislature is aware of these adjustments.

Sec. E.306 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding health care eligibility and enrollment and the operation of the Vermont Health Benefit Exchange to state and federal law and guidance. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2020, but only in the event that new state or federal law or guidance require Vermont to amend or adopt its rules in a time frame that cannot be accomplished under the traditional rulemaking process. An emergency rule adopted under these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

EXPLANATION: In the event that changes in either State or Federal law should necessitate changes to rules governing the Health Exchange, emergency rule making authority would be permitted.

Sec. E.306.1 HEALTH CLAIMS TAX

2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017 Acts and Resolves No. 73, Sec. 14, and 2018 Acts and Resolves No. 187, Sec. 5, is further amended to read:

(10) Secs. 48-51 (health claims tax) shall take effect on July 1, 2013 and 52 and 53 (health claims tax revenue; Health IT-Fund; sunset) shall take effect on July 1, 2019 2020.

EXPLANATION: To not allow the sunset of the Health Claims tax.

Sec. E.306.2 2017 Acts and Resolves No. 73, Section 18d is repealed in its entirety:

~~Sec. 18d. REPEAL~~

~~33 V.S.A. § 1955a (home health agency assessment) is repealed on July 1, 2019.~~

EXPLANATION: To not repeal the Home Health Agency provider tax

Section E.312: Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2020 and as provided in this section, the Department of Health shall provide grants in the amount of \$475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. 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 according to an RFP process.

(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 not 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 2020, 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 syringe exchange programs; 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. Not 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.

(5) In fiscal year 2020, the Department of Health shall provide grants in the amount of \$150,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2020. Grant reporting shall include outcomes and results.

Explanation: This annual language provides guidance to Health and Agency of Human Services about the allocation and administration of funds for HIV/AIDS prevention and services.

Sec. E.316 ECONOMIC SERVICES DIVISION; INNOVATION IN DELIVERY OF SERVICES

(a) For the purpose of exploring innovative approaches to the administration of programs within the Department for Children and Families' Economic Services Division, the Commissioner may authorize pilot programs within specific regions of the State that waive Division rules adopted pursuant to 3 V.S.A. chapter 25 in a manner that does not impact program eligibility or benefits. Temporarily waiving some existing rules for a prescribed period of time shall enable the Division to test innovative ideas for improving the delivery of services with the specific goal of achieving more responsive client services and operational efficiencies.

(b) During fiscal year 2020, the Division may propose pilot programs in accordance with the goals described in subsection (a) of this section to the Commissioner for approval. Each proposal shall outline the targeted service area, efficiencies sought, rules to be waived, duration of the program, and evaluation criteria. Notice shall be given to clients affected by a pilot program and to the chairs of the House Committee on Human Services and Senate Committee on Health and Welfare prior to the commencement of the pilot program, including a description of how benefit delivery will be affected, length of the program, and right to a fair hearing.

(c) On or before January 15, 2020, the Commissioner shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare summarizing the pilot programs implemented pursuant to this section and any findings and recommendations. In the event a particular pilot program is successful at improving the delivery of services to clients, the Commissioner may seek to amend the Division's rules in conformity with the approach used by the pilot program pursuant to 3 V.S.A. chapter 25.

Explanation: ESD is currently implementing pilot programs and needs authorization to continue with these pilot programs in SFY 2020 which is consistent with the original intent of this language. In January of 2019, DCF will report on its findings and recommendations from SFY 18 and 19.

Sec. E.316.1 ECONOMIC SERVICES DIVISION SNAP EDUCATION & TRAINING COST SAVINGS INITIATIVE

(a) Should the proposed use of SNAP Education & Training funds in the Department for Children and Families Administration & Support Services appropriation not produce \$1,484,913 in General Fund

savings, the Agency of Human Services shall otherwise commit to achieving the same amount in annual General Fund savings.

Explanation: The challenges associated with claiming SNAP E&T funding for TANF-related administrative and program services may not achieve the target level of savings to the General Fund.

Sec. E.317 FAMILY SERVICES INITIATIVE

(a) Of the General Funds appropriated under Section B.317 of this Act, \$2,000,000 is intended to meet staffing needs necessitated by rising caseloads and associated with the positions created under Section E.100(a)(2) of this Act.

Explanation: An initiative to address FSD staffing needs and provide funding to begin to meet the Legislature's mandate of a 12:1 staffing ratio.

