



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON APPROPRIATIONS

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MEMORANDUM

To: Representative Curt McCormack, Chair, House Committee on Transportation

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

Date: January 31, 2020

Subject: Provisions in the Governor's Proposed FY 2021 State Budget

The House Appropriations Committee has started work on the [Governor's Recommended FY 2021 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 21. 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 2021 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 2021. 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, 2020. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2021 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 2021.

(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, 2021.

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 2021, 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 2021, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2020 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 2021 except for new positions authorized by the 2020 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.9999 contain appropriations of funds for the upcoming budget year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

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

(b) The C sections contain any amendments to the current fiscal year and the D sections contain fund transfers and reserve allocations for the upcoming budget year.

Sec. B.1100 FISCAL YEAR 2021 ONE-TIME GENERAL FUND
APPROPRIATIONS

(a) In fiscal year 2021, funds are appropriated from the General Fund as follows:

(1) To the Agency of Education: \$5,376 for per diems for the AOE Census-based advisory group per 2018 Act 173.

(2) To the Agency of Education: \$15,860 for per diems for the AOE Ethnic and Social Equity advisory group per 2019 Act 1.

(3) To the Agency of Agriculture: \$25,000 for Radio Frequency Identification (RFID) livestock ear tags.

(4) To the Agency of Human Services, Department of Children and Families: \$418,620 to provide grants to community organizations to support transition to a community-based emergency housing and shelter system in lieu of the General Assistance Emergency Housing program.

(5) To the Secretary of Administration: \$592,457 for distribution to departments to provide funding for fiscal year 2021 personal services costs as a result of reclassifications and class actions.

(b) In fiscal year 2021, funds are appropriated from the General Fund specific to new initiatives as follows:

(1) To the Agency of Transportation: \$3,000,000 for programs and incentives to foster electric vehicle adoption.

(2) To the Agency of Commerce and Community Development: \$5,850,000 to provide funding for the following initiatives:

(A) \$250,000 to the Department of Tourism and Marketing for economic development marketing;

(B) \$500,000 to the Department of Tourism and Marketing for tourism marketing;

(C) \$250,000 to the Department of Tourism and Marketing for promoting outdoor recreation opportunities, including but not limited to the purchase of Fish and Wildlife licenses and state park visitation;

(D) \$2,000,000 to the Department of Economic Development to serve as capitalization funding for the Battery & Energy storage and research manufacturing sector;

(E) \$250,000 to the Department of Economic Development to implement a heat pump pilot program;

(F) \$1,000,000 to the Department of Economic Development to fund technology based economic development;

(G) \$150,000 to the Department of Housing & Economic Development for Regional Planning Commissions;

(H) \$150,000 to the Department of Housing & Economic Development for Municipal Planning Grants;

(I) \$50,000 to the Department of Housing & Economic Development for the Missing Middle Housing Developer and Landlord Training;

(J) \$250,000 to the Department of Housing & Economic Development for locally supported placemaking projects;

(K) \$1,000,000 to the Department of Housing & Economic Development for the Vermont Housing Incentive Program.

(3) To the Agency of Human Services: \$1,250,000 to provide funding for the following initiatives appropriated as follows:

(A) \$600,000 to the Department of Mental Health to fund a pilot program for Mental Health Mobile Response Units;

(B) \$650,000 to the Department of Children and Families – Child Development Division for specialized childcare transportation services to support the transition to a statewide transportation contract for the Department for Children and Families.

(4) \$750,000 to the Agency of Agriculture, Food and Markets for the Working Lands initiative.

(5) \$100,000 to the Vermont Department of Labor as an initiative to collaborate among community development partners and state agencies.

(6) \$500,000 to the Vermont Student Assistance Corporation for the advancement grant program.

(7) \$500,000 to the Vermont State Colleges for academic support and retention.

(8) \$300,000 to the Public Service Department for the deployment of broadband service pursuant to 2019 Acts and Resolves No. 79.

(9) \$1,000,000 to the Secretary of State for the development of the one-stop shop business portal.

(10) \$1,000,000 to the Vermont Economic Development Authority to create a convertible loan program for capital investment and payroll growth.

(11) \$150,000 to the Vermont Department of Labor for the following initiatives:

(A) \$50,000 to support the development of community-based systems for settling New Americans in partnership with the State Refugee Resettlement Office;

(B) \$100,000 to work with state and community partners to grow the state's workforce by recruiting and retaining New Americans.

