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STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON APPROPRIATIONS

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To: House Committee Chairs
From: Representative Mary S. Hooper, Chair, House Committee on Appropriations
Date: January 24, 2022
Subject: Provisions in the Governor's Recommended FY 2023 State Budget

The House Appropriations Committee is in the process of receiving testimony on the Governor's Recommended FY 2023 State Budget. With Town Meeting and Crossover fast approaching, the Committee is on an aggressive schedule to understand all the key components within the proposal. As you may already be aware, the Committee has scheduled joint hearings on the budget with the Senate Appropriations Committee on February 8 at 6:00 p.m. to 8:00 p.m. and February 9 at 3:00 p.m. to 5:00 p.m. These hearings will include both the public and advocates.

There will be an opportunity for legislators to give comments on the Governor's budget proposal on February 22. This will be sent around to members and posted to the House Calendar when a time has been confirmed.

We are providing you with a copy of the Governor's proposal, with the portions relevant to your committee's work noted. In order to meet the schedule, we need to have your committee's comments by the close of business on the 23rd of February.

The House Appropriations Committee relies on and values your input in the development of the budget. We have highlighted what is in your committee's jurisdiction. It is not necessary to respond to all of what has been highlighted unless you have concerns or recommendations. We, of course, also welcome comments on other portions of the budget.

If you have no comments, please inform Theresa Utton-Jerman of this via email (tutton@leg.state.vt.us)

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 2023 Appropriations Act.

Sec. A.101 PURPOSE

The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2023. 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, 2022. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2023 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 2023.

(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, 2023.

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 2023, 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 2023, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2022 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 2023 except for new positions authorized by the 2022 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>

B.800–B.899 and E.800–E.899	Commerce and Community Development
B.900–B.999 and E.900–E.999	Transportation
B.1000–B.1099 and E.1000–E.1099	Debt Service
B.1100–B.1199 and E.1100–E.1199	One-time and other appropriation actions

(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 2023 ONE-TIME GENERAL FUND APPROPRIATIONS

(a) In fiscal year 2023, funds are appropriated from the General Fund for new and ongoing initiatives as follows:

- (1) \$450,000 to the Secretary of State for Election Support.
- (2) \$9,961,531 to the Agency of Human Services-Central Office-Global Commitment to offset one-time pressure related to the suspension of Medicaid eligibility redeterminations.
- (3) \$12,020,000 to the Agency of Administration for the following:
 - (A) \$220,000 for the IDEAL (Inclusion, Diversity, Equity, Action, Leadership) VT initiative to support municipalities in promoting these values within their communities.
 - (B) \$11,800,000 for Enterprise Resource Planning (ERP) system upgrade of core statewide financial accounting system and integration with VDOL and AOT financial systems.
- (4) \$8,960,000 to Vermont Department of Public Safety, as follows:
 - (A) \$8,000,000 to grant to local and county public safety agencies to support a transition to regional emergency communications for all police, fire, and rescue agencies in Vermont.
 - (B) \$960,000 for Fire Safety System Modernization by replacing the current technology with a modern platform to improve records management and public interaction functionalities related to permitting and licensing.
- (5) \$1,720,000 to the Agency of Agriculture, Food, and Markets, as follows:
 - (A) \$1,000,000 for the development of an agricultural Payment for Ecosystems Services Program to support the work of the Payment for Ecosystem Services and Soil Health Working Group (PES WG) – as authorized by Act 83 of 2019, amended by Act 129 of 2020 and Act 47 of 2021– to enable Payment for Ecosystem Services Program development to retain facilitation services, contract identified research needs, fund pilot program development, and deliver payments to farmers for quantified ecosystem services.
 - (B) \$200,000 to grant to the Northeast Organic Farmers Association-Vermont to fund programs to assist low income and health - challenged individuals access local food and fresh produce at farmers markets and through CSA shares. This one-time appropriation would respond to the record demand in these fresh food access programs due to increased food insecurity experienced by Vermonters during the pandemic.
 - (C) \$420,000 for the purchase of laboratory equipment to test for Per- and Poly-fluoroalkyl Substances (PFAS) in drinking water to support public health testing requirements for Agencies of Natural Resources, Transportation and Agriculture.
 - (D) \$100,000 for a Vermont Brand Assessment to further sales of Vermont Agricultural products.
- (6) \$150,000 to the Criminal Justice Council, as follows:
 - (A) \$50,000 for the development of a new written entrance exam for the Vermont Police Academy to meet updated screening requirements.
 - (B) \$100,000 for an incident simulator to enable de-escalation training.

Section B.1100(a)

- (1) H. Government Operations
- (2) H. Health Care
- (3)(A) H. Government Operations
- (3)(B) H. Commerce & Econ. Dev.
H. Government Operations
H. Transportation
- (4)(A) H. Government Operations
H. Transportation
- (4)(B) H. Energy & Technology
H. Government Operations
- (5)(A) H. Agriculture & Forestry
H. Natural Resources, F & W
- (5)(B) H. Agriculture & Forestry
H. Human Services
- (5)(C) H. Agriculture & Forestry
H. Natural Resources, F & W
H. Transportation
- (5)(D) H. Agriculture & Forestry
H. Commerce
- (6) H. Government Operations
H. Judiciary

(7) \$32,700,000 to the Department of Labor, as follows:

(A) \$30,000,000 for the completion of the Unemployment Insurance modernization project.

(B) \$2,700,000 for a pilot program to establish Workforce Expansion Specialists in six regions across the state to support CTE students, employers and workforce personnel by connecting those entering and reengaging in the workforce with employers.

(8) \$675,000 to the Agency of Education, as follows:

(A) \$100,000 to continue funding the position of Child Nutrition Specialist created in 2021 Act 67 Sec. 8.

(B) \$500,000 for Child Nutrition Grants to school districts to purchase local foods.

(C) \$75,000 to offset the estimated decline in teachers' license revenue in FY2023 resulting from the waiver of occupational licenses and/or fees for certain categories of applicants.

(9) \$10,075,000 to support Climate Resiliency with the following appropriations:

(A) \$75,000 to the Agency of Natural Resources – Central Office for contractual support to complete work associated with implementing the Global Warming Solutions Act of 2020.

(B) \$10,000,000 to the Department of Public Safety – Emergency Management to provide state match for FEMA funds to purchase properties identified for high flood risk.

(10) \$5,250,000 to the Agency of Natural Resources as follows:

(A) \$5,000,000 to the Department of Forests, Parks, and Recreation for the VOREC Community Grant Program.

(B) \$250,000 to the Department of Environmental Conservation to complete statewide wetland mapping updates and to update the Vermont Significant Wetland Inventory maps.

(11) \$20,460,000 to the Agency of Commerce and Community Development, as follows:

(A) \$6,000,000 to the Department of Economic Development for the remediation and redevelopment of brownfield sites.

(B) \$8,460,000 to the Department of Tourism and Marketing to support a regional recruitment and relocation network and provide marketing support for economic development/relocation efforts, for three years.

(C) \$5,000,000 to the Department of Economic Development to fund the continuation of the New and Remote Worker Grant Programs

(D) \$1,000,000 to the Department of Economic Development to provide state match funds for the Good Jobs Challenge and Build to Scale EDA applications.

(12) \$1,050,000 to the Agency of Transportation - Department of Motor Vehicles as follows:

(A) \$50,000 for granting to the Vermont Association of Snow Travelers to support the Law Enforcement and Safety Program.

(B) \$1,000,000 for granting to the Vermont Association of Snow Travelers to support the Equipment Grant-in-Aid program.

(13) \$10,000,000 to support Critical Occupations Workforce Recruitment and Retention, as follows:

(A) \$5,000,000 to the Vermont Department of Health, as follows:

(1) \$3,000,000 for granting to the Vermont Student Assistance Corporation to support the existing nursing scholarship program administered by VDH in coordination with VSAC.

(2) \$2,000,000 to the Vermont Department of Health for continued support of the existing program to provide loan repayment support to nurses (RN/LPN).

(B) \$5,000,000 to the Vermont Student Assistance Corporation, as follows:

- (1) \$3,000,000 for scholarships for trades students under the Vermont Trades Scholarships Program
- (2) \$ 500,000 for loan repayment for trades professionals under the Vermont Trades Loan Repayment Program
- (3) \$1,500,000 for the 802 Opportunity Program for increasing the household income eligibility limit from \$50,000 to \$75,000.
- (14) \$1,800,000 to the Agency of Administration – Department of Buildings and General Services, for continued implementation of the Workplace Information Management System for property management.

