

1 Introduced by Committee on Appropriations

2 Date:

3 Subject: <Subject>

4 Statement of purpose of bill as introduced: This bill proposes to <Purpose>

5 An act relating to making appropriations for the support of the government

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

7 * * * Purpose, Definitions, Legend * * *

8 **Sec. A.100** SHORT TITLE

9 (a) This bill may be referred to as the “BIG BILL – Fiscal Year 2026
10 Appropriations Act”.

11 **Sec. A.101** PURPOSE

12 (a) The purpose of this act is to provide appropriations for the operations of
13 State government during fiscal year 2026. It is the express intent of the
14 General Assembly that activities of the various agencies, departments,
15 divisions, boards, offices, and commissions be limited to those that can be
16 supported by funds appropriated in this act or other acts passed prior to June
17 30, 2025. Agency and department heads are directed to implement staffing
18 and service levels at the beginning of fiscal year 2026 so as to meet this
19 condition unless otherwise directed by specific language in this act or other
20 acts of the General Assembly.

1 **Sec. A.102** APPROPRIATIONS

2 (a) It is the intent of the General Assembly that this act serves as the
3 primary source and reference for appropriations for fiscal year 2026.

4 (b) The sums herein stated are appropriated for the purposes specified in
5 the following sections of this act. When no time is expressly stated during
6 which any of the appropriations are to continue, the appropriations are single-
7 year appropriations and only for the purpose indicated and shall be paid from
8 funds shown as the source of funds. If in this act there is an error in either
9 addition or subtraction, the totals shall be adjusted accordingly. Apparent
10 errors in referring to section numbers of statutory titles within this act may be
11 disregarded by the Commissioner of Finance and Management.

12 (c) Unless codified or otherwise specified, all narrative portions of this act
13 apply only to the fiscal year ending on June 30, 2026.

14 **Sec. A.103** DEFINITIONS

15 (a) As used in this act:

16 (1) “Encumbrances” means a portion of an appropriation reserved for
17 the subsequent payment of existing purchase orders or contracts. The
18 Commissioner of Finance and Management shall make final decisions on the
19 appropriateness of encumbrances.

20 (2) “Grants” means subsidies, aid, or payments to local governments, to
21 community and quasipublic agencies for providing local services, and to
22 persons who are not wards of the State for services or supplies and means cash
23 or other direct assistance, including pension contributions.

1 (3) “Operating expenses” means property management, repair and
2 maintenance, rental expenses, insurance, postage, travel, energy and utilities,
3 office and other supplies, equipment, including motor vehicles, highway
4 materials, and construction, expenditures for the purchase of land and
5 construction of new buildings and permanent improvements, and similar items.

6 (4) “Personal services” means wages and salaries, fringe benefits, per
7 diems, and contracted third-party services, and similar items.

8 **Sec. A.104** RELATIONSHIP TO EXISTING LAWS

9 (a) Except as specifically provided, this act shall not be construed in any
10 way to negate or impair the full force and effect of existing laws.

11 **Sec. A.105** OFFSETTING APPROPRIATIONS

12 (a) In the absence of specific provisions to the contrary in this act, when
13 total appropriations are offset by estimated receipts, the State appropriations
14 shall control, notwithstanding receipts being greater or less than anticipated.

15 **Sec. A.106** FEDERAL FUNDS

16 (a) In fiscal year 2026, the Governor, with the approval of the General
17 Assembly or the Joint Fiscal Committee if the General Assembly is not in
18 session, may accept federal funds available to the State of Vermont, including
19 block grants in lieu of, or in addition to, funds herein designated as federal.
20 The Governor, with the approval of the General Assembly or the Joint Fiscal
21 Committee if the General Assembly is not in session, may allocate all or any
22 portion of such federal funds for any purpose consistent with the purposes for
23 which the basic appropriations in this act have been made.

1 (b) If, during fiscal year 2026, federal funds available to the State of
2 Vermont and designated as federal in this and other acts of the 2025 session of
3 the Vermont General Assembly are converted into block grants or are
4 abolished under their current title in federal law and reestablished under a new
5 title in federal law, the Governor may continue to accept such federal funds for
6 any purpose consistent with the purposes for which the federal funds were
7 appropriated. The Governor may spend such funds for such purposes for not
8 more than 45 days prior to General Assembly or Joint Fiscal Committee
9 approval. Notice shall be given to the Joint Fiscal Committee without delay if
10 the Governor intends to use the authority granted by this section, and the Joint
11 Fiscal Committee shall meet in an expedited manner to review the Governor’s
12 request for approval.

13 **Sec. A.107** NEW POSITIONS

14 (a) Notwithstanding any other provision of law, the total number of
15 authorized State positions, both classified and exempt, excluding temporary
16 positions as defined in 3 V.S.A. § 311(a)(11), shall not be increased during
17 fiscal year 2026 except for new positions authorized by the 2025 session.
18 Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be
19 subject to this restriction.