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

Sec. B.1101 FISCAL YEAR 2021 ONE-TIME USE OF GENERAL FUND CARRIED FORWARD FROM FISCAL YEAR 2020

(a) \$23,550,231 reserved at the end of fiscal year 2020 to be carried forward into fiscal year 2021 shall be unreserved and used for general fund appropriations in fiscal year 2021.

EXPLANATION: Use of one-time funds carried forward from fiscal year 2020 in order to fund the budgeted one-time appropriations for fiscal year 2021.

Sec. C.101 2019 Acts and Resolves No. 72, Sec. D.101 as amended by Act XX, Sec. XX otherwise known as the Budget Adjustment Act, is further amended to read:

(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:

21923	Historic Property Stab & Rehab	32,917.00
22005	AHS Central Office earned federal receipts	15,874,593.00
50300	Liquor Control Fund	18,370,000.00
<u>50400</u>	<u>Vermont Life Magazine Fund</u>	<u>375,000.00</u>
62100	Unclaimed Property Fund	2,889,512.00
	Caledonia Fair	5,000.00
	North Country Hospital Loan	24,047.30

(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund in fiscal year 2020. The Commissioner of Finance and Management shall report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.

<u>21638</u>	<u>AG-Fees & reimbursement – Court order</u>	<u>2,000,000.00</u>	<u>4,000,000.00</u>
21928	Secretary of State Services Fund		2,032,817.00

(3) In fiscal year 2020, notwithstanding 2016 Acts and Resolves No. 172, Sec. E.228, ~~\$33,104,193~~ \$36,104,193 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) shall be transferred to the General Fund.

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

(4) The following amounts shall revert to the Transportation Fund from the account indicated:

<u>8100002300</u>	<u>Transportation – rail</u>	<u>3,210,893.00</u>
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(5) The following amount shall revert to the Transportation Infrastructure Bond Fund from the account indicated:

<u>8100002300</u>	<u>Transportation – rail</u>	<u>1,402,480.00</u>
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EXPLANATION: *The fiscal year 2021 AoT budget requires the reversions above occur during fiscal year 2020.*

(d) Notwithstanding any provisions of law to the contrary, in fiscal year 2020 the following General Fund reserves shall be made:

(2) The following General Fund amount shall be reserved and carried forward into fiscal year 2021 to be used for general fund appropriations in fiscal year 2021: \$23,550,231

EXPLANATION: This provision reserves and carries forward the General Fund amount above into fiscal year 2021 to be unreserved and used for appropriations pursuant to Sec. B.1102 of the Act.

Sec. C.102 2019 Acts and Resolves No. 72, Sec. C.100(a)(19) is amended to read:

(19) To the Department for Children and Families, Woodside Rehabilitation Center: \$260,000 for costs associated with providing additional clinical support and training ~~transitioning from a treatment facility to a detention facility.~~

EXPLANATION: The above language repurposes a one-time appropriation to be used for providing clinical supports in lieu of the Woodside program.

Sec. C.103 23 V.S.A. Sec. 3513 is amended to read:

(a) The amount of 90 percent of the fees and penalties collected under this chapter, except interest, is allocated to the Agency of Natural Resources for use by the Vermont ATV Sportsman's Association (VASA) for development and maintenance of a Statewide ATV Trail Program, for trail liability insurance, and to contract for law enforcement services with any constable, sheriff's department, municipal police department, the Department of Public Safety, and the Department of Fish and Wildlife for purposes of trail compliance pursuant to this chapter. The Departments of Public Safety and of Fish and Wildlife are authorized to contract with VASA to provide these law enforcement services. The Agency of Natural Resources shall retain for its use up to \$7,000.00 during each fiscal year to be used for administration of the State grant that supports this program.

EXPLANATION: *The above language reinstates \$7,000 previously allocated to the Agency of Natural Resources and utilized by FPR for the State's role in overseeing and administering the statewide ATV trails program.*

Sec. C.104 2019 Acts and Resolves No. 72, Sec. E.504.2(a) is amended to read:

(a) Of this appropriation, ~~\$3,916,000~~^{\$3,026,500} 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:

EXPLANATION: Technical correction to match the FY2020 As Passed budget. This does not represent a policy change or additional funding being allocated in FY2020.