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

Sec. B.1100.1 FISCAL YEAR 2023 ONE-TIME TRANSPORTATION FUND APPROPRIATIONS
 (a) In fiscal year 2023, \$20,250,000 is appropriated from the Transportation Fund to the Department of Motor Vehicles for DMV Core System Modernization Phase II.

EXPLANATION: A one-time appropriation, in an amount equal to that previously transferred annually to the Department of Public Safety – Vermont State Police, to fund the continued implementation of the modernization project.

Sec. B.1101 FISCAL YEAR 2023 ONE-TIME USE OF GENERAL FUND CARRIED FORWARD FROM FISCAL YEAR 2022
 (a) \$77,162,493 reserved at the end of fiscal year 2022 to be carried forward into fiscal year 2023 shall be unreserved and used for general fund appropriations in fiscal year 2023.

EXPLANATION: Use of one-time funds carried forward from fiscal year 2022 to fund budgeted appropriations in fiscal year 2023.

* * * Fiscal Year 2022 Adjustments, Appropriations and Amendments * * *

Sec. C.101 GENERAL FUND RESERVES AND CARRY FORWARD
 (a) Notwithstanding any provisions of law to the contrary, the following General Fund amount shall be reserved in fiscal year 2022 and carried forward into fiscal year 2023 to be used for general fund appropriations in fiscal year 2023: \$77,162,493.

EXPLANATION: This provision reserves and carries forward the General Fund amount above into fiscal year 2023 to be unreserved and used for appropriations pursuant to Sec. B.1101 of the Act.

Sec. C.102 2021 Acts and Resolves No. 9, Sec. 15 is amended to read:

(a) Appropriation. In fiscal year 2021, \$15,000,000.00 is appropriated from the American Rescue Plan Act of 2021 - Coronavirus State Fiscal Recovery Fund for the Pre-K–12 Education Pandemic - School Indoor Air Quality Grant Program established in 2020 Acts and Resolves No. 120, Sec. A.51., and amended to include regional CTE districts as defined in 16 VSA 1571 and regional CTE centers as defined in 16 VSA 1522. This appropriation may be adjusted if the Commissioner of Finance and Management determines that FEMA funds will be awarded for this purpose. At the Agency’s discretion, the funds authorized by this section shall be either granted by the Agency of Education or paid to Efficiency Vermont to carry out the duties listed in 2020 Acts and Resolves No. 120, Sec. A.51(e). Efficiency Vermont is authorized to use up to \$250,000.00 of the \$15,000,000.00 appropriated under this section for direct labor costs.

EXPLANATION: To correct an error that inadvertently makes CTE centers ineligible to receive ARP Indoor Air Quality funding to improve air quality.

Section B.1100(a)	
(7)(A).....	H. Commerce & Econ. Dev. H. Government Operations
(7)(B)	H. Commerce & Econ. Dev. H. Education H. Government Operations H. Ways & Means
(8)(A)	H. Education H. Human Services
(8)(B)	H. Agriculture & Forestry H. Education H. Human Services
(8)(C)	H. Education H. Ways & Means
(9)(A)	H. Energy & Technology H. Natural Resources, F & W
(9)(B)	H. Government Operations H. Natural Resources, F&W H. Transportation
(10)(A)&(B).	H. Agriculture & Forestry H. Natural Resources, F & W
(11)(A) – (D)	H. Commerce & Econ. Dev.
(12)	H. Commerce & Econ. Dev.
(13)	H. Transportation
(13)(A)	H. Commerce & Econ. Dev. H. Education H. Government Operations H. Health Care H. Ways & Means
(13)(B)	H. Commerce & Econ. Dev. H. Education H. Government Operations H. Ways & Means
(14)	H. Energy & Technology
(15)	H. Corrections & Institutions

Section B.1100.1	
	H. Energy & Technology H. Transportation

Section C.102 – H. Education	
	H. Energy & Technology

Sec. C.103 2021 Acts and Resolves No. 74, Sec. D.101(b)(2) is amended as follows:

62100 Unclaimed Property Fund ~~\$3,027,750.00~~ \$4,106,300.00

EXPLANATION: Increase of \$1,078,550.00 based on current estimate.

Section C.103 – H. Government Operations

Sec. C.104 2021 Acts and Resolves No. 74, Sec. E. 301.4 is inserted to read:

(a) Due to the Health and Human Services Public Health Emergency extension into the fourth quarter of Fiscal Year 2022, effective from April 1, 2022 through June 30, 2022, any savings resulting from the enhanced FMAP rate shall be used to address anticipated Global Commitment spending pressures resulting from the continued suspension of eligibility redeterminations.

EXPLANATION: Assures adequate funding within the Global Commitment program should the PHE be extended beyond the period contemplated in the SFY22 budget.

Section C.104 – H. Health Care

Sec. C.105 2021 Acts and Resolves No. 74, Sec. E.501.1 is amended to read:

(a) ESSER I funds. The following sums are appropriated to the Agency of Education in fiscal year 2021 from the ESSER funds provided to the State pursuant to Section 18003 of Division B of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116–136 (CARES Act); a portion of the funds may be expended in fiscal year 2020 consistent with the terms of the grant acceptance, and any unexpended amounts may be carried forward to fiscal years 2022 and after:

- (1) \$953,021 for software tools to assist with the response to the COVID-19 pandemic;
- (2) ~~\$2,006,074~~ \$1,006,074 for learning management assistance, including remote learning supports and materials;
- (3) \$1,000,000 for emerging statewide needs; and
- (4) \$155,741 for administrative and personnel costs.

EXPLANATION: To address newly identified priorities for the use of ESSER I funds (including vaccine incentive program ending June 30, 2021). No additional appropriation is requested.

Section C.105 – H. Education

Sec. C.106 2021 Acts and Resolves No. 74, Sec. E.501.2 is amended to read:

(b) ESSER III funds. The federal funds appropriated in Sec. B.501 of this act, shall be allocated as follows:

- (1) \$1,000,000 from the ESSER funds provided to the State pursuant to Sec. 2001(f) of the American Rescue Plan Act of 2021, Pub. L. No. 117-2 to address emerging State level needs for learning management assistance, including remote learning supports and materials; and

EXPLANATION: To extend the period of performance for remote learning support funds in ARPA ESSER. No additional appropriation is requested.

Commented [TU8]: C.106 – H. Education

* * * Fiscal Year 2023 Fund Transfers and Reserve Allocations * * *

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 \$533,540 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 \$533,540 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 \$11,128,985 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 \$11,128,985 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 2023 appropriation of \$11,128,985 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 \$4,360,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above \$4,360,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The \$4,360,599 shall be allocated as follows:

- (A) \$3,052,419 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);
- (B) \$872,120 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b); and
- (C) \$436,060 to the Agency of Digital Services for the Vermont Center for Geographic Information.

EXPLANATION: Language to determine the allocation of the property transfer tax. The appropriations to the Dept. of Taxes and VHCB represent 3% increases above prior year. The Municipal and Regional Planning Fund appropriation represents an increase of \$600,000 above prior year.

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 Workers' Compensation Fund (56100): \$6,000,000

EXPLANATION: Transfer of funds to offset projected deficit remaining at the end of FY2022 due to loss experience exceeding actuarial assumptions.

(2) From the General Fund to the All Other Insurance Fund (56300): \$1,000,000

EXPLANATION: Transfer of funds to offset projected deficit remaining at the end of FY2022 due to unbudgeted policy premium increases realized during July 2021 policy renewals and cyber claim deductible payments.

(3) From the General Fund to the Capital Expenditures Cash Fund created by Sec. E.107.1 of this Act: \$6,525,000

EXPLANATION: General Fund Transfer comprised of \$6,200,000 one-time funding, and \$325,000 made available by a reduction in debt service resulting from the repayment of \$20 million in G.O. bonds as proposed in the Governor's Recommended Budget Adjustment Act.

