

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

This bill may be referred to as the BIG BILL – Fiscal Year 2022 Appropriations Act.

Sec. A.101 PURPOSE

The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2022. 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, 2021. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2022 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 2022.

(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, 2022.

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

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

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 2022, 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 2022, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2021 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

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 2022 except for new positions authorized by the 2021 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 2022 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) In fiscal year 2022, funds are appropriated from the General Fund for new and ongoing initiatives as follows:

- (1) \$24,000,000 to the Agency of Natural Resources (ANR) for the following:
 - (A) \$14,000,000 to the Department of Environmental Conservation for brownfield remediation and environmental clean-up and related administrative costs.
 - (B) \$5,000,000 to the Department of Forest, Parks and Recreation for the Vermont Outdoor Recreation Economic Collaborative (VOREC).
 - (C) \$5,000,000 to ANR central office for investments to improve recreational infrastructure and access on state lands, and to fund repairs and improvements to Vermont's trail network on both private and public land.

- (2) \$25,000,000 for weatherization initiatives, as follows:
 - (A) \$4,000,000 to the Department for Children and Families, Office of Economic Opportunity, Home Weatherization Assistance Program to be used in SFY 2022 and SFY 2023. Up to \$150,000 of these funds may be used for vermiculite remediation and home repair as part of home weatherization.
 - (B) \$5,000,000 to the Department of Buildings and General Services to provide low-cost financing to municipalities seeking to leverage energy savings opportunities.
 - (C) \$16,000,000 to the Agency of Administration to distribute to the Vermont Housing Financing Agency for its Vermont Weatherization Agency for Rapid Mobilization and Savings (VtWARMS).

- (3) \$38,680,000 to the Agency of Administration for the following:
 - (A) \$11,580,000 for distribution to departments to fund the FY22 53rd week of Medicaid.
 - (B) \$12,450,000 for distribution to departments to fund the FY22 27th payroll pay period.
 - (C) \$250,000 to support two additional positions to work with the Executive Director of Racial Equity.
 - (D) \$14,400,000 for distribution to departments to fund the annual increase in the Vermont State Employee Retirement System (VSERS) Actuarially Determined Employer Contribution (ADEC).

- (4) \$500,000 to Vermont Department of Labor for employment and re-employment support services.

- (5) \$11,325,000 to the Agency of Commerce and Community Development (ACCD), as follows:
 - (A) \$1,000,000 to the Department of Tourism and Marketing to supplement the budget allocation to be funded by a percentage of the portion of the Rooms and Meals tax generated annually that exceeds revenue targets.
 - (B) \$1,000,000 to the Department of Tourism and Marketing for Buy Local Vermont consumer stimulus program.
 - (C) \$5,000,000 to the Department of Housing and Community Development to establish the Better Places program that strategically coordinates the efforts of several funders supporting place-based economic development projects to improve and revitalize public spaces.
 - (D) \$3,000,000 to the Department of Housing and Community Development for the Vermont Housing Investment Program
 - (E) \$1,000,000 to the Department of Economic Development to work with the University of Vermont's Office of Engagement to create a Technology-Based Economic Development program.
 - (F) \$300,000 to the Department of Economic Development to establish an office in Montreal to promote economic ties between Vermont and Quebec.
 - (G) \$25,000 to ACCD Administration for the Vermont 250th anniversary celebration.

(6) \$1,139,000 for the purchase of body cameras in the following departments:

(A) \$1,000,000 to the Department of Corrections

(B) \$45,000 to the Department of Liquor and Lottery

(C) \$94,000 to the Department of Fish and Wildlife

(7) \$500,000 to the Vermont Student Assistance Corporation for Advancement Grants.

(8) \$20,000,000 to the Vermont State Colleges for general assistance in meeting their financial obligations.

(9) \$3,000,000 to the Agency of Agriculture, Food and Markets for the Working Lands program.

(10) \$19,900,000 to the Department of Public Service for the following:

(A) \$2,500,000 for the Line Extension Consumer Assistance Program

(B) \$1,500,000 for a pole data harvesting study

(C) \$15,900,000 to establish the Broadband Facilities Deployment Program, which would make grants and administer a revolving loan fund to make loans to facilities-based providers.

(11) \$200,000 to the Department of Human Resources for racial equity training support.

(12) \$20,000,000 to the Vermont Housing and Conservation Board to be used for affordable housing initiatives.