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 \$10,804,840 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 \$10,804,840 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 2021 appropriation of \$10,804,840 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 Digital Services for the Vermont Center for Geographic Information.

EXPLANATION: This language remains unchanged from the 2019 Act and Resolves No. 72, 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 Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. §4803: \$4,027,999.

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

(2) 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.

(3) 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.

(4) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. Sec. § 951a for funding fiscal year 2022 transportation infrastructure bonds debt service: \$2,505,863.

EXPLANATION: This transfer funds the pre-payment of FY 2022'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 PAYGO revenues to be expended on projects beginning July 1, 2020. Last year's big bill had a similar transfer to fund FY 2020 TIB debt service.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2021:

(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>20,740,000.00</u>
<u>62100</u>	<u>Unclaimed Property Fund</u>	<u>1,297,750.00</u>
	<u>Caledonia Fair</u>	<u>5,000.00</u>
	<u>North Country Hospital Loan</u>	<u>24,047.00</u>

(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund. The Commissioner of Finance and Management shall

report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.

<u>21638</u>	<u>AG-Fees & reimbursement – Court order</u>	<u>2,000,000.00</u>
<u>21928</u>	<u>Secretary of State Services Funds</u>	<u>2,467,898.00</u>

EXPLANATION: FY 2021 estimated direct applications to the General Fund.

(3) Notwithstanding 2016 Acts and Resolves No. 172, Section E, 228, \$38,218,350 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) shall be transferred to the General Fund.

EXPLANATION: The Direct Application from the Department of Financial Regulation (DFR) for fiscal year 2021.

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2021:

(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>

EXPLANATION: FY 2021 estimated reversions to the General Fund.

(d) Notwithstanding any provisions of law to the contrary, in fiscal year 2021 the following estimated General Fund reserves shall be made:

(1) Pursuant to 32 V.S.A. § 308, and estimated amount of \$2,943,778 shall be reserved in the General Fund Budget Stabilization Reserve.

EXPLANATION: FY 2021 estimated contribution to the Budget Stabilization Reserve based on the Governor’s Recommended BAA and as amended by this Act.

Sec. D.102 CONTRIBUTION TO THE 27/53 RESERVE

(a) \$1,850,000 general fund shall be reserved in the 27/53 reserve in fiscal year 2021. This action is the fiscal year 2021 contribution to the reserve for the 53rd week of Medicaid as required by 32 V.S.A. Sec. 308e.

Sec. D.103 32 V.S.A. Sec. 308c is amended to read:

(a) There is hereby created within the General Fund a General Fund Balance Reserve, also known as the "Rainy Day Reserve." After satisfying the requirements of section 308 of this title, and after other reserve requirements have been met, any remaining unreserved and undesignated end of fiscal year General Fund surplus shall be reserved in the General Fund Balance Reserve. The General Fund Balance Reserve shall not exceed five percent of the appropriations from the General Fund for the prior fiscal year without legislative authorization.

~~(1)~~ (1) Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 50 percent of any such funds shall be reserved as necessary and transferred from the General Fund to the Vermont State Employees' Postemployment Benefits Trust Fund established by 3 V.S.A. § 479a.

(2) Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 25 percent shall be transferred to the Weatherization Fund created pursuant to 33 V.S.A. Sec. 2501.

EXPLANATION: Proposed language to direct a portion of any unreserved and undesignated end of fiscal year surplus to the Weatherization Fund. Additional funding for the Weatherization Fund may be used for supplementary investments consistent with its statutorily intended use.

Sec. D.104. 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 (Sp.Sess.) Acts and Resolves No. 11 Sec. E.111.1, as amended by 2019 Acts and Resolves No. 6, Sec.102 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) Thirty 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. An amount not to exceed two percent of the total revenue collected from billed and offset liabilities made by the Department of Taxes.~~

(d) [Repealed]

EXPLANATION: The above language modifies the amount of incremental tax receipts accruing to the Tax Computer System Modernization Special Fund not to exceed 2% of total collections.

Sec. D.105 2019 Acts and Resolves No. 72, Sec. C. 115 (SPECIAL FUND APPROPRIATION FOR TAX COMPUTER SYSTEMS) is amended to read:

(a) In fiscal year 2019, \$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 (Sp. Sess.) Acts and Resolves No. 11, Sec. E.111.1, and as further amended by 2019 Acts and Resolves No. 6, Sec. 102. This appropriation shall carry forward through fiscal year ~~2022~~ 2025.