Section D.100(a)

- (1)H. Ways & Means
- (2)H. Commerce & Econ. Dev.
H. General, Housing & M.A.
H. Human Services
- (3)(A)&(B).....H. Commerce & Econ. Dev.
- (3)(C) H. Commerce & Econ. Dev.
H. Energy & Technology

Section D.101(a)(1) – H. Commerce & Econ. Dev.
H. Government Operations.

Section D.101(a)(2) – H. Energy & Technology

Section D.101(a)(3) – H. Corrections & Institutions

(4) 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: \$5,816,111.

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

Section D.101(a)(4) – H. Agriculture & Forestry
H. Natural Resources, F&W

(5) 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.

Section D.101(a)(5) – H. Agriculture & Forestry
H. Natural Resources, F&W

(6) 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: \$523,966.

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

Section D.101(a)(6) – H. Commerce & Econ. Dev.
H. Transportation

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2023:

(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>\$ 4,641,960.00</u>
<u>50300</u>	<u>Liquor Control Fund</u>	<u>\$19,431,431.00</u>
	<u>Caledonia Fair</u>	<u>\$ 5,000.00</u>
	<u>North Country Hospital Loan</u>	<u>\$ 24,047.00</u>
	<u>Springfield Hospital promissory note repayment</u>	<u>\$ 121,416.00</u>

EXPLANATION: Direct applications from AHS and DLL; typical annual payments from Caledonia Fair and North Country Hospital; Springfield Hospital promissory note based on bankruptcy settlement is a new item, with payments due beginning in January 2022.

Section D.101(b)(1)
AHS Central – H. Health Care
Liquor – H. General Affairs, Housing & M.A.
Caledonia Fair – H. Commerce & Econ. Dev.
North Country Hospital – H. Health Care
Springfield Hospital – H. Health Care

(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>\$ 1,600,000.00</u>
<u>62100</u>	<u>Unclaimed Property Fund</u>	<u>\$ 1,773,425.00</u>

EXPLANATION: FY 2023 estimated direct applications to the General Fund.

Section D.101(b)(2) – H. Commerce & Econ. Dev.

(3) Notwithstanding 2016 Acts and Resolves No. 172, Section E. 228, \$45,472,692 of the unencumbered balances in the Insurance Regulatory and Supervision Fund (21075), the Captive Insurance Regulatory and Supervision Fund (21085), and the Securities Regulatory and Supervision Fund 21080) shall be transferred to the General Fund.

EXPLANATION: The Direct Application from the Department of Financial Regulation (DFR) for fiscal year 2023.

Section D.101(b)(3) – H. Commerce & Econ. Dev.
H. Health Care

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2023 the following estimated General Fund reserves shall be made:

(1) Pursuant to 32 V.S.A. § 308, an estimated amount of \$18,629,568 shall be reserved in the General Fund Budget Stabilization Reserve.

EXPLANATION: FY 2023 estimated contribution to the Budget Stabilization Reserve

Sec. D.102 27/53 RESERVE

(a) \$3,020,000 general fund shall be reserved in the 27/53 reserve in Fiscal Year 2022. This action is the fiscal year 2023 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.

Section D.102 – H. Government Operations
H. Health Care

* * * General Government * * *

Sec. E.100 EXECUTIVE BRANCH POSITIONS

(a) The establishment of the following new positions is authorized in fiscal year 2023:

(1) Permanent classified positions:

(A) Agency of Agriculture, Food, and Markets - Vermont Agriculture and Environmental Lab: one (1) new VAEI Scientist IV; Chemistry.

(B) Department of Buildings and General Services – Fee for Space:

(1) one (1) BGS Utility Mechanic;

(2) three (3) BGS Institutional Custodians;

(3) one (1) BGS Maintenance Mechanic II.

(C) Criminal Justice Council: one (1) Professional Regulatory Investigator.

(D) Department of Aging and Independent Living's Administration and Support division:

(1) one (1) S&C Non-clinical Manager;

(2) three (3) Nurse Surveyors;

(3) one (1) Administrative Assistant;

(4) one (1) Quality Outcomes Specialist;

(5) two (2) Adult Protection Services Investigators;

(6) one (1) Office of Public Guardian Community Financial Specialist;

(7) one (1) Office of Public Guardian Assistant Director.

(E) Department of Mental Health:

(1) one (1) Suicide Prevention Manager;

(2) one (1) Quality Control Specialist III;

(3) one (1) Staffing Office Manager;

(4) five (5) Mental Health Scheduling Coordinators;

(5) one (1) DMH Psychologist;

(6) one (1) DMH Activity Therapist;

(7) one (1) Psychiatric Social Worker II;

(8) two (2) Food Service Workers;

(9) two (2) Cook Cs;

(10) one (1) Supervising Chef.

(2) Permanent exempt positions:

(A) Vermont Pension Investment Commission: one (1) Principal Assistant.

(b) The conversion of ninety-six (96) limited-service positions to classified permanent status is authorized in fiscal year 2023 as follows:

(1) Department of Vermont Health Access:

(A) DVHA, Business Office Unit – one (1) Financial Manager III;

(B) DVHA, Business Office Unit – one (1) Grants Management Specialist;

(C) DVHA, Contracts & Grants Unit – two (2) Contracts & Grants Administrators;

(D) DVHA, Contracts & Grants Unit – one (1) Financial Manager I;

(E) DVHA, HAEEU – one (1) Assister Program Manager;

(F) DVHA, HAEEU – seven (7) Benefits Program Mentors;

(G) DVHA, HAEEU – two (2) Business Analysts;

(H) DVHA, HAEEU – one (1) Communications & Outreach Coordinator;

(I) DVHA, HAEEU – one (1) Health Care Training/Community Manager;

(J) DVHA, HAEEU – seven (7) Health Program Administrators;

(K) DVHA, HAEEU – three (3) Healthcare Assistant Admin I's;

(L) DVHA, HAEEU – five (5) Healthcare Assistant Admin II's;

(M) DVHA, HAEEU – one (1) VHC Business Process Coordinator;

(N) DVHA, HAEEU – one (1) VHC Education & Outreach Coordinator;

(O) DVHA, HAEEU – five (5) VHC Support Services Specialists;

(P) DVHA, HAEEU – sixteen (16) VT Healthcare Service Specialist I's;

(Q) DVHA, HAEEU – twenty-five (25) VT Healthcare Service Specialist II's;

(R) DVHA, HAEEU – five (5) VT Healthcare Service Specialist III's;

(S) DVHA, Health Care Appeals Unit – five (5) Fair Hearing Specialists;

(T) DVHA, Health Care Appeals Unit – one (1) Program Technician I;

(U) DVHA, Legal Unit – one (1) Staff Attorney II;

(V) DVHA, Long Term Care Unit – three (3) Long Term Care Specialist I's.

(2) Department of Forests, Parks and Recreation – Forestry: one (1) Forester III.

Section E.100(a)

- (1)(A)H. Agriculture & Forestry
- (1)(B) H. Corrections & Institutions
H. Government Operations
- (1)(C)H. Government Operations
H. Judiciary
- (1)(D)H. Human Services
- (1)(E)H. Health Care
- (2)(A)H. Government Operations

Section E.100(b)

- (1) – H. Health Care
- (2) – H. Agriculture & Forestry

Sec. E.107 CORONAVIRUS RELIEF FUND APPROPRIATIONS; REVERSION AND REALLOCATION; REPORTS

(a) From July 1, 2022 through September 30, 2022, the Commissioner of Finance and Management is authorized to revert all unobligated Coronavirus Relief Fund (CRF) appropriations and allocate the monies for expenditure pursuant to 32 V.S.A. § 511 to any agency or department for CRF-eligible costs incurred from March 1, 2020 through December 31, 2021.

(b) The Commissioner of Finance and Management shall report at the September meeting of the Joint Fiscal Committee on final CRF activity and any monies needing to be returned to the federal government.

EXPLANATION: Provides authority consistent with 2021 Act 74 as amended by Governor's Recommended FY 2022 Budget Adjustment Act.

Sec. E.107.1 32 V.S.A. § XXXX is added to read:

§ XXXX. CAPITAL EXPENDITURE CASH FUND; CREATION AND PURPOSE

(a) It is the purpose of this section to defray the costs of future capital expenditures by establishing a fund to pay for expenditures that would otherwise be paid for using the State's General Obligation bonding authority and debt service obligations. Expenditures authorized for use of this fund include:

- (1) costs associated with a proposed capital project that occur prior to the construction phase of that project, including but not limited to feasibility, planning, design, engineering and architectural costs;
- (2) projects with an anticipated lifespan less than 20 years; and
- (3) other eligible capital projects or debt service expenditures as recommended by the Governor or appropriated to by the General Assembly.