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

Sec. B.1100.1 FISCAL YEAR 2022 ONE-TIME DOWNTOWN TRANSPORTATION AND RELATED CAPITAL IMPROVEMENT FUND (21575) APPROPRIATIONS

(a) In fiscal year 2022, funds are appropriated from the downtown transportation and capital improvement fund (21575) established by 24 V.S.A. § 2796 as follows:

(1) To the Department of Housing and Community Development: \$5,000,000 to support the Downtown Transportation Fund's efforts to provide more transportation improvement projects in Vermont communities.

EXPLANATION: Use of one-time funds in D.101(a)(3) and D.101(a)(11) to provide more transportation projects to communities.

Sec. B.1100.2 FISCAL YEAR 2022 ONE-TIME TRANSPORTATION FUND APPROPRIATIONS

(a) In fiscal year 2022, funds are appropriated from the Transportation Fund as follows:

(1) To the Agency of Transportation: \$5,000,000.00 for electric vehicle initiatives.

Explanation: A one-time appropriation for various initiatives regarding electric vehicles.

Sec. B.1101 FISCAL YEAR 2022 ONE-TIME SPECIAL FUND APPROPRIATIONS

(a) The following appropriations are made from the funds specified:

(1) \$10,000,000 from the Environmental Contingency Fund (21275) to the Department of Environmental Conservation to do PCB testing in schools and clean up emergencies.

(2) \$11,000,000 from the Brownfields Revitalization Fund (21985) to ACCD to clean up and prepare contaminated sites for reuse.

(3) \$10,000,000 from the Clean Energy Development Fund (21991) to the Public Service Department to create an Affordable Community Clean Energy Program.

(4) \$52,755,000 from the proposed Technology Modernization Special Fund to the Agency of Digital Services to fund statewide information technology initiatives identified for FY22.

Sec. B.1102 FISCAL YEAR 2022 ONE-TIME USE OF GENERAL FUND CARRIED FORWARD FROM FISCAL YEAR 2021

(a) \$213,066,329 reserved at the end of fiscal year 2021 to be carried forward into fiscal year 2022 shall be unreserved and used for general fund appropriations in fiscal year 2022.

EXPLANATION: Use of one-time funds carried forward from fiscal year 2021 to fund the budgeted appropriations for fiscal year 2022.

Sec. C.101 2020 Acts and Resolves No. 154, Sec. B.505 is amended to read:

<u>Sec. B.505 Education - adjusted education payment</u>	<u>FY2021</u>	
	<u>As Passed</u>	<u>Change</u>
Grants	1,489,500,000	1,480,800,000
Total	1,489,500,000	1,480,800,000
Source of funds		
Education fund	1,489,500,000	1,480,800,000
Total	1,489,500,000	1,480,800,000

EXPLANATION: \$8,700,000 is the current estimate of CRF distributed to SDs that can be used to offset regular Education Fund payments.

Sec. C.102 TEMPORARY RESERVE

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

(1) The following General Fund amount shall be reserved and carried forward into fiscal year 2022 to be used for general fund appropriations in fiscal year 2022: \$213,066,329.

EXPLANATION: This provision reserves and carries forward the General Fund amount above into fiscal year 2022 to be unreserved and used for appropriations pursuant to Sec. B.1101 of the Act.

Sec. C.103 REVERSION TO THE GENERAL FUND

Notwithstanding any provisions of law to the contrary, in fiscal year 2021, by July 15, 2021, the Secretary of Administration shall reduce fiscal year 2021 appropriations within the Agency of Human Services and make reversions to the General Fund for a total of \$42,516,329. The Secretary shall submit a written report of the appropriations reductions and reversions to the Joint Fiscal Committee in November 2021. The report shall include the budgetary changes by department and appropriation.

EXPLANATION: \$42,516,329 is the estimated General Fund available in FY2021 due to the enhanced FMAP rate established during the federal COVID emergency. This section authorizes a reversion prior to the close of the fiscal year such that savings may be carried forward and allocated in the FY2022 Governor's Recommended budget.

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 (1) 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 fiscal year 2022 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);

and

(C) \$378,700 to the Agency of Digital Services for the Vermont Center for Geographic Information.

EXPLANATION: Language to determine the allocation of the property transfer tax

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 Environmental Contingency Fund established by 10 V.S.A. § 1283: \$10,000,000

EXPLANATION: Transfer of funds to DEC to do PCB testing in schools and to provide additional money to the fund for environmental clean-up emergencies.