EXPLANATION: This language extends the sunseting of the appropriation.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITIONS

(a) The establishment of the following permanent classified positions is authorized in fiscal year 2021 and 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:

(1) In the Department of Children and Families' Family Services Division – three (3) positions as follows.

(A) One (1) Family Services Operations Director;

(B) Two (2) Family Services Supervisors.

(2) In the Department of Buildings and General Services' Planning and Property Management Division - One (1) position as follows.

(A) One (1) Maintenance Mechanic II.

(3) In the Agency of Agriculture, Food and Markets' Clean Water Division – Two (2) positions as follows.

(A) Two (2) Water Quality Specialist II positions.

EXPLANATION: Repurposes existing positions as detailed above.

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.130 32 V.S.A. § 168 is amended to read:
Single Audit Revolving Fund

A Single Audit Revolving Fund is established within the State Treasury, to be administered by the Auditor of Accounts, from which payments may be made for the costs of audits performed pursuant to subdivisions 163(1), ~~163(2), 163 and (9), and 5404a(1)~~ of this title and 24 V.S.A. § 290b. All monies received from charges made for audit services under the provisions of subsection (b) of this section and sums which may be appropriated to the Fund shall be deposited in the Fund. Any balance remaining in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund.

The Auditor of Accounts shall charge the State department, agency, commission, instrumentality, political subdivision, or State-created authority audited for the direct and indirect costs of an audit performed pursuant to subdivisions 163(1), ~~163(2), 163 and (9), and 5404a(1)~~ of this title and 24 V.S.A. § 290b. Costs shall be determined by the Auditor of Accounts and costs associated with subdivisions 163(1), 163(2), 163(9) shall be approved by the Secretary of Administration.

EXPLANATION: These changes add 32 V.S.A. § 163(2), audits of state disbursements to, e.g., municipalities, school supervisory unions, school districts or counties; 32 V.S.A. § 5404(1), performance audits of TIF districts; and 24 V.S.A. § 290b, audits of sheriff's departments; to the allowable uses of the Single Audit Revolving Fund (SARF). All audit costs will be in the SARF, giving a complete financial picture of audit activity and simplifying budgeting and back office accounting. Costs for auditing state entities will continue to be approved by the Sec. of Admin prior to the Auditor's Office billing those entities.

Sec. E.130.1 32 V.S.A. § 5404a is amended to read:
Tax stabilization agreements; tax increment financing districts

(l) The State Auditor of Accounts shall conduct performance audits of all tax increment financing districts according to a schedule, which will be arrived at in consultation with the Vermont Economic Progress Council. The cost of conducting each audit shall be considered a "related cost" as defined in 24 V.S.A. § 1891(6) and shall be billed back to the municipality pursuant to subdivision 168(b) of this title. Audits conducted pursuant to this subsection shall include a review of a municipality's adherence to relevant statutes and rules adopted by the Vermont Economic Progress Council pursuant to subsection (j) of this section, an assessment of record keeping related to revenues and expenditures, and a validation of the portion of the tax increment retained by the municipality and used for debt repayment and the portion directed to the Education Fund.

Sec. E.130.2 24 V.S.A. § 290b is amended to read:
Audits

(c) The Auditor of Accounts and his or her designee may at any time examine the records, accounts, books, papers, contracts, reports, and other materials of the county sheriff departments as they pertain to the financial transactions, obligations, assets, and receipts of that department. The Auditor, or his or her designee, shall conduct an audit of the accounts for a sheriff's department whenever the incumbent sheriff leaves office-, and the auditor shall charge for the costs of the report pursuant to subdivision 168(b) of title 32.

(d) Annually, each sheriff shall furnish the Auditor of Accounts on forms provided by the Auditor a financial report reflecting the financial transactions and condition of the sheriff's department. The sheriff shall submit a copy of this report to the assistant judges of the county.

The assistant judges shall prepare a report reflecting funds disbursed by the county in support of the sheriff's department and forward a copy of their report to the Auditor of Accounts. The Auditor of Accounts shall compile the reports and submit one report to the House and Senate Committees on Judiciary. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the required report to be made under this subsection.