(b) There is hereby created a capital projects fund to be known as the Capital Expenditure Cash Fund to be administered by the Commissioner of Finance and Management in consultation with the State Treasurer. The Fund may consist of:

- (1) transfers from the General Fund pursuant to subsection (c) of this section;
- (2) appropriations made by the General Assembly; and
- (3) interest earned by the Fund.

(c) Beginning in fiscal year 2024, a transfer from the General Fund to the Capital Expenditure Cash Fund will be made equal to four percent of the appropriations from the General Fund for the prior fiscal year, less the General Obligation Debt Service need as determined by the State Treasurer.

(d) Beginning in fiscal year 2024 and annually thereafter, the status of the Capital Expenditure Cash Fund will be reassessed by the Office of the State Treasurer and the Department of Finance and Management to determine if the transfer rate established in subsection (c) of this section needs readjustment. If it is determined that an adjustment is needed, a recommendation shall be made to the Governor and the General Assembly.

(e) All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund. Interest earned by the Fund shall be deposited in the Fund.

EXPLANATION: Subsection (a) provides the scope for a cash fund to pay for a subset of capital expenditures. Subsection (b) creates the fund and defines the source of funds. This fund is funded in fiscal year 2023 by a General Fund transfer of \$6,525,000 (comprised of \$6.2 million GF one-time funding and \$325,000 GF made available from a reduction in debt service resulting from calling \$20 million in G.O. bonds), and subsection (c) lays out a structure for funding in fiscal year 2024 and beyond using a calculation of 4% of prior year General Fund appropriations, less our debt service obligations. As debt service decreases it will increase funding available for paying capital expenditures on a cash basis. Subsection (d) is provided to build in a reassessment in subsection (c) recognizing that there will be a point where we may need less funding than 4% of the prior year General Fund appropriation generates. Subsection (e) sets carryforward language for the fund and deposits interest earned by the Fund to the Fund.

Section E.107.1 – H. Corrections & Institutions
H. Government Operations

Sec. E.107.2 32 V.S.A. § 1002 is added to read:

USE OF GENERAL OBLIGATION BONDING CAPACITY DUE TO BOND PREMIUMS

(a) No more than 50% of the bonding capacity created from a bond premium generated during the issuance of general obligation bonds may be used for capital projects.

EXPLANATION: This section sets the intent to limit the use of bonding capacity freed up by the issuance of a bond premium. This will have the effect of further reducing our general obligation debt issued, which will further decrease future debt service payments and increase funding available for paying cash expenditures through the Capital Expenditures Cash Fund.

Section E.107.2 – H. Corrections & Institutions

Sec. E.134.1 VERMONT PENSION INVESTMENT COMMISSION; INDEPENDENCE FROM THE OFFICE OF THE STATE TREASURER; CREATION OF SPECIAL FUND

3 V.S.A. § 522 is amended to read:

§ 522. Vermont Pension Investment Commission

(i) ~~Assistance~~ Transfers and expenses.

(1) ~~The Commission shall have the administrative and technical support of the Office of the State Treasurer. There is hereby created a Vermont Pension Investment Commission special fund for the purpose of receiving funds transferred from the three retirement systems, and from which expenses will be paid that are associated with carrying out its duties.~~

EXPLANATION: Strike (i)(1) of this section to recognize that the Office of the State Treasurer is no longer required to provide administrative and technical support to the Vermont Pension Investment Commission. New section (i)(1) language is added to establish a special fund for VPIC to use for to pay their expenses and receive transfers from the pension systems needed to cover those expenses.

Section E.134.1 – H. Government Operations

Sec. E.134.1a VERMONT PENSION INVESTMENT COMMISSION; SOURCE OF FUNDS

(a) ~~The funds appropriated in Sec.B.134.1 are costs to the State’s pension funds and have been considered in each pension systems’ actuarial valuations but have not been included in the funds appropriated in sections B.133, B.134, and B.514.1.~~

(b) ~~Spending authority needed to transfer pension funds to the VPIC special fund will be granted by the Department of Finance and Management pursuant to 32 V.S.A. § 511.~~

(c) ~~The funds appropriated from the pension systems for administrative costs in Sec. B.133, B.134, and B.514.1 are intended to provide spending authority needed to transfer funds from the State’s pension systems to the Treasurers Retirement Admin Costs fund (21520) to cover the portion of the Treasurer’s budget attributable to the State’s pension systems.~~

EXPLANATION: This language establishes that the funds appropriated to VPIC in Sec. B.134.1 are not included in the various Pension Admin appropriations, but are costs to the pension systems, and have been contemplated by the three pension systems’ Actuarially Determined Contributions. The pension funds appropriated in Sec. B.133, B.134, and B.514.1 are to support the Treasurer’s office budget. Spending authority needed to transfer funds from the pension systems to the VPIC special fund will be processed using Excess Receipt Requests in fiscal year 2023.

Section E.134.1a – H. Government Operations

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).~~

Section E.139 – H. Ways & Means

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.

Section E.142 – H. Corrections & Institutions
H. Ways & Means

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: Standard language.

Section E.143 – H. Ways & Means

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: Standard language.

Section E.144 – H. Corrections & Institutions
H. Ways & Means

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 2022.

Section E.208 – H. Government Operations
H. Transportation

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 2022.

Section E.209
(a) – H. Government Operations
H. Natural Resources, F&W
H. Transportation
(b) – H. Government Operations
H. Health Care
H. Transportation

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 2022.

Section E.212 – H. Government Operations
H. Transportation

Sec. E.215 MILITARY - ADMINISTRATION

(a) 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. § 2857.

EXPLANATION: Same provisions as in fiscal year 2022.

Section E.215 – H. Education
H. General, Housing & M.A.

Sec. E.219 MILITARY – VETERANS’ AFFAIRS

(a) Of the funds appropriated in Sec. B.219 of this act, \$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; 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 2022, less \$5,000 grant for the Military, Family, and Community Network that was present in last year’s language.

Section E.219 – H. Commerce & Econ. Dev.
H. Education
H. General, Housing & M.A.

Sec. E.233 PUBLIC SERVICE; UNIVERSAL TELECOMMUNICATIONS SERVICE

30 V.S.A. § 7511 is amended to read:

§ 7511. Distribution generally

(a)(1) As directed by the Commissioner of Public Service, funds collected by the fiscal agent, and interest accruing thereon, shall be distributed as follows:

- (A) to pay costs payable to the fiscal agent under its contract with the Commissioner;
- (B) to support the Vermont telecommunications relay service in the manner provided by section 7512 of this title;
- (C) to support the Vermont Lifeline program in the manner provided by section 7513 of this title;
- (D) to support ~~Enhanced 911 services~~ the Critical Communications Infrastructure Program in the manner provided by section ~~7514~~ 7517 of this title; and
- (E) to support the Connectivity Fund established in section 7516 of this title; and

EXPLANATION: Identify that Universal Service Fee (USF) funds will no longer be allocated to the Enhanced 911 special fund and will instead be allocated to the new Critical Communications Infrastructure Program created in Sec. E233.2 of this act.

Section E.233 – H. Energy & Technology
H. Ways & Means

Sec. E.233.1 REPEAL

§ 7514. ~~Enhanced 911~~

~~The fiscal agent shall make distributions to the State Treasurer, for deposit into the Enhanced 911 special fund, as annually directed by the General Assembly. (Added 1993, No. 197 (Adj. Sess.), § 5.)~~

EXPLANATION: Sec. B.235 of the Governor’s Recommended Budget funds the Enhanced 911 Board with General Fund rather than from the Enhanced 911 special fund, so distributions to this fund are no longer warranted.

Section E.233.1 – H. Government Operations
H. Ways & Means

Sec. E.233.2 CRITICAL COMMUNICATIONS INFRASTRUCTURE PROGRAM; PURPOSE; DUTIES

§ 7517. Critical Communications Infrastructure Program

(a) Purpose. The purpose of the Critical Communications Infrastructure Program (CCIP) is to improve availability of commercial mobile wireless voice services (CMRS) in areas where those services are currently unavailable.