Sec. E.318 EARLY CARE AND DEVELOPMENT PROGRAM GRANT

(a) In fiscal year 2020 and thereafter, the Department for Children and Families shall award 70 percent of funds designated for the Early Care and Development Program Grants to center-based child care and preschool programs participating in the Step Ahead Recognition System (STARS) and 30 percent of the designated funds to family child care homes participating in STARS in accordance with the formula described in subsection (b) of this section.

(b) The Department's Child Development Division shall calculate eligibility for Early Care and Development Program Grants on a quarterly basis. In determining eligibility, the Division shall consider:

(1) the percent of enrollees receiving a Child Care Financial Assistance Program (CCFAP) subsidy as compared to a center-based child care and preschool program of a family child care home's licensed capacity at a weight of 70 percent;

(2) the average number of enrollees at a center-based child care and preschool program or family child care home receiving a CCFAP subsidy at a weight of 15 percent; and

(3) the average number of infants and toddlers enrolled in a center-based child care and preschool program or family child care home at a weight of 15 percent.

(c) The Division shall provide Early Care and Development Program Grants to eligible child care and preschool programs or family child care homes as funds allow. Center-based child care and preschool programs or family child care homes receiving Early Care and Development Program Grants shall remain in compliance with the Department's rules, continue participation in STARS, and maintain high enrollment of children receiving a CCFAP subsidy.

Explanation: This language is needed to continue the Early Care and Development Program Grants in SFY 2020.

Note: this section has also been sent to the House Committee on Human Services.

Sec. E.321: GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2020 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The Commissioner for Children and Families may, by policy, provide temporary housing for a limited duration in adverse weather conditions when appropriate shelter space is not available.

Explanation: This language is repeated to be clear that the General Assistance program has continued authority to apply the cold weather exception policy. This language also ensures that when the cold weather exception policy does not apply, the adopted administrative rules still apply and have the force and effect of law.

Sec. E.321.1 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM; COMMUNITY BASED ALTERNATIVES TO GENERAL ASSISTANCE TEMPORARY HOUSING

(a) For fiscal year 2020, the Agency of Human Services may continue to fund housing assistance programs within the General Assistance program to create flexibility to provide General Assistance benefits, as well as grants to support the establishment of community-based alternatives for temporary housing as part of the effort to reduce the number of individuals temporarily housed by the General Assistance program. The purpose of these housing assistance programs and community-based alternatives is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. Eligible activities shall include, among other things, 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 Agency may award grants to homeless and housing service providers for eligible activities. Where such housing assistance programs and grants are provided, and community-based programs are established, the General Assistance rules will not apply. The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The housing assistance and community-based programs may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish goals and procedures for evaluating the program overall, including performance measures that demonstrate program results, 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 housing assistance programs and community-based alternatives to General Assistance temporary housing.

EXPLANATION: Continues language included in fiscal year 2019.

Sec. E.324: 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).

Explanation: This language is repeated each year in the big bill to ensure that eligible families can receive assistance on an expedited basis so that they do not run out of fuel.

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.

Explanation: This language is repeated each year in the big bill to authorize spending on the Housing Opportunity Grant Program (HOP). The amount is level funded from last year.

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.

Explanation: This language is repeated each year in the big bill to authorize spending on the replacement and repair of home heating equipment. The amount is level funded from last year.

Sec. E.335 CORRECTIONS APPROPRIATIONS; TRANSFER; REPORT

(a) In fiscal year 2020, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer unexpended funds between the respective appropriations for correctional services and for correctional services out-of-state beds. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next scheduled meeting.

Explanation: This language provides DOC with flexibility to move general funds between the Correctional Services and Out of State appropriations in fiscal year 2020. Any surplus funding can then be utilized for budget pressures where it is most needed, which has prevented the need for budget adjustment items over the past few years.

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of \$146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Explanation: This language provides DOC with specific funding from the PILOT fund for payments to municipalities.

Sec. E.342 20 V.S.A. Sec. 1716 is amended to read:

~~(11) Report annually on or before July 1 to the Secretary of Administration and the Senate Committee on Appropriations on the number of employees who work at the Vermont Veterans' Home for 16 hours or fewer per week. [REPEALED]~~

EXPLANATION: At the request of the Vermont Veteran's Home, this section should be repealed as the Home does not have employees working fewer than 16 hour per week.