(e) Biennially, according to a schedule established by the Auditor of Accounts, the Auditor ~~each sheriff~~ shall retain a public accountant ~~selected by the sheriff and the assistant judges~~ to conduct an audit of the financial systems, controls, and procedures within ~~each~~ the department. The public accountant shall prepare a written report detailing the review of the department. A copy of this report shall be forwarded to the sheriff, assistant judges, and the Auditor of Accounts. ~~The Auditor~~ cost of this report shall charge for the costs of the report pursuant to subdivision 168(b) of title 32 ~~be paid by the Secretary of Administration, Auditor of Accounts, and the sheriff's department, in equal amounts.~~

EXPLANATION: Amends statute to reflect the actual relationship between the SAO and the CPA firm that audits the Sheriffs. The contract is between the CPA firm and the SAO. The Sheriffs do not retain (and have not for some time) their own public accountants. Splitting the cost between the Sec. of Admin, the Auditor’s Office and the Sheriff’s department is eliminated by moving the GF used for this purpose from the Sec. of Admin and the Auditor to the Sheriffs’ appropriation (a net-neutral change). Language also clarifies that the Auditor shall charge Sheriff’s departments for statutorily required audits when an incumbent sheriff leaves office.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2021, 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 2021 employer contribution charged to departments.

Sec. E.136 2017 Acts and Resolves No. 79, Sec. 13 is amended to read:

(a) Surcharge

(2) The amount collected shall be accounted for within the Human Resource Services Internal Service Fund and used solely for the purposes of funding the activities of the State Ethics Commission set forth in Sec. 7 of this act.

(b) Repeal. This section shall be repealed on ~~June 30, 2020~~, June 30, 2021.

EXPLANATION: By extending the sunset another year, the Legislature will have more time to consider a different funding source.

Sec. E.138 Renter Rebate

(a) Of the appropriation under Sec. B.138 of this Act, \$500,000 is intended to be used toward modernizing the renter rebate program.

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 2020.

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 2020.

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. 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 or carried forward.

EXPLANATION: Same provisions as in fiscal year 2020.

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 2020.

Sec. E.215 Military – Administration

(a) The amount of \$1,426,718 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance program established in 16 V.S.A. Sec 2856 and the National Guard Tuition Benefit Program established in 16 V.S.A. Sec. 2857.

EXPLANATION: Appropriation for the National Guard Tuition Benefit Program.

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: Same provisions as in fiscal year 2020.

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 \$52,699.60 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 2020, amount updated to reflect the 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.236 31 V.S.A. Sec. 651 is amended to read:

(7) Lottery product sales locations, which may include State agency liquor stores; private business establishments, ~~except establishments holding first- or first- and third-class licenses pursuant to Title 7;~~ fraternal, religious, and volunteer organizations; town clerks' offices, ~~and~~ State fairs, race tracks, and other sporting arenas.

(8) Method for sale of tickets, provided that they may be sold only for cash, debit card or electronic transfer.

EXPLANATION: This statutory change would expand the number of establishments where playing Keno and sports betting is permitted.

* * * HUMAN SERVICES * * *

Section E.300 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2021 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

EXPLANATION: Same language as FY2020 (2019 Act 72 Sec. E.300.2), 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.

Section E.300.1 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 \$26,054,586 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$23,033,050 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$27,466,950 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) \$3,021,536 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 2021 estimates.

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

(c) Up to \$10,600,000 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 2021 budget.

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

(a) In order to facilitate the end-of-year closeout for fiscal year 2021, 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 2021 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 accurately to 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 the legislature is aware of these adjustments.

Section E.301.3 GLOBAL COMMITMENT WAIVER AMENDMENT

(a) The Secretary of Human Services may seek approval from the Centers for Medicare and Medicaid Services for an extension of Vermont’s Global Commitment to Health Section 1115 Demonstration for the period of January 1, 2022 through December 31, 2026.

EXPLANATION: The Agency of Human Services (AHS) plans to submit an extension request to the Centers for Medicare and Medicaid Services (CMS) for its Section 1115(e) Demonstration Waiver: Global Commitment to Health. The extension request will be submitted by December 31, 2020 for the period of January 1, 2022 through December 31, 2026. The current waiver is set to expire on December 31, 2021. Proposed changes include: Adding a brain injury service option; Revision to Moderate Needs eligibility standards.