(b) The Public Service Department, in cooperation with the Agency of Transportation, shall:

(1) evaluate CMRS services through a driving test of all federal aid highways;

(2) Prioritize road segments identified from the drive test as having no or low- quality voice service using traffic counts and the quantity of E-911 business and residential locations in proximity. In identifying priority road segments, the Department shall seek input on a draft set of Priority Road Segments, including from state agencies and regional planning commissions, and any other stakeholders that the Commissioner deems necessary and;

(3) retain an expert to identify Search Rings, defined as geographic areas in which towers could be deployed to provide mobile wireless service to the Priority Road Segments. In developing the Search Rings, the expert shall consider the locations of existing tower sites and the optimal extension of existing coverage.

(c) The Department shall develop a program to competitively award grants to facilities-based carriers and tower operators that results in the deployment of new wireless facilities in areas identified for priority in accordance with subsection (b). In creating the program, the Department shall ensure that the funding is awarded in a manner that:

(1) Ensures wireless voice coverage national facilities based CMRS carriers

(2) Provides coverage in unserved areas of all Vermont counties

(3) Provides low-cost or free access to some facilities by Vermont public safety organizations

(d) In developing the program, the Commissioner may retain outside consultants to assist with all steps of the program. The Commissioner may also consider Neutral Host Networks in areas that cannot otherwise be supported by the program.

(e) The Fiscal Agent shall make distributions to the Department of Public Service for the purpose of funding the program as annually directed by the General Assembly.

EXPLANATION: Definition of the program to be funded by Sec. E.233 of this act.

Section E.233.2 – H. Energy & Technology
H. Government Operations
H. Transportation
H. Ways & Means

Sec. E.233.3 UNIVERSAL SERVICE FUND; FY 2023 TRANSFER TO ENHANCED 911 BOARD

Notwithstanding any other provision of this chapter, for fiscal year 2023 only, the amount of \$700,000 shall be transferred to the State Treasurer from the Vermont Universal Service Fund for the purpose of funding the Enhanced 911 Board.

EXPLANATION: Amount estimated to offset the deficit remaining in the E-911 Special Fund at the end of FY 2022.

Section E.233.3 – H. Energy & Technology
H. Government Operations
H. Ways & Means

Sec. E.236.1 POWERS AND DUTIES OF BOARD OF LIQUOR AND LOTTERY

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

The Board of Liquor and Lottery 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, to include on-line lottery games known as iLottery, 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.

Section E.236.1 – H. General, Housing & M.A.
H. Ways & Means

Sec. E.300 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).

Section E.300 – H. Health Care

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 \$25,231,644 is anticipated to be certified as State matching funds under the Global Commitment as follows:~~

(1) ~~\$22,230,100 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with \$28,269,900 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) ~~\$3,001,544 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.~~

(c) ~~Up to \$4,034,170 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 well as to update estimated appropriations and available certified State match as proposed in the fiscal year 2023 budget.

Section E.301

- (a)..... H. Health Care
- (b)(1).... H. Education
 H. Health Care
- (b)(2)H. Health Care
 H. Human Services
- (c)H. Health Care

Sec. E.301.1 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT

(a) ~~In order to facilitate the end-of-year closeout for fiscal year 2023, 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 2023 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

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

Section E.301.1 – H. Health Care

Sec. E.301.2 GLOBAL COMMITMENT WAIVER AMENDMENT

(a) The Secretary of Human Services is authorized to seek to extend or renew Vermont's Global Commitment to Health Section 1115 Demonstration Waiver, which is currently set to expire on December 31, 2021. The Agency of Human Services shall strive to maintain or increase the State's flexibility to use Global Commitment investment dollars to increase access to care and coverage, improve health outcomes, strengthen health care delivery, and promote transformation to value-based and integrated models of care.

EXPLANATION: This language is required to signify the state's intention to negotiate the continuation of its 1115 waiver with CMS should the negotiations continue into Calendar Year 2022 for Calendar Years 2023 and beyond.

Section E.301.2 – H. Health Care

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, 2023, 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: Annual language requirement to appropriately position DVHA to adapt its rules relative to changes in federal and/or state laws governing the Vermont Health Benefits Exchange.

Section A - E.306 – H. Health Care
H. Ways & Means

Sec. E.306 HEALTH IT-FUND REVENUE SUNSET

2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017 Acts and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187, Sec. 5, 2019 Acts and Resolves No. 71, Sec. 21, and as amended by 2021 Acts and Resolves No. 73, Sec. 14, is further amended to read:

(10) Secs. 48–51 (health claims tax) shall take effect on July 1, 2013 and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, 2023, 2024.

EXPLANATION: Language is required to extend the sunset of the Health IT fund and is customarily extended by one year as compared to current law until a policy change is initiated. This item could be carried in the miscellaneous tax bill.

Section B - E.306 – H. Health Care
H. Ways & Means

Sec. E.306.1 HEALTH CARE CLAIMS TAX

2019 Acts and Resolves No. 6, Sec. 105 as amended by 2019 Acts and Resolves No. 71, Sec. 19, is further amended to read:

(b) Sec. 73 (further amending 32 V.S.A. Sec. 10402) shall take effect on July 1, 2024, 2024.

EXPLANATION: This language is required to extend the .199% Health Care Claims tax to fund the HIT Fund through 2024 to align with Sec. E.306 above.

Section E.301.1 - H. Health Care
H. Ways & Means

Sec. 306.2 HOME HEALTH AGENCY ASSESSMENT; REPEAL

2017 Acts and Resolves No. 73, Sec. 18d, as amended by 2019 Acts and Resolves No. 71, Sec. 22, and as amended by 2021 Acts and Resolves No. 73, Sec. 13, is further amended to read:

Sec. 18d. REPEAL

33. V.S.A. § 1955a (home health agency assessment) is repealed on July 1, ~~2023~~ 2024.

EXPLANATION: Language is required to extend the repeal of the home health agency assessment and is customarily extended by one year as compared to current law until a policy change is initiated. This item could be carried in the miscellaneous tax bill.

Section E.306.2 - H. Health Care
H. Human Services

Sec. E.312 HEALTH – PUBLIC HEALTH

(a) AIDS/HIV funding:

(1) In fiscal year 2023 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.

(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.

(3) In fiscal year 2023, 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.

(4) In fiscal year 2023, 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 2023. Grant reporting shall include outcomes and results.

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

Section E.312 – H. Health Care
H. Human Services

Sec. E.318 CHILD CARE FINANCIAL ASSISTANCE PROGRAM; REPORT

(a) On or before January 1, 2024, the Commissioner for Children and Families, in consultation with stakeholders, shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare:

(1) Evaluating the effectiveness of the expenditures resulting from the Child Care Financial Assistance Program rate and subsidy changes enacted for fiscal year 2020 as set forth in Sec. E.318.1 of Act 72, the incentive grants set forth in Sec. E.318.5 of Act 72, and the stipend or paid internship opportunities for individuals completing the Child Development Associate Credential at a Vermont technical center set forth in Sec. E.318.6 of Act 72;

(2) making recommendations as to whether the programs and expenditures set forth in Secs. E.318.1, E.318.5, and E.318.6 of Act 72 should continue; and

(3) evaluating how the programs and expenditures set forth in Secs. E.318.1, E.318.5, and E.318.6 of Act 72 contribute to Vermont's children and young people reaching their potential pursuant to 3 V.S.A. § 2311.

EXPLANATION: Evaluation of Expenditures and Program Report is due January 1, 2024.

Section E.318 – H. Human Services

Sec. E.318.1 CHILD CARE PROVIDER STABILIZATION GRANTS

(a) Of the funds provided in Sec. B.318 of this Act, \$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.

Section E.318.1 – H. Human Services

Sec. E.321 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2023 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency.

EXPLANATION: This language is needed for DCF to carry out the General Assistance Housing Program in its historic form using ERAP funds while a future emergency housing system is developed per legislative direction. In the absence of a concrete plan, DCF needs this language to administer GA in the meantime. This section is subject to change because the path forward is evolving.