* * * LABOR * * *

Sec. E.400 21 V.S.A. Sec. 711(a) is amended to read:

(a) The Workers' Compensation Administration Fund is created pursuant to 32 V.S.A. chapter 7, subchapter 5 to be expended by the Commissioner for the administration of the workers' compensation program and to cover costs of the occupational disease safety and health programs that are not covered by federal OSHA grants and matching state general fund appropriations. The Fund shall consist of contributions from employers made at a rate of 1.4 percent of the direct calendar year premium for workers' compensation insurance, one percent of self-insured workers' compensation losses, and one percent of workers' compensation losses of corporations approved under this chapter. Disbursements from the Fund shall be on warrants drawn by the Commissioner of Finance and Management in anticipation of receipts authorized by this section.

EXPLANATION: Broadening the use of the WC Admin. fund will allow Labor to use state funds for IT investments otherwise not covered by federal funds.

* * * K-12 EDUCATION * * *

Sec. E.500 32 V.S.A. Sec. 6075a is repealed in its entirety:

~~There is created a special fund to be called the "Education Financial Systems Fund." The purpose of the Fund is to provide for implementation of a uniform chart of accounts by the Agency of Education as~~

~~provided in 2014 Acts and Resolves No. 179, Secs. E.500.2 and E.500.3, and Sec. E.500.1 as amended by 2015 Acts and Resolves No. 58, Sec. E.500.1. [REPEALED]~~

EXPLANATION: Repealed at the Agency of Education's request.

Sec. E.500.1 16 V.S.A. Sec. 4025(b) is amended to read:

(5) To make payments for contracted services to support statewide administrative education systems, including the costs of the statewide school finance and financial management data system to complete the reporting required by 16 V.S.A. § 242(4) and pursuant to 2018 Special Session Act 11, Sec. E.500.1.

Sec. E.500.2 Education – finance and administration

(a) The Global Commitment funds appropriated in this section will be used for physician claims for determining medical necessity of Individualized Education Program (IEPs). It is the goal of these services to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

EXPLANATION: Language that makes clear that Global Commitment funds will be used for appropriate Global Commitment purposes. This language reflects allowable uses under the new 1115 Global Commitment Waiver.

Note: this section has also been sent to the House Committee on Health Care.

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 \$3,764,490 shall be used by the Agency of Education in fiscal year 2020 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).

EXPLANATION: The language establishes how much of the special education funding formula shall be used for 16 V.S.A. Sec 2967(b)(2)-(6).

Note: this section has also been sent to the House Committee on Ways & Means.

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.

EXPLANATION: Same language as in fiscal year 2019.

Sec. E.504.1 16 V.S.A. Sec. 944(f) is amended to read:

(f) Tuition and funding.

2) The State shall pay ~~50~~ 100 percent of the tuition owed to public postsecondary institutions under subdivision (1)(A) of this subsection from the ~~Next Generation Initiative Fund created in section 2887 of this title, and 50 percent from~~ funds appropriated from the Education Fund, notwithstanding subsection 4025(b) of this title.

EXPLANATION: The fiscal year 2020 recommended budget proposes to fund Dual Enrollment one-hundred percent from the Education Fund.

Note: this section has also been sent to the House Committees on Commerce & Economic Development, and Ways & Means.

Sec. E.504.2 Education – flexible pathways

(a) Of this appropriation, \$3,870,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) \$1,700,000 is available for dual enrollment programs notwithstanding 16 V.S.A. § 944(f)(2), and the amount of \$36,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act;

(2) \$100,000 is available to support the Vermont Virtual Learning Cooperative at the River Valley Technical Center School District;

(3) \$200,000 is available for secondary school reform grants; and

(4) \$450,000 is available for the Vermont Academy of Science and Technology and \$1,870,000 for Early College pursuant to 16 V.S.A. § 4011(e).

EXPLANATION: Language ensures that education funds are paid directly to school districts to fund the high school completion program, to help fund the dual enrollment program created in 16 V.S.A Sec 944, and to support distance learning in Vermont schools. The dual-enrollment funding in this section is a partial appropriation and adds to the amount provided through the Next Generation Fund.

Note: this section has also been sent to the House Committee on Ways & Means.

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 \$126,197,389 of which \$120,247,389 shall be the State's contribution and \$5,950,000 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, \$7,116,765 is the "normal contribution," and \$119,080,624 is the "accrued liability contribution."

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), \$31,067,652 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

EXPLANATION: Same language as prior year with updated contribution by the General Fund.

Sec. E.515.1 PREFUNDING OF THE TEACHERS' HEALTH CARE AND MEDICAL BENEFITS FUND

(a) Of the amount appropriated in Sec. B.515 of this Act, \$2,400,000 is intended to pre-fund Retired Teachers' Health Care and Medical Benefits at the earliest possible date.