Section E.301.4 GLOBAL COMMITMENT MATCHING FUNDS FOR NEWBORN HOME VISITING

(a) \$1,000,000 of the general funds appropriated in Sec. B.301 of this Act shall be used as matching funds for Global Commitment expenditures for newborn home visiting.

EXPLANATION: Language pertaining to the intended purpose of the general fund appropriation detailed above.

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, 2021, 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.

Section E.307: 33 V.S.A. Sec. 1999 is amended to read:

§ 1999. Consumer protection rules; prior authorization

~~(c) For HIV and AIDS-related medications used by individuals with HIV or AIDS, the preferred drug list and any utilization review procedures shall not be more restrictive than the drug list and the application of the list used for the State of Vermont AIDS Medication Assistance Program.~~

~~(d)~~ (c) The Agency may include prescription drugs prescribed for the treatment of severe and persistent mental illness, including schizophrenia, major depression, or bipolar disorder, in the prior authorization process after the Health Care Oversight Committee has reviewed the report as provided for in 2005 Acts and Resolves No. 71, Sec. 305(a)(2)(A).

~~(e)~~ (d) (1) The prior authorization process shall be designed to minimize administrative burdens on prescribers, pharmacists, and consumers. The provisions of this section shall apply to the Program's prior authorization process.

(2) The prior authorization process shall ensure real-time receipt of requests, by telephone, voicemail, facsimile, electronic transmission, or mail on a 24-hour basis, seven days a week.

(3) The prior authorization process shall provide an in-person response to emergency requests by a prescriber with telephone answering queues that do not exceed 10 minutes.

(4) Any request for authorization or approval of a drug that the prescriber indicates, including the clinical reasons for the request, is for an emergency or urgent condition shall be responded to in no more than four hours from the time the Program or participating health benefit plan receives the request.

(5) In emergency circumstances, or if the response to a request for prior authorization is not provided within the time period established in subdivision (4) of this subsection, a 72-hour supply of the drug prescribed shall be deemed to be authorized by the Program or the participating health benefit plan, provided it is a prescription drug approved by the Food and Drug Administration, and provided, for drugs dispensed to a Medicaid beneficiary, it is subject to a rebate agreement with the Centers for Medicare and Medicaid Services.

(6) The Program or participating plan shall provide to participating providers a prior authorization request form for each enrolled beneficiary, known to be a patient of the provider, designed to permit the prescriber to make prior authorization requests in advance of the need to fill the prescription, and designed to be completed without unnecessary delay. The form shall be capable of being stamped with information relating to the participating provider, and if feasible at least one form capable of being copied shall contain known patient information.

~~(f)~~ (e) The Program's prior authorization process shall require that the prescriber, not the pharmacy, request a prior authorization exemption to the requirements of this section. No later than December 31, 2004, the Commissioner shall create a pilot program designed to exempt a prescriber from the prior authorization requirement of the preferred drug list program if the Program determines that the prescriber has met compliance standards established by the Department in consultation with the Drug Utilization Review Board. This exemption does not apply to drugs that require prior authorization for clinical reasons.

EXPLANATION: This statutory change is needed to effectuate the HIV Preferred Drug List included in the fiscal year 2021 budget.

Section E.312: Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2021 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 2021, 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 2021, 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 2021. 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.314 SUICIDE PREVENTION

(a) \$575,000 of the general funds appropriated in Sec. B.314 of the Act shall be used to implement a suicide prevention program.

EXPLANATION: Language pertaining to the intended purpose of the general fund appropriation detailed above.

Sec. E.318 CHILDCARE PROVIDER STABILIZATION GRANTS

(a) Of the funds provided in fiscal year 2021 in Sec. B.318, \$800,000 is allocated for the purpose of expanding infant and toddler childcare capacity.

(b) The Division shall award grants to eligible applicants. An eligible applicant shall:

(1) be a new or existing regulated, privately owned center-based childcare program or family childcare home in good regulatory standings;

(2) participate in CCFAP;

(3) provide year-round, full-day childcare and early learning services;

(4) provide childcare and early learning services for infants and toddlers; and

(5) participate in the Step Ahead Recognition System (STARS).

(c) Center-based childcare programs or family childcare homes receiving a grant pursuant to this section shall remain in compliance with the Division's rules, continue participation in STARS, and maintain enrollment of children supported by CCFAP.