Section E.321 – H. General Affairs, Housing & M.A.
H. Human Services

Sec. E.321.1 GENERAL ASSISTANCE HOUSING; ADVERSE WEATHER CONDITIONS

(a) The Commissioner for Children and Families may, by policy, provide temporary housing for a limited duration in adverse weather conditions when appropriate shelter space is not available.

EXPLANATION: This language is needed for DCF to carry out the exception to General Assistance Housing rules due to adverse weather conditions.

Section E.321.1 – H. General Affairs, Housing & M.A.
H. Human Services

Sec. E.323 Title 33 V.S.A. Sec. 1114 – Reach Up – Deferments, modifications, and referral, is amended as follows:

(5) A participant who is needed in the home on a full- or part-time basis in order to care for an ill or disabled parent, spouse, or child. In granting deferments, the Department shall fully consider the participant's preference as to the number of hours the participant is able to leave home to participate in work activities. ~~A deferral or modification of the work requirement exceeding 60 days due to the existence of illness or disability pursuant to this subdivision shall be confirmed by the independent medical review of one or more physicians, physician assistants, advanced practice registered nurses, or other health care providers designated by the Secretary of Human Services prior to receipt of continued financial assistance under the Reach Up program.~~

(d) Absent an apparent condition or claimed physical, emotional, or mental condition, participants are presumed to be able-to-work. A participant shall have the burden of demonstrating the existence of the condition asserted as the basis for a deferral or modification of the work requirement. ~~A deferral or modification of the work requirement exceeding 60 days due to the existence of conditions rendering the participant unable to work shall be confirmed by the independent medical review of one or more physicians, physician assistants, advanced practice registered nurses, or other health care providers designated by the Secretary of Human Services prior to receipt of continued financial assistance under the Reach Up program.~~

EXPLANATION: DCF proposes eliminating the Medical Review Team (MRT) process. Elimination of this process will better streamline Reach Up's administrative resources for more impactful projects and assist in addressing budget pressures.

Section E.323 – H. Health Care
H. Human Services

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.

Section E.324 – H. Energy & Technology
H. General, Housing & M.A.
H. Human Services

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, \$12,699,440 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.

Section E.325 – H. General, Housing & M.A.
H. Human Services

Sec. E. 326 DEPARTMENT FOR CHILDREN AND FAMILIES – OFFICE OF ECONOMIC OPPORTUNITY – 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.

Section E.326 – H. General, Housing & M.A.
H. Human Services

Sec. E.335 CORRECTIONS APPROPRIATIONS; UNEXPENDED FUNDS TRANSFER; REPORT

(a) In fiscal year 2023, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer unexpended funds between the respective appropriations for correctional services; provided, however, that no transfer shall be made from 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.

(b) In fiscal year 2023, any unexpended funds for correctional services out-of-state beds shall be carried forward to fiscal year 2024, and the amount reported to the Joint Legislative Justice Oversight Committee in September 2023, to support community-based service programs. Funds may only be expended on community-based service programs upon approval of the Joint Legislative Justice Oversight Committee. Prior to approval, the House Committees on Appropriations and on Corrections and Institutions and the Senate Committees on Appropriations and on Judiciary shall be notified of any proposed expenditures on community-based service programs.

EXPLANATION: This language allows DOC to transfer General Fund which has been beneficial for closeout purposes, albeit without the flexibility to transfer out-of-state beds funding. Any savings in the OOS appropriation would be carried forward for Justice Reinvestment purposes. This is now recurring language and has been in the budget bill the past two years.

Section E.335 – H. Corrections & Institutions

Sec. E.337 COMMUNITY HIGH SCHOOL OF VERMONT; FUNDING

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 Community High School of Vermont.

Section E.337 – H. Corrections & Institutions
H. Education
H. Ways & Means

Sec. E.338 CORRECTIONS - CORRECTIONAL SERVICES

(a) 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.

Section E.338 – H. Corrections & Institutions

E.400 DEPARTMENT OF LABOR ; TRADE APPRENTICESHIP EXPENSE REIMBURSEMENT; PROGRAM EXPANSION

(a) Up to \$1,000,000 of the funds appropriated in Act 74 of 2021 Sec. G.300(a)(6) may be carried forward by the Vermont Department of Labor and used to reimburse Vermont employers for costs incurred for work tools and personal protective equipment for new apprentices, and for expansion of registered apprenticeship programs and participants. Employers may be reimbursed up to \$300.00 for tools per apprentice.

EXPLANATION: ARPA funds appropriated for apprenticeship programs in FY2022 and remaining at the end of the fiscal year are allocated for the purpose described in FY2023.

Section E.400 – H. Commerce & Econ. Dev.
H. Government Operations
H. Ways & Means

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: 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.

Section E.500 – H. Education
H. Health Care

Sec. E.501 AGENCY OF EDUCATION; ESSER III FUND PLAN

(a) The following sums are appropriated from the ESSER III funds to the Agency of Education in fiscal year 2023:

(A) \$2,852,234 for Evidence-Based Summer Programming: Grant program for schools to offer district-wide tutoring or the implementation of a statewide contract to set up tutoring by a vendor (potentially virtual or hybrid to ensure that we can reach all students). A statewide vendor is used to address staffing shortages. The requirement that this be evidence-based tutoring is necessary to meet ARPA ESSER eligibility criteria.

(B) \$2,852,234 for Evidence-Based Afterschool Programming: Seed grants to districts for adoption of 21C quality approaches without necessarily having to meet the usual 21C stringent grant criteria, with targeting to districts that have been challenged to stand up 21C programs due to geographic challenges. The requirement that this be evidence-based (21C programming) is necessary to meet ARPA ESSER eligibility criteria.

(C) \$1,352,170 for the implementation of evidence-based interventions aimed specifically at addressing learning loss, such as summer learning or summer enrichment, extended day, comprehensive afterschool programs, or extended school year programs.

(D) \$1,130,586 for meeting other needs as determined by the state educational agency (AOE) to address issues in responding to COVID-19.

EXPLANATION: Allocation of the remaining ESSER III funds not yet appropriated.

Section E.501 – H. Education
H. Human Services
H. Ways & Means

Sec. E.501.1 LICENSE FEE REVENUE

(a) The Occupational Licensing Reform initiative established by Act XX of 2022 waives occupational licensing fees for all Vermont residents aged 25 or younger.

(b) The Agency of Education has estimated the FY2023 budget impact of this initiative to the Teacher Licensing Fund (21240) to be a decline in revenue of \$75,000.

(c) The General Fund appropriation in B.1100(a)(8)(C) of this act is intended to offset the revenue impact of Occupational Licensing Reform.

EXPLANATION: Acknowledgement of Occupational Licensing Reform initiative with respect to Teacher Licensing Fund revenue.

Section E.501.1 – H. Education
H. Government Operations
H. Ways & Means

Sec. E.502 EDUCATION – SPECIAL EDUCATION: FORMULA GRANTS

(a) Of the appropriation authorized in section B.502 of this act, and notwithstanding any other provision of law, an amount not to exceed \$4,073,400 shall be used by the Agency of Education in fiscal year 2023 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).

Section E.502 – H. Education
H. Ways & Means

Sec. E.503 EDUCATION – STATE-PLACED STUDENTS

(a) The Independence Place Program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

EXPLANATION: Annual language.

Section E.503 – H. Education
H. Ways & Means

Sec. E.504.1 EDUCATION – FLEXIBLE PATHWAYS

(a) Of the appropriation in Sec. B.504 of this act, \$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).

(b) 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);
- (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) \$3,200,000 is available for Early College pursuant to 16 V.S.A. § 4011(e).

(c) Of the appropriation in Sec. B.504 of this act, \$921,500 from the General Fund is available for dual enrollment programs.

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.

Section E.504.1 – H. Commerce & Econ. Dev.
H. Education

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 \$205,161,651 of which \$198,273,782 shall be the State's contribution and \$6,887,869 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, \$42,142,965 is the "normal contribution," and \$163,018,686 is the "accrued liability contribution."

EXPLANATION: Same language as prior years. Allows the normal contribution to be funded with Education funds. The \$6,887,869 local contribution mentioned in subsection (a) reduces the Education Fund component of the normal contribution by \$1,414,861 and the General fund component of the accrued liability contribution by \$5,473,008.

Section E.514 – H. Education
H. Government Operations

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

(a) In accordance with 16 V.S.A. § 1944b(b)(2), \$29,606,128 shall be contributed to the Retired Teachers' Health and Medical Benefits plan.