EXPLANATION: \$2.4M of the appropriation in Sec. B.515 is to be used to begin prefunding the Teachers' OPEB fund.

* * * HIGHER EDUCATION * * *

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) 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 uninsured or underinsured persons, or both, in Vermont and across the nation.

EXPLANATION: Standard language for UVM.

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) 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.

EXPLANATION: Standard language for VSC.

Sec. E.602.1 VERMONT STATE COLLEGES TUITION

(a) Of the amount appropriated in Sec. B.602 of this Act, \$3,000,000 is intended to hold tuition rates level for one year.

EXPLANATION: Initiative to make the VSC system competitive with adjoining states' higher education offerings.

Sec. E.603 Vermont state colleges – allied health

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont State Colleges shall be maintained through the General Fund or other State funding sources.

(b) The Vermont State Colleges shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 315 health care providers annually. These graduates deliver direct, high-quality health care services to Medicaid beneficiaries or uninsured or underinsured persons, or both.

EXPLANATION: Standard language that makes clear the Global Commitment funds will be used for appropriate purposes.

Sec. E.605 Vermont student assistance corporation

(a) 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.

(b) 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.

(c) Of the appropriated amount remaining after accounting for subsections

(a) and (b) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

EXPLANATION: Standard language for VSAC.

Note: this section has also been sent to the House Committee on Ways & Means.

Sec. E.605.1 VSAC NON-DEGREE PROGRAM

(a) Of the appropriation in Sec. B.605 of this Act, \$1,000,000 shall be used for non-degree grants administered by VSAC.

Explanation: Initiative to help make continuing education more affordable for Vermonters.

Sec. E.605.1 (.2) NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of \$72,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) \$36,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need-based stipend purposes).

(2) \$36,000 pursuant to Sec. E.504.1(a)(1) (flexible pathways funds appropriated for dual enrollment and need-based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 946 to be used for the purchase of books, cost of transportation, and payment of fees. VSAC 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.

(c) VSAC shall report on the program to the House Committees on Appropriations and on Commerce and Economic Development and to the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs on or before January 15, 2020.

EXPLANATION: Language transfers money to be used to “need based” dual-enrollment stipends to VSAC and they manage those stipends in conjunction with the Agency of Education.

Note: this section has also been sent to the House Committee on Commerce & Economic Development.

* * * NATURAL RESOURCES * * *

Sec. E. 711 BENNINGTON WATER LINE

(a) The State of Vermont is authorized to take a loan from the Drinking Water State Revolving Fund in an amount not to exceed \$4,700,000. Annual payments on this loan shall be made from the contingency fund established in 10 V.S.A. § 1283. This loan is secured by the full faith and credit of the State of Vermont consistent with the requirements of 24 V.S.A. § 4763c(c).

Explanation: Language authorizing a loan from the Drinking Water State Revolving Loan fund to partially fund construction of a municipal water line in the Town of Bennington. The remainder of needed funding will be paid by Saint-Gobain Performance Plastics. The first annual payment using General Funds will be effectuated by a transfer from the General Fund to the Environmental Contingency Fund via Sec. D.101(a)(2) of the Act.

Sec. E. 711.1 10 V.S.A. § 1283(b) is amended to read:

(6) to pay administrative and field supervision costs incurred by the Secretary or by a municipality at the direction of the Secretary in carrying out the provisions of this subchapter. Annual disbursements, for these costs, to the Department of Environmental Conservation under this subdivision shall not exceed 6.0 percent of the fund balance at the start of the fiscal year; ~~2.0 percent of annual revenues;~~

Explanation: The purpose of this change is to bring ECF administrative fees in line with PCF (Petroleum Cleanup Fund) administrative fees that can be recouped by the DEC.

* * * TRANSPORTATION * * *

Sec. E.915 Transportation – town highway aid program

(a) This appropriation is authorized, notwithstanding the provisions of 19 V.S.A. § 306(a).

EXPLANATION: Standard language. Last occurred in Act 85 of 2017 Sec. E.915.

*** EFFECTIVE DATES ***

Sec. F.100 EFFECTIVE DATES

(a) Notwithstanding 1 V.S.A. § 214, Secs. C.109 and C.110 shall take effect retroactively on January 1, 2019.

(b) This section and Secs. C.100 through C. 108 shall take effect upon passage.

(c) All remaining sections shall take effect on July 1, 2019.