EXPLANATION: Competitive grants using base CCFAP funding to expand infant and toddler childcare capacity meets our federally required, annual infant toddler set-aside for our Child Care Development Fund award.

Sec. E.318.1 CHILDCARE FINANCIAL ASSISTANCE PROGRAM

(a) Notwithstanding 16 V.S.A Sec. 4025(b):

(1) The Department for Children and Families' shall align Child Care Financial Assistance Program (CCFAP) eligibility with the current federal poverty guidelines.

(2) The Department for Children and Families' shall align rates of reimbursement for preschool and school age children participating in the CCFAP in fiscal year 2021 with the market rates reported on the 2015 Vermont Market Rate Survey and maintain rates of reimbursement for infants and toddlers participating in CCFAP in fiscal year 2021 aligned with the market rates reported on the 2017 Vermont Market Rate Survey.

EXPLANATION: Year 2 (SFY2021) of five-year plan to increase access to high-quality affordable childcare for working families and vulnerable children in Vermont. Raises CCFAP rates for preschool and school age children to align with the 2015 Vermont Market Rate Survey and maintains rates for infants and toddlers at the 2017 Market Rate Survey. This proposal aligns with anticipated revenue accruing to the Education Fund associated with Keno.

Sec. E.318.2 Educational and Experiential Variance

(a) For individuals operating or employed in a registered family child care home or as a director or teacher associate in a center-based program for 10 or more years prior to September 1, 2016, the Commissioner for Children and Families or designee may issue a variance to the Child Development Division's rule regarding educational and experiential requirements to allow an individual to maintain employment in that same role regardless of whether the family child care provider, family child care assistant, director, or teacher associate intends to attain the otherwise

necessary educational requirements. To be eligible for a variance, the family childcare provider, family childcare assistant, director, or teacher associate shall:

(1) work continuously in a regulated program with a full license in good standing; and

(2) meet the Division’s educational and experiential requirements in place prior to the adoption of the new rule, which was effective beginning on September 1, 2016.

(b) The Commissioner or designee shall review any violation occurring in a regulated program where a family childcare provider, family childcare assistant, director, or teacher associate is under variance and may revoke the variance granted by this section depending upon the seriousness and circumstances of the violation.

(c) Any variance granted under this section shall be terminated on July 1, 2024, and extensions shall not be granted beyond that date.

EXPLANATION: 2019 Act 72 Sec. E.318.8 gave authority to grant variances in fiscal year 2020 with variances granted under that authority to terminate on July 1, 2024. This language will need to be reenacted if the Legislature’s intent was to grant additional variances beyond fiscal year 2020.

Sec. E.321 GENERAL ASSISTANCE HOUSING

(a) The General Assistance Program will no longer provide temporary or emergency housing beginning July 1, 2020. The General Assistance Housing budget is appropriated to the Office of Economic Opportunity beginning July 1, 2020.

EXPLANATION: This language is needed for DCF to carry out the General Assistance Housing Restructure Initiative which moves away from the motel voucher program to a community-based response to housing crises.

Sec. E.323 33 V.S.A. § 1123(c)(2) is amended to read:

§ 1123. Individual Development Savings Program

(c)(2) Subject to available appropriations, the Agency may make grants from the Individual Development Matching Grant Special Fund to service providers to provide the match for approved savings plans with enrolled savers. The amount and number of grants shall be calculated quarterly by the Agency based on the number of savers and the amounts included in their approved plans administered by each service provider so that payment of the maximum match is ensured for all savers for the period for the approved savings plans without exceeding the balance in the Fund. The Agency may award grants from the Fund to service providers to cover their expenses of training and counseling savers, and to implement and administer the Individual Development Savings Program. The Agency may approve the use of interest earnings on grant funds as a portion of approved administrative costs.

EXPLANATION: Funding was not allocated to this program in fiscal year 2021.

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, \$10,508,012 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 updated amount reflects the appropriation for General Assistance housing funds to OEO.

Sec. E.325.1 3 V.S.A. § 3722 is amended to read:

§ 3722. Regional microbusiness development programs operation

Subject to available appropriations, the ~~The~~ Office of Economic Opportunity ~~shall~~may provide grants to each community action agency for the microbusiness development program at each community action agency. In the event that a community action agency is unable, as determined by the Office of Economic Opportunity, or unwilling to perform the required services, the Office of Economic Opportunity may provide grants to another qualified regional entity.