(2) From the General Fund to the Brownfields Revitalization Fund established by 10 V.S.A. § 1283: \$11,000,000

EXPLANATION: Transfer of general funds to the Brownfields Revitalization Fund (21985) managed by ACCD to work in partnership with the appropriations to DEC to clean up and prepare contaminated sites for reuse.

(3) From the General Fund to the Downtown Transportation and Related Capital Improvement Fund (21575) established by 24 V.S.A. § 2796: \$1,500,000.

EXPLANATION: Supplement to the annual transfer from the Transportation Fund to support the program at the Agency of Commerce and Community Development.

(4) From the General Fund to Fund 21270 the Forest Parks Revolving Fund: \$2,050,000

EXPLANATION: Transfer of general funds to the Forest Parks Revolving Fund to offset a projected revenue shortfall, in part due to lower ski area lease payments resulting from lower ski area visitation due to COVID-19-related factors.

(5) From the General Fund to Fund 21260, the Act 250 Permit Fund: \$1,000,000

EXPLANATION: Transfer of general funds to the Act 250 Permit Fund to stabilize fund balance.

(6) From the General Fund to the Clean Energy Development Fund (21991) established by 30 V.S.A. § 8015: \$10,000,000

EXPLANATION: Transfer of general funds to the Clean Energy Development Fund, to facilitate the administration by the Public Service Department of an Affordable Community Clean Energy program to provide access to renewable energy and associated utility billing credits for low- to moderate-income Vermonters.

(7) From the General Fund to Fund 21145, the Victims Compensation Fund: \$952,000

EXPLANATION: Transfer of general funds to the Victims Compensation Fund to permit the Center for Crime Victim Services to provide continued funding for the Victims Advocate staff positions. The fund has been negatively affected by a reduction of citations and convictions related to COVID-19, along with increased staffing costs resulting from a collective bargaining agreement.

(8) From the General Fund to the Technology Modernization Special Fund established pursuant to Section E.105 of this act: \$52,755,000

EXPLANATION: Transfer of general funds to the Technology Modernization Special Fund administered by the Agency of Digital Services to fund statewide information technology initiatives identified for FY2022.

9) From the Clean Water Fund (21932) established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund (21933) created under 6 V.S.A. §4803: \$4,521,393

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

(10) From the Clean Water Fund established by 10 V.S.A. §1388 to the Lake in Crisis Response Program Special Fund (21938) created under 10 V.S.A. §1315: \$50,000.

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

(11) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund (21575) established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: \$4,023,966.

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

(12) 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: \$2,502,363.

EXPLANATION: This transfer funds the pre-payment of FY 2023'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, 2021. Last year's big bill had a similar transfer to fund FY 2022 TIB debt service.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2022:

(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>\$ 4,641,961.14</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>\$22,750,000.00</u>
<u>20205</u>	<u>Education Fund</u>	<u>\$ 3,000,000.00</u>
	<u>Caledonia Fair</u>	<u>\$ 5,000.00</u>
	<u>North Country Hospital Loan</u>	<u>\$ 24,047.00</u>

EXPLANATION: The \$3M transfer from the Education Fund to the General Fund aligns with anticipated revenue accruing to the Education Fund associated with Keno.

(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>\$ 2,867,898.00</u>
<u>62100</u>	<u>Unclaimed Property Fund</u>	<u>\$ 1,797,750.00</u>

EXPLANATION: FY 2022 estimated direct applications to the General Fund.

(3) Notwithstanding 2016 Acts and Resolves No. 172, Section E. 228, \$37,078,618 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 2022.

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2022 the following estimated General Fund reserves shall be made:

(1) Pursuant to 32 V.S.A. § 308, an estimated amount of \$3,060,424 shall be reserved in the General Fund Budget Stabilization Reserve.

EXPLANATION: FY 2022 estimated contribution to the Budget Stabilization Reserve

Sec. D.102 27/53 RESERVE

(a) \$3,740,000 general fund shall be reserved in the 27/53 reserve in Fiscal Year 2022. This action is the fiscal year 2022 contribution to the reserve for the 53rd week of Medicaid as required by 32 V.S.A. Sec. 308e and the 27th payroll reserve as required by 32 V.S.A. 308eb.