EXPLANATION: Same language as prior years, updated for FY 2023.

Section E.515 – H. Government Operations

Sec. E.702 FISH AND WILDLIFE; ADMINISTRATIVE FUNDING FOR ATV TRAILS PROGRAM

23 V.S.A. §3513 is amended to read:

§ 3513. LIABILITY INSURANCE; AUTHORITY TO CONTRACT FOR LAW ENFORCEMENT SERVICES
[subsection (a) effective July 1, 2023]

(a) The amount of 85 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 this program.

(b) This change shall be effective on July 1, 2023

EXPLANATION: Reinstates administrative funding for FPR's management of the ATV Trails Program. 2018 Sec. 28 of Act 158 amended 23 V.S.A. §3513 and eliminated \$7,000 previously allocated to the Agency of Natural Resources (ANR) and utilized by the Department of Forests, Parks and Recreation (FPR) for the State's role in overseeing and administering the statewide ATV trails program.

In 2019, Act 154 Sec. E. 706 amended the statute. However, the change in 2019 only partially amended the section of statute that is in effect until July 1, 2023. The section of statute that is in effect on July 1, 2023, also needs to be amended to include the \$7,000 that is allocated to FPR for administration of the statewide ATV trails program.

Section E.702 – H. Government Operations
H. Natural Resources

Sec. E.900 TRANSPORTATION; TRANSPORTATION FUNDS RESTRICTION OF USE

19 V.S.A. § 11a(a) is amended to read:

§ 11a. Transportation funds ~~appropriated for the Department of Public Safety~~ – restriction of use

(a) No transportation funds shall be appropriated for the support of government other than for the Agency, the Board, Transportation Pay Act Funds, construction of transportation capital facilities, transportation debt service, and the operation of information centers by the Department of Buildings and General Services, and the Department of Public Safety. The amount of transportation funds appropriated to the Department of Public Safety shall not exceed:

- (1) \$25,250,000.00 in fiscal year 2014;
- (2) \$22,750,000.00 in fiscal years 2015 and 2016;
- (3) \$21,150,000.00 in fiscal year 2017; and
- (4) \$20,250,000.00 in fiscal year 2018 and in succeeding fiscal years.

EXPLANATION: Eliminate the \$20.25M annual appropriation from the Transportation Fund to the Department of Public Safety. In FY2023, \$20.25M is proposed for appropriation for DMV Modernization Phase II in B.1100.1 of this act. In future years, having these funds remain in the Transportation Fund will provide state match for additional federal dollars.

Sec. E.900.1 REPEAL
19 V.S.A. § 11a(b) is repealed.

EXPLANATION: 19 V.S.A. § 11a(b) makes specific allocations of the funds appropriated to the Department of Public Safety, for specific purposes related to State Police vehicles. Since Sec. E.900 of this act eliminates the appropriation to DPS, 19 V.S.A. § 11a(b) is rendered obsolete.

Section E.900 – H. Government Operations
H. Transportation

Section E.900.1 – H. Government Operations
H. Transportation

* * * American Rescue Plan Act Appropriations * * *

* * * Intent and Other Funding * * *

Sec. XX. MULTIYEAR FUNDING PRIORITIES FOR THE AMERICAN RESCUE PLAN ACT (ARPA) AND OTHER STATE AND FEDERAL FUNDS FOR ALL VERMONTERS: INTENT

(a) ARPA was enacted on March 11, 2021 and includes a \$1.05 billion grant of recovery aid for Vermont to be spent on economic development and eligible infrastructure projects through 2024. With these funds, and other federal or State funds, the General Assembly recognizes an unprecedented opportunity to invest in Vermont’s recovery and long-term future by supporting Vermonters’ health and well-being and by strengthening Vermont’s communities, businesses, environment, and climate.

(b) Through the appropriations in Secs. [XXX -XXX] of this act, it is the intent of the General Assembly to continue to enable foundational investments that will support all Vermonters and transform and strengthen Vermont’s economy and communities.

(c) The appropriations of ARPA – Coronavirus State Fiscal Recovery Funds in fiscal year 2023 are made in Secs. [XXX-XXX] of this act by categorical areas. This does not account for the State General Fund monies, Infrastructure Improvement and Jobs Act (IIJA) monies, or other ARPA funding sources for specific programs or projects. All appropriations of ARPA funds in this act are made only to the extent permitted by federal law and guidance. Appropriations not expended in fiscal year 2023 shall carry forward.

* * * Economy, Workforce, and Communities * * *

Sec. XX INVESTMENTS IN VERMONT’S ECONOMY, WORKFORCE, AND COMMUNITIES

(a) \$101,050,000 in fiscal year 2023 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds as follows:

- (1) \$30,000,000 to the Department of Economic Development to be used for the Grand List Enhancement Program to facilitate development and redevelopment of commercial, or multi-unit residential sites in

Section On Initiatives - Multi-year Funding Priorities
H. Commerce & Econ. Dev.

disadvantaged communities and promote business, housing, and job growth in these areas which are necessary to prevent further declining or stagnant grand list values.

(2) \$50,000,000 to the Department of Economic Development to be used for the Capital Investment Grant Program to fund priority capital projects that aid in the rebuilding and recovery from COVID-19.

(3) \$20,000,000 to the Agency of Commerce and Community Development to sub-grant to VEDA for short-term forgivable loans as needed to address working capital and operating needs of businesses that continue to feel the impacts of the pandemic.

(4) \$1,050,000 to the Natural Resources Board, to be used as needed to prioritize and expedite permitting of ARPA-funded projects, including the costs of three exempt limited service positions.

*** Addressing Homelessness, Housing Insecurity and Increasing the Stock of Low- and Moderate-Income Housing ***

Sec. XX HOUSING AND HOMELESSNESS INVESTMENTS

(a) \$70,000,000 in fiscal year 2023 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds as follows:

(1) \$50,000,000 to the Vermont Housing and Conservation Board (VHCB) to provide affordable mixed-income rental housing and homeownership units, manufactured homes and improved farm worker and refugee housing. VHCB shall distribute the funds in consultation with the Secretary of Human Services and may subgrant a portion to other entities, including the Department of Housing and Community Development, the Vermont Housing Finance Agency, and regional nonprofit housing organizations, for one or more of the following purposes:

- (A) to undertake additional housing initiatives, such as home ownership, to the extent permitted by ARPA and related regulations and guidance;
- (B) to ensure that farm workers and those in recovery and refugee households are served; or
- (C) to provide for the efficient use of the funds. These funds shall carryforward into fiscal year 2024.

(2) \$5,000,000 to the Department of Housing and Community Development to provide grants to Vermont municipalities to support the development of affordable mixed-income rental housing. These funds shall carryforward into fiscal year 2024.

(3) \$5,000,000 to the Department of Housing and Community Development for the Vermont Housing Improvement Program (VHIP). These funds shall carryforward into fiscal year 2024.

(4) \$10,000,000 to the Department of Housing and Community Development to grant to the Vermont Housing Finance Agency to establish a Missing Middle Income Home Ownership Development pilot to support the development of new homes for purchase by middle class families. The program will provide construction and development financial subsidies for new construction or substantial rehabilitation of owner-occupied homes. Funds will be used to support homebuilders' access to up-front construction capital through Vermont banks and credit unions and provide a direct project subsidy for up to 35% of eligible development costs. These funds shall carryforward into fiscal year 2024.

*** Broadband Connectivity and Technology Modernization Investments ***

Sec. XX BROADBAND CONNECTIVITY INVESTMENTS

(a) \$95,000,000 is appropriated in fiscal year 2023 to the Department of Public Service Vermont Community Broadband Board appropriation from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Fund for the Vermont Community Broadband Fund for policies, purposes, and programs established in Act 71 of 2021.