Explanation: Funding was not allocated to this program in fiscal year 2021. This statutory modification clarifies that associated grants are no longer a mandatory expenditure.

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 2021, 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 2021. 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.337 16 V.S.A. Sec. 4025(b)(1) is amended to read:

(1) To make payments to school districts and supervisory unions for the support of education in accordance with the provisions of section 4028 of this title, other provisions of this chapter, the provisions of 32 V.S.A. chapter 135, and to provide funding for the community high school of Vermont and the Flexible Pathways Initiative established by section 941 of this title, but excluding adult education and literacy programs under section 945 of this title.

Explanation: Reestablishes the use of the Education Fund for the CHSVT.

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of \$152,000 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.

* * * LABOR * * *

Sec. E.400 LABOR PROGRAMS

(a) \$1,335,900 of the General Funds appropriated in Sec. B.400 to the Vermont Department of Labor shall be for the purposes of operating, administering, and overseeing workforce development programs and initiatives throughout the State. The Department will use the funds to support the Vermont Internship Program, the Vermont Returnship Program, the Vermont Youth Employment Program, Vermont Training Grants, the Vermont Relocation Assistance Program, adult postsecondary career and technical education, and as authorized in 10 V.S.A. 543 and in performance of its duties under 10 V.S.A. 540.

EXPLANATION: Language pertaining to the intended purpose of the general fund appropriation detailed above.

(b) \$300,000 of the funds appropriated in Sec. B.400 shall be to build a relocation assistance unit.

EXPLANATION: Language pertaining to the intended purpose of the general fund appropriation detailed above.

* * * K-12 EDUCATION * * *

Sec. E.500 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 Programs (IEPs). These services are intended to increase access to quality health care for 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.

Sec. E.501 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 \$3,864,249 shall be used by the Agency of Education in fiscal year 2021 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).

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 2020.

Sec. E.504 Education – flexible pathways

(a) Of this appropriation, \$4,000,000 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) \$950,000 is available for dual enrollment programs notwithstanding 16 V.S.A. § 944(f)(2), and the amount of \$42,500 is available for use pursuant to Sec. E.605.2(a) 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) \$500,000 is available for the Vermont Academy of Science and Technology and \$2,500,000 for Early College pursuant to 16 V.S.A. § 4011(e).

(b) Of this appropriation, \$950,000 from the General Fund is available for dual enrollment programs and \$42,500 from the General Fund is available for need-based stipends pursuant to Sec. E.605.2(a) of this act.

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.

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 \$132,141,701 of which \$125,894,201 shall be the State's contribution and \$6,247,500 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, \$7,213,271 is the "normal contribution," and \$124,928,430 is the "accrued liability contribution."

EXPLANATION: Same language as prior years. Allows the normal contribution to be funded with Education funds, less the portion of the local contributions attributable to the normal cost.

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

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$31,798,734 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 continue prefunding the Teachers' OPEB fund by this amount.

* * * 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.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 General 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.

Sec. E.605.2 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of \$85,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) from Sec. E.504(a)(1) and (b)(flexible pathways funds appropriated for dual enrollment and need-based stipend purposes) 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.

(b) 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, 2021.

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

* * * NATURAL RESOURCES * * *

Sec. E. 711 2019 Act 72 Sec. E.711.1(a) is amended as follows:

BENNINGTON WATER LINE EXTENSION

(a) Waiver of bond vote. The Town of Bennington shall receive a loan for the Operational Unit C / Chapel Road Project in an amount of up to ~~\$1,500,000~~ \$2,000,000 to receive a loan subsidy in the form of 100 percent principal forgiveness with no interest or administrative fee from funds authorized in 24 V.S.A § 4753(a)(3). Notwithstanding the provisions of 24 V.S.A. § 4755(a)(3), the loan is not required to be evidenced by a municipal bond.

EXPLANATION: Updated project amount reflect current estimates.

* * * 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.

{Joint Fiscal Office Notation: This was included in the budget by the Administration in error. In FY 2021, the proposed funding of Town Highway Aid complies with the statute so there is no need to notwithstand}

*** EFFECTIVE DATES ***

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.100 through C. 104 shall take effect upon passage.

(b) All remaining sections shall take effect on July 1, 2020.