(b) \$24,030,000 shall be unreserved from the 27/53 Reserve in in Fiscal Year 2022 to provide for the appropriations described in Sections B.1100(a)(3)(A) and B.1100(a)(3)(B).

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITIONS

The establishment of the following new positions is authorized in fiscal year 2022 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 which pertains to Sections (a) and (b) below:

(a) Permanent classified positions:

(1) Agency of Administration – two Program Development & Policy Analysts

(2) Department of Public Service – one-half (0.5) FTE for the Clean Energy Development Fund

(3) Department of Public Safety – one Paralegal to assist with public records requests

(b) Permanent exempt positions:

(1) Natural Resources Board – two Natural Resources Board Members.

(2) Natural Resources Board – one Staff Attorney I.

- (3) Department of Public Safety – Commissioner of Law Enforcement
- (4) Department of Public Safety – Commissioner of Fire Safety and Emergency Management

(c) 3-year limited service classified positions is authorized in fiscal year 2022:

- (1) Department of Environmental Conservation – one Environmental Analyst
- (2) Department of Environmental Conservation - one Grant Management Specialist.

EXPLANATION: Repurposes existing positions as detailed above.

Sec. E.105 TECHNOLOGY FUND ESTABLISHED

(a) There is established the Technology Modernization Special Fund to be managed by the Secretary of the Agency of Digital Services. Monies in the fund shall be used to purchase and upgrade technology platforms, systems, and cybersecurity services used by agencies and departments to carry out their statutory functions as prioritized by the Secretary. The Fund shall be composed of monies from time to time appropriated by the General Assembly. Notwithstanding any contrary provisions of the law, unexpended balances and any earnings shall remain in the Fund from year to year.

Money in the fund is to be allocated in FY22 as follows:

- (1) \$15,000,000 for the first phase of a DMV IT system - replacement of the 40 year old mainframe applications;
- (2) \$1,075,000 for the second phase of the DEC permit navigator - citizen facing permit portal;
- (3) \$500,000 to NRB for phase 2 of the Act 250 online application and database project - moving Act 250 services online;
- (4) \$12,750,000 for a Human Capital Management ERP upgrade - replacement of our HR system that tracks employee information, timesheets, and contracts;
- (5) \$4,500,000 for BFIS system - Bright Futures Information System replacement;
- (6) \$2,000,000 for VDOL financial account and reporting system - consolidation of VDOL finance system into the state's enterprise finance system;
- (7) \$3,500,000 to VDOL for UI modernization – begins replacement of mainframe applications for unemployment insurance;
- (8) \$1,000,000 to VDOL Joblink replacement - coordinates activities between ACCD and VDOL to better serve Vermonters;
- (9) \$1,500,000 to ADS cybersecurity - core infrastructure replacement and router replacements for public safety connections to the municipalities;
- (10) \$1,000,000 to ACCD for Salesforce grant management system - transitions ACCD from an unwieldy grants program to a centralized grants system;
- (11) \$9,500,000 to AHS IE project - Integrated Eligibility replaces Access; and
- (12) \$430,000 to States' Attorneys for case management system - needed upgrade to SAS case management software.

EXPLANATION: New fund created for the purposes described above.

Sec. E.105.1 AGENCY OF DIGITAL SERVICES – STRATEGIC PLAN

(a) 3 V.S.A. § 3303 is amended to read as follows:

(c) Strategic plan. Biennially, on or before January 15, the Secretary shall prepare and submit a strategic plan for information technology and cybersecurity. The Secretary shall prepare and submit a strategic plan for information technology and cybersecurity, concurrent with the Governor's annual budget request required under 32 V.S.A. § 306. The strategic plan shall include:

EXPLANATION: Modifies the report deadline to be concurrent with the Governor's annual budget request instead of having the report due before the budget is delivered to the Legislature. This update gives subsection (c) the same deadline as that of (a)(1).

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.103 OFFICE OF RISK MANAGEMENT – TECHNICAL REVISIONS

(a) 12 V.S.A. 5601(f) is amended to read:

(f) The limitations in subsection (e) of this section do not apply to claims against the State of Vermont to the extent that there exists coverage under a policy of liability insurance purchased by the ~~Commissioner of Buildings and General Services~~ Secretary of Administration.

(b) 12 V.S.A. 5603(a) is amended to read:

(a) The Attorney General may consider, adjust, determine, and settle any claim for damages against the State of Vermont resulting from the acts or omissions of an employee as provided under 3 V.S.A. § 159. If the State elects to self-insure the liability as defined in 12 V.S.A. § 5601, the Attorney General shall consult with the ~~Commissioner of Buildings and General Services~~ Secretary of Administration prior to exercising his or her authority under this subsection.