Section On Initiatives – Economy, Workforce, and Communities

- (a)(1) – H. Commerce & Econ. Dev.
H. General, Housing & M.A.
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- (a)(2) – H. Commerce & Econ. Dev.
H. Corrections & Institutions
- (a)(3) – H. Commerce & Econ. Dev.
- (a)(4) – H. Commerce & Econ. Dev.
H. Natural Resources, F&W

Section On Initiatives – Housing and Homelessness

- (a) – H. Commerce & Econ. Dev.
H. Education
H. General, Housing & M.A.
H. Human Services

Section On Initiatives – Broadband Connectivity

- H. Energy & Technology

*** * * Weatherization and Other Climate Change Mitigation Investments * * ***

Sec. XX CLIMATE ACTION INVESTMENTS

In fiscal year 2023, \$161,500,000 is appropriated from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Funds for climate change mitigation initiatives as follows:

- (a) **\$45,000,000 to the Department for Children and Families, Office of Economic Opportunity, Home Weatherization Assistance Program to be used in fiscal years 2023 and 2024.**
- (b) **\$35,000,000 to the Department of Public Service to grant to Efficiency Vermont for the purpose of weatherization incentives to Vermonters with a moderate income. These funds shall be deposited in Electric Efficiency Fund established under 30 V.S.A. § 209(d)(3) and shall be available for use by Efficiency Vermont through December 31, 2024.**
- (c) **\$15,000,000 in fiscal year 2023 is appropriated from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Funds for electric vehicle infrastructure development as follows:**
 - (1) **\$2,000,000 to the Agency of Transportation to support the continued build-out of public electric vehicle charging infrastructure along highway networks.**
 - (2) **\$10,000,000 to the Agency of Commerce and Community Development to subgrant to the Vermont Housing Authority, Vermont Housing and Conservation Board, for-profit, non-profit, municipal and other governmental entities to install Level I and Level II public electric vehicle charging infrastructure for multi-family dwellings, workplaces and community attractions.**
 - (3) **\$3,000,000 to the Agency of Natural Resources for use by the Department of Fish and Wildlife and the Department of Parks and Recreation to install Level II public electric vehicle charging infrastructure at State Parks and Fish and Wildlife Fishing Access Areas, pairing with new solar arrays to the maximum extent possible.**
- (d) **In fiscal year 2023, \$22,000,000 is appropriated from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Funds for electrification incentives as follows:**
 - (1) **\$14,000,000 to the Agency of Transportation for incentives for clean vehicle options, technical assistance, promotional assistance and administrative services.**
 - (2) **\$3,000,000 to the Agency of Transportation to grant to the Community Action Agencies to support the MileageSmart Program, established in 2019 Acts and Resolves No. 59, Sec. 34, as amended.**
 - (3) **\$3,000,000 to the Agency of Transportation to support VT Replace Your Ride, to incentivize Vermonters to exchange older, high-polluting vehicles for a new or used EV, Plug-in Hybrid, electric bicycle or motorcycle, voucher for public transit, shared-mobility options, or private ride hailing. Incentives not to exceed \$3,000 per recipient.**
 - (4) **\$2,000,000 to the Agency of Transportation for eBikes, electric snowmobiles, and electric ATVs.**
- (e) **\$20,000,000 to the Department of Public Service to provide financial and technical assistance for low- and moderate-income Vermonters to upgrade home electrical systems to enable installation of energy saving technologies.**
- (f) **\$2,000,000 to the Department of Public Service for load management and storage efforts to assist income-sensitive customers access incentives and incentive rates to purchase electric equipment for heating, cooling, and transportation. In addition, investments will be made in load control and management platforms to enable smaller municipal and cooperative utilities to capture and share benefits of load management, and funding for municipal back-up electricity storage installations.**
- (g) **\$15,000,000 to improve landscape resilience and mitigate flood hazards to be allocated as follows:**

(1) \$14,750,000 to the Department of Public Safety, Division of Emergency Management, for a state-level buyout program for flood-vulnerable parcels.

(2) \$250,000 to the Department of Environmental Conservation to provide technical assistance to the statewide hazard mitigation program.

(h) \$7,500,000 for investments in Vermont's natural and working lands to be allocated as follows:

(1) \$5,000,000 to the Agency of Agriculture to expand agronomic practices such as cover cropping and conservation tillage to mitigate climate change by improving soil health and preventing emissions by conserving existing carbon pools in soils and vegetation.

(2) \$1,500,000 to DCF Economic Services Division to grant to the Vermont Foodbank to support Vermonters Feeding Vermonters which promotes farm viability and low-income Vermonters' access to healthy food.

(3) \$1,000,000 to the Department of Forests, Parks & Recreation for the Urban and Community Forestry Program to plant up to 5,000 trees to improve air quality and reduce heat island effects in urban areas.

* * * Clean Water Investments * * *

Sec. XX WATER AND SEWER INVESTMENTS

(a) In fiscal year 2023, \$72,000,000 is appropriated from the American Rescue Plan Act (ARPA) - Coronavirus State Fiscal Recovery Funds as follows:

(1) \$32,000,000 for Stormwater Retrofit Projects to provide three-acre stormwater permitting design and construction support for entities subject to the Vermont 3- 9050 Stormwater General Permit and to provide design and construction for practices necessary to restore impaired waters subject to flow restoration plans. To be allocated as follows:

(A) \$31,000,000 to the Department of Environmental Conservation to provide three-acre stormwater permitting design and construction support for entities subject to the Vermont 3- 9050 Stormwater General Permit and to provide permitting, design and construction services.

(B) \$1,000,000 to the Department of Forest, Parks and Recreation to support compliance with the 3-acre stormwater rule.

(2) \$20,000,000 to the Department of Environmental Conservation to support wastewater projects and pretreatment activities, as follows:

(A) \$15,000,000 to support the design and construction of community-scale water or decentralized wastewater projects, or both, to support underserved designated centers.

(B) \$5,000,000 to provide financial assistance to municipalities, Vermont businesses, and nonprofit entities to install or enhance pretreatment processes to address high strength or toxic wastes that otherwise require treatment at municipal expense by publicly owned treatment facilities.

(3) \$10,000,000 to the Department of Environmental Conservation to assist municipalities to design and construct projects to reduce or eliminate wet weather sewer overflows.

(4) \$10,000,000 to make repairs or improvements to water and wastewater systems in Vermont homes to be allocated as follows:

(A) \$6,500,000 to the Department of Environmental Conservation for improving water/wastewater systems at coop-owned or non-profit mobile home parks (MHPs).

(B) \$2,000,000 to the Department of Environmental Conservation to replace failed on-site wastewater and water supplies for Vermonters with low-income or unable to access or afford market rate loans.

Section On Initiatives – Weatherization and Climate

(a)H. Commerce & Econ. Dev.
H. Energy & Technology
H. Human Services

(b)H. Commerce & Econ. Dev.
H. Energy & Technology
H. Human Services

(c)(1) ...H. Commerce & Econ. Dev.
H. Energy & Technology
H. Transportation

(c)(2) ... H. Commerce & Econ. Dev.
H. Energy & Technology

(c)(3) ...H. Commerce & Econ. Dev.
H. Energy & Technology
H. Natural Resources, F&W

(d)H. Commerce & Econ. Dev.
H. Energy & Technology
H. Transportation

(e)&(f)...H. Energy & Technology
H. Human Services

(g)(1) ...H. Government Operations
H. Transportation

(g)(2) H. Natural Resources, F&W

(h)(1).....H. Agriculture & Forestry
H. Natural Resources, F&W

(h)(3)H. Natural Resources, F&W
(h)(2)H. Human Services

(C) \$1,500,000 to the Department of Housing and Community Development to update leaking service lines, old plumbing, and replacing outdated fixtures (sinks, toilets, dishwashers, laundry) with high efficiency devices.

Administration

Sec. XX APPROPRIATION FOR ADMINISTRATIVE COSTS

(a) \$10,500,000 in fiscal year 2023 is appropriated from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Funds to the Agency of Administration to be transferred as needed to address the statewide costs of administering these funds, including the costs of related limited-service positions and contracting for programs and services.

Section On Initiatives – Clean Water

- (a)(1) and (2) – H. Agriculture & Forestry
H. Government Operations
H. Natural Resources, F&W
- (a)(3) and (4)....H. Government Operations
H. Natural Resources, F&W
- (a)(5)(A)H. General, Housing & M.A.
H. Natural Resources, F&W
- (a)(5)(B)H. General, Housing & M.A.
H. Human Resources
H. Natural Resources, F&W
- (a)(5)(C)H. General, Housing & M.A.
H. Natural Resources, F&W

Administrative Costs

H. Commerce & Econ. Dev.