(c) The duties described at 29 V.S.A. 152(a)(5) as the Department of Buildings and General Services shall become the duties of the Secretary of Administration.

(1) 29 V.S.A. 152(a)(5) is repealed.

(2) 3 V.S.A. § 2222 is amended to read:

(a)(11) Inspect, appraise, and maintain a current appraisal schedule of all State-owned buildings, appendages, and appurtenances thereto based upon replacement value in the first instance and upon depreciated value in the second instance. Appraisals shall be furnished upon request to the Commissioner of Buildings and General Services, departments and agencies concerned, and appropriate committees of the General Assembly.

EXPLANATION: Technical adjustments for greater clarity.

Sec. E.130 AUDITS

(a) 32 V.S.A. § 168 is amended to read:

§ 168. SINGLE AUDIT REVOLVING FUND

(a)(1) The 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 subdivision subdivisions 163(1), ~~and 163 (2), and 5404a(1)~~ of this ~~title subchapter~~ and 24 V.S.A. § 290b.

(2) All monies received from charges made for audit services under the provisions of subsection (b) of this section and sums that may be appropriated to the Fund shall be deposited in the Fund.

(3) Any balance remaining in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund.

(b)(1) 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 subdivision subdivisions 163(1), ~~and 163 (2), and 5404a(1)~~ of this ~~title subchapter~~ and 24 V.S.A. § 290b.

(2) Costs shall be determined by the Auditor of Accounts and costs associated with subdivisions 163(1) and (2) of this ~~title~~ ~~subchapter~~ shall be approved by the Secretary of Administration.

(b) 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.

EXPLANATION: These changes add 32 V.S.A. § 5404a(l), performance audits of TIF districts, to the allowable uses of the Single Audit Revolving Fund (SARF). This change will provide for a more consolidated, transparent, and streamlined accounting of TIF district audit costs. The removal of the language in § 5404a(l) concerning the TIF audit schedule is a result of that language serving no present purpose. First, the schedule of audits is established in statute under § 5404a(l)(1) and (2). Second, the SAO has already consulted with VEPC about the schedule that is established in statute.

Sec. E.133 VERMONT STATE RETIREMENT SYSTEM

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2022, 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 2022 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, 2021.~~ June 30, 2022.

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

Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

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

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

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

EXPLANATION: Standard language

Sec. E.144 PAYMENTS IN LIEU OF TAXES – CORRECTIONAL FACILITIES

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

EXPLANATION: 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 2021.

Sec. E.208 PUBLIC SAFETY – ADMINISTRATION

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 2021.

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 2021.

Sec. E.212 PUBLIC SAFETY – FIRE SAFETY

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 2021.

Sec.E.215 MILITARY – ADMINISTRATION

The amount of \$1,319,834 shall be disbursed to the Vermont Student Assistance Corporation for 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

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 2021.

Sec. E.220 CENTER FOR CRIME VICTIMS SERVICES

Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victims Services shall transfer \$52,624 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 2021, amount updated to reflect the cost of the position.

Sec. E.224 AGRICULTURE, FOOD AND MARKETS – AGRICULTURAL DEVELOPMENT

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 POWERS AND DUTIES OF BOARD OF LIQUOR AND LOTTERY

31 V.S.A. Sec. 651 is amended to read:

The Board of Liquor shall adopt rules pursuant to 3 V.S.A. chapter 25, governing the establishment and operation of the State Lottery. The rules may include the following:

(1) Types of lotteries to be conducted may include on-line lottery games known as e-instants and sport betting, provided that no lottery shall be conducted that depends upon the outcome of an athletic contest except that the lottery may be affiliated with a sporting event, or sweepstakes, where the outcome is determined solely by lot or random drawing and not by choice of the lottery participant.

(7) Lottery product sales locations, which may include State agency liquor stores; private business establishments, including first and third class licensed establishments ~~except establishments holding first or first and third class licenses pursuant to Title 7; fraternal, religious, and volunteer organizations; and 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 explicitly allow the lottery to offer additional lottery games including on-line lottery (which could draw all games, draw game subscriptions, e-instant games, and on-line winning ticket redemption). This statutory change would also remove the language the currently prohibits sports betting. This change would enable the lottery to offer Keno.

Sec. E.236.1 MULTIJURISDICTIONAL LOTTERY GAMES

31 V.S.A. Sec. 652 is amended to read:

(a)(1) In addition to the Tri-State Lotto Compact provided for in subchapter 2 of this chapter, and the other authority to operate lotteries contained in this chapter, the Board of Liquor and Lottery is authorized to negotiate and contract with not more than ~~four~~ eight multijurisdictional lotteries which includes international lotteries to offer and provide multijurisdictional lottery games. The Board may join any multijurisdictional lottery that provides indemnification for its standing committee members, officers, directors, employees, and agents.

EXPLANATION: This statutory addition would clarify that multijurisdictional lottery products could include games that are sold internationally. Powerball is looking to expand to sell internationally and this change would make clear that there is no prohibition on Vermont continuing to sell Powerball. A second change is the increase in the number of multijurisdictional games that could be offered from four to eight as there are additional multijurisdictional games available presently that could be of interest to Vermont lottery players.

* * * HUMAN SERVICES * * *

Sec. E.300 FUNDING FOR THE OFFICE OF THE HEALTH CARE ADVOCATE

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 \$24,993,731 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$22,220,000 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$28,280,000 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) \$2,773,731 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 better estimates.

(c) Up to \$4,618,437 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 2022 budget.

Sec. E.301.1 GLOBAL COMMITMENT WAIVER AMENDMENT

The Secretary of Human Services is authorized to seek an extension of Vermont’s Global Commitment to Health Section 1115 Demonstration Waiver, which is currently set to expire on December 31, 2021.

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 June 30, 2021.

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

In order to facilitate the end-of-year closeout for fiscal year 2022, 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 2022 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 that the legislature is aware of these adjustments. Standard language.

Sec. E.306 VERMONT HEALTH BENEFIT EXCHANGE RULES

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, 2022, 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.312 HEALTH – PUBLIC HEALTH

(a) AIDS/HIV funding:

(1) In fiscal year 2022, 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 2022, 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.

(1) In fiscal year 2022, 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 2022. Grant reporting shall include outcomes and results.

EXPLANATION: Annual language that provides guidance to the Department of Health and the Agency of Human Services about the allocation and administration of funds for HIV/AIDS prevention and services.

Sec. E.318 CHILD CARE PROVIDER STABILIZATION GRANTS

(a) Of the funds provided in fiscal year 2022 in Sec. B.318, \$800,000 is allocated for the purpose of expanding infant and toddler child care 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 child care program or family child care home in good regulatory standings;

(2) participate in CCFAP;

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

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

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

(c) Center-based child care program or family child care 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 child care capacity meets our federally required annual infant toddler set-aside for our Child Care Development Fund award.

Sec. E.318.1 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 child care provider, family child care 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 child care provider, family child care 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: Legislative language gave authority to grant variances in FY 2020 with Variance terminated on July 1, 2024. Language will need to be carried forward if legislative intent was for variances to continue to be issued beyond FY 2020.

Sec. E.318.2 CHILD CARE FINANCIAL ASSISTANCE PROGRAM

Of the General Fund appropriation in Sec. B.318.2 of this act, \$3,000,000 shall be used for the purposes of increasing the subsidy to child care providers and/or increasing the State's child care capacity.

EXPLANATION: This appropriation aligns with anticipated revenue associated with Keno which will accrue to the Education Fund and then be transferred to the General Fund. It will help address capacity needs resulting from COVID.

Sec. E.321 GENERAL ASSISTANCE HOUSING

The General Assistance Program will no longer provide temporary or emergency housing beginning October 1, 2021. The General Assistance Housing budget is shifted to the Office of Economic Opportunity beginning July 1, 2021.

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.324 EXPEDITED CRISIS FUEL ASSISTANCE

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

Of the General Fund appropriation in Sec. B.325 of this act, \$12,917,460 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. Funds shall be administered in consultation with 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 new dollar amount reflects the transfer of General Assistance Housing funds to OEO.

Sec. E. 326 DEPARTMENT FOR CHILDREN AND FAMILIES – OEO – WEATHERIZATION ASSISTANCE

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.

Sec. E.327 33 V.S.A. § 5801 is amended to read:

Title 33 Chapter 58 Woodside Juvenile Rehabilitation Center is repealed in its entirety.

~~§ 5801. Woodside Juvenile Rehabilitation Center~~

~~(a) The Woodside Juvenile Rehabilitation Center in the town of Essex shall be operated by the Department for Children and Families as a residential treatment facility that provides in-patient psychiatric, mental health, and substance abuse services in a secure setting for adolescents who have been adjudicated or charged with a delinquency or criminal act.~~

~~(b) The total capacity of the facility shall not exceed 30 beds.~~

~~(c) The purpose or capacity of the Woodside Juvenile Rehabilitation Center shall not be altered except by act of the General Assembly following a study recommending any change of use by the Agency of Human Services.~~

~~(d) No person who has reached his or her 18th birthday may be placed at Woodside. Notwithstanding any other provision of law, a person under 18 years of age may be placed at Woodside, provided that he or she meets the admissions criteria for treatment as established by the Department for Children and Families. Any person already placed at Woodside may voluntarily continue receiving treatment at Woodside beyond his or her 18th birthday, provided that he or she continues to meet the criteria established by the Department for continued treatment. The Commissioner shall ensure that a child placed at Woodside has the same or equivalent due process rights as a child placed at Woodside in its previous role as a detention facility.~~

~~§ 5802. Separation of victim of sexual assault and perpetrator~~

~~The Commissioner for Children and Families shall develop policies applicable when the Department knows or learns that a sexual assault perpetrator and his or her victim have been simultaneously placed at the facility. The policies shall include processes and procedures for investigation and, if appropriate, continued separation of or minimizing incidental contact between the perpetrator and the victim, while ensuring that they both receive educational and other appropriate services.~~

EXPLANATION: Repeals Woodside language as the alternative plan for justice-involved youth moves forward.

Sec. E.335 CORRECTIONS APPROPRIATIONS; TRANSFER; REPORT

In fiscal year 2022, 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 2022.

Sec. E.338 CORRECTIONS - CORRECTIONAL SERVICES

Notwithstanding 32 V.S.A. § 3709(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.

* * * K-12 EDUCATION * * *

Sec. E.500 EDUCATION – FINANCE AND ADMINISTRATION

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: Annual 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

Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,966,265 shall be used by the Agency of Education in fiscal year 2022 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

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: Annual language.

Sec. E.504 EDUCATION – FLEXIBLE PATHWAYS

(a) Of this appropriation, \$2,100,000 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) \$921,500 is available for dual enrollment programs notwithstanding 16 V.S.A. § 944(f)(2), and the amount of \$41,225 is available for use pursuant to Sec. E.605.2(a) of this act;
- (2) \$1,800,000 is available to support the Vermont Virtual High School;
- (3) \$400,000 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, \$921,500 from the General Fund is available for dual enrollment programs and \$41,225 from the General Fund is available for need-based stipends pursuant to Sec. E.605.2(a) of this act.

EXPLANATION: Annual 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 \$196,206,504 of which \$189,646,629 shall be the State's contribution and \$6,559,875 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, \$38,901,533 is the "normal contribution," and \$157,304,971 is the "accrued liability contribution."

EXPLANATION: Same language as prior years. Allows the normal contribution to be funded with Education funds. The \$6,559,875 local contribution in subsection (a) reduces the Education fund component of the normal contribution by \$1,300,615 and the General fund component of the accrued liability contribution by \$5,259,260.

Sec. E.515 RETIRED TEACHERS' HEALTH CARE AND MEDICAL BENEFITS

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$35,093,844 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.

* * * 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.

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 \$300,000 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 \$82,500 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, 2022.

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.702 10 V.S.A. 6094 is added to read:

§ 6094. ALLOCATION OF COSTS; DEPARTMENT OF FISH AND WILDLIFE

(a) Notwithstanding any other provision of law, the Department of Fish and Wildlife shall have the authority to bill the applicant for the costs of participating in any permit application before a District Commission, including the costs of employee application review, submissions, comments, and testimony before a District Commission related to impacts on natural resources under subsection 6086(a) of this title, including on wildlife or necessary wildlife habitat. The Department may recover those costs from the applicant after notice to the applicant, including an estimate of the costs of the personnel or services.

(b) From time to time, the Department shall provide the applicant with detailed statements showing the amount of money contracted for or expended on personnel and services. All funds for services under this section shall be paid directly to the Department.

(c) An applicant to which costs are allocated under this section may appeal costs assessed by the Commissioner to the Environmental Division pursuant to 10 V.S.A. chapter 220.

EXPLANATION: This language will allow DFW to bill Act 250 applicants for work to review permit applications for wildlife and habitat issues after notice to the applicant. Currently, any permit review costs are born by the Department’s base budget.

Sec. E.709 10 V.S.A. § 1283 is amended to read:

§ 1283. ENVIRONMENTAL CONTINGENCY FUND

* * *

(b) Disbursements under this subsection may be made for emergency purposes or to respond to other than emergency situations; provided, however, that disbursements in response to an individual situation that is

not an emergency situation shall not exceed \$350,000.00 for a response to a release of a hazardous material ~~\$100,000.00 for costs attributable to each of the subdivisions of this subsection~~, unless the Secretary has received the approval of the General Assembly, or the Joint Fiscal Committee, in case the General Assembly is not in session. Furthermore, the balance in the Fund shall not be drawn below the amount of \$100,000.00, except in emergency situations. If the balance of the Fund becomes insufficient to allow a proper response to one or more emergencies that have occurred, the Secretary shall appear before the Emergency Board, as soon as possible, and shall request that necessary funds be provided. Within these limitations, disbursements from the Fund may be made:

* * *

(9) to pay costs of required capital contributions and operation and maintenance when the remedial or response action was taken pursuant to 42 U.S.C. § 9601 et seq.;

EXPLANATION: Current law authorizes the Secretary to spend up to \$100,000 on each category of activities under the Environmental Contingency Fund (ECF; 10 V.S.A. 1283(b)). One contaminated site may expend money under multiple subdivisions, resulting in significant accounting issues without corresponding environmental or oversight benefits. This proposal eliminates the requirement to track expenditures by subdivision of activity and requires that we track expenditures for a contaminated site. The proposal also increases the amount that the Secretary can spend before receiving legislative approval from \$100,000 to \$350,000.

Sec. E.709.1 ENVIRONMENTAL CONTINGENCY FUND; PCB TESTING IN SCHOOLS
Notwithstanding 10 V.S.A. § 1283, of the funds transferred in Section D.101(a) of this act to the Environmental Contingency Fund, the Department of Environmental Conservation, in consultation with the Department of Health and the Agency of Education, shall use up to \$5,000,000 to complete air indoor quality testing for Polychlorinated Biphenyls (PCBs) in public schools and approved and recognized independent schools.

EXPLANATION: Of the funds transferred to the ECF, DEC will utilize up to \$5M to complete air indoor air quality testing for PBCs in consultation with VDH and AOE.

Sec. E.709.2 10 V.S.A. § 6618(e) is amended to read:
§ 6618. WASTE MANAGEMENT ASSISTANCE FUND (21285)

* * *

(e) The Secretary may allocate funds at the end of the fiscal year from the Solid Waste Management Assistance Account to the Fund, established pursuant to section 1283 of this title, upon a determination that the Funds available in the Environmental Contingency Fund are insufficient to meet the State's obligations pursuant to subsection 1283(b) subdivision 1283(b)(9) of this title. Any expenditure of funds transferred shall be restricted to funding the activities specified in subsection 1283(b) subdivision 1283(b)(9) of this title. In no case shall the unencumbered balance of the Solid Waste Account following the transfer authorized under this subsection be less than \$300,000.00.

EXPLANATION: Current law allows a transfer of Solid Waste Management Assistance Fund (SWMAF) to the Environmental Contingency Fund (ECF), however current statute limits the use of funds transferred to solely costs associated with expenditures to remediate Federal Superfund Sites (outlined under 1283(b)(9)). Given continued fiscal strains on the ECF related to all expenditure categories covered under 1283(b), including DEC obligations at Superfund sites, State-lead hazardous waste sites, brownfields, and hazardous waste spills, expanding this transfer will provide additional resources to the ECF to cover these costs (a sustainable funding stream has not been identified for the ECF) beyond the current hazardous waste tax (\$250k-\$300k annually; 32 V.S.A. Sec. 10103). Projected obligations and related costs from the ECF for the next few years are expected to range from \$2-3M; this change will provide resources needed to meet these obligations.

* * * 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.

* * * EFFECTIVE DATES * * *

Sec. F.100 EFFECTIVE DATES

(a) This section and Secs. C.101, C.102 and C.103 shall take effect upon passage.

(b) Section E.702 shall take effect on July 1, 2022.

(c) All remaining sections shall take effect on July 1, 2021.