20 **Sec. A.108** LEGEND

21 (a) The bill is organized by functions of government. The sections between
22 B.100 and B.9999 contain appropriations of funds for the upcoming budget
23 year. The sections between E.100 and E.9999 contain language that relates to

1 specific appropriations or government functions, or both. The function areas

2 by section numbers are as follows:

3 B.100–B.199 and E.100–E.199 General Government

4 B.200–B.299 and E.200–E.299 Protection to Persons
5 and Property

6 B.300–B.399 and E.300–E.399 Human Services

7 B.400–B.499 and E.400–E.499 Labor

8 B.500–B.599 and E.500–E.599 General Education

9 B.600–B.699 and E.600–E.699 Higher Education

10 B.700–B.799 and E.700–E.799 Natural Resources

11 B.800–B.899 and E.800–E.899 Commerce and

12 Community Development

13 B.900–B.999 and E.900–E.999 Transportation

14 B.1000–B.1099 and E.1000–E.1099 Debt Service

15 B.1100–B.1199 and E.1100–E.1199 One-time and other

16 appropriation actions

17 (b) The C sections contain any amendments to the current fiscal year and

18 the D sections contain fund allocations, transfers, reversions, and reservations

19 for the upcoming budget year.

20 ***** Fiscal Year 2026 Base Appropriations *****

21 ***** Fiscal Year 2026 One-Time Appropriations *****

1 **Sec. B.1100** MISCELLANEOUS FISCAL YEAR 2026 ONE-TIME

2 APPROPRIATIONS

3 (a) Secretary of Administration. In fiscal year 2026, funds are appropriated
4 for the following:

5 (1) \$220,000 General Fund for the Office of Racial Equity to continue
6 the Inclusion, Diversity, Equity, Action, Leadership (IDEAL) Vermont
7 program an additional two years;

8 (2) \$1,100,000 General Fund for the Truth and Reconciliation
9 Commission; and

10 (3) \$3,000,000 General Fund for the Municipal Technical Assistance
11 Program (MTAP) as established in 2023 Acts and Resolves No. 3, Sec. 95.

12 (b) Department of Human Resources. In fiscal year 2026, funds are
13 appropriated for the following:

14 (1) \$1,575,000 General Fund for the Classification Modernization
15 project.

16 (c) Department of Taxes. In fiscal year 2026, funds are appropriated for
17 the following:

18 (1) \$1,000,000 PILOT Special Fund for the Municipal Buyout
19 Reimbursement Program as established per section E.148 of this act. These
20 funds shall carry forward each fiscal year until fully expended or reverted by
21 the Secretary of Administration.

22 (d) Department of Public Safety. In fiscal year 2026, funds are
23 appropriated for the following:

1 (1) \$600,000 General Fund for federal cybersecurity grant matching
2 funds; and

3 (2) \$920,000 General Fund for the purchase of mobile and portable
4 radio equipment.

5 (e) Agency of Human Services Secretary’s Office. In fiscal year 2026,
6 funds are appropriated for the following:

7 (1) \$4,448,520 General Fund and \$6,351,480 federal funds for the
8 Department of Vermont Health Access’s Global Commitment appropriation
9 for the Support and Services at Home (SASH), Primary Care Medical Home
10 (PCMH) and Community Health Team (CHT) serviced under the Blueprint for
11 Health.

12 (f) Department of Vermont Health Access. In fiscal year 2026, funds are
13 appropriated for the following:

14 (1) \$10,800,000 Global Commitment for the Support and Services at
15 Home (SASH), Primary Care Medical Home (PCMH) and Community Health
16 Team (CHT) services under the Blueprint for Health.

17 (g) Department of Health. In fiscal year 2026, funds are appropriated for
18 the following:

19 (1) \$480,000 General Fund for PCB testing; and

20 (2) \$500,000 General Fund for the Pilot Recovery Campus Startup.

21 (h) Department for Children and Families. In fiscal year 2026, funds are
22 appropriated for the following:

23 (1) \$2,000,000 General Fund for shelter capacity expansion; and

1 (2) \$30,500,000 General Fund for the General Assistance Emergency
2 Housing Program.

3 (i) Department of Corrections. In fiscal year 2026, funds are appropriated
4 for the following:

5 (1) \$300,000 General Fund for the NECC Facility Conversion for
6 Treatment Services.

7 (j) Agency of Education. In fiscal year 2026, funds are appropriated for the
8 following:

9 (1) \$4,000,000 General Fund to support statewide education
10 transformation and build capacity within the Agency.

11 (k) Vermont State Colleges. In fiscal year 2026, funds are appropriated for
12 the following:

13 (1) \$1,000,000 General Fund for the Community College of Vermont
14 Tuition Advantage Program; and

15 (2) \$5,000,000 General Fund for the final transformation bridge
16 financing payment.

17 (l) Department of Fish & Wildlife. In fiscal year 2026, funds are
18 appropriated for the following:

19 (1) \$185,000 Fish & Wildlife – Nondedicated Special Fund to sustain
20 current operations as the Department undergoes a financial restructuring.

21 These funds shall carry forward each fiscal year until fully expended or
22 reverted by the Secretary of Administration; and

1 (2) \$80,000 General Fund for the purchase of mobile and portable radio
2 equipment.

3 (m) Department of Environmental Conservation. In fiscal year 2026, funds
4 are appropriated for the following:

5 (1) \$50,000 General Fund for Municipal Wastewater Connections
6 database;

7 (2) \$850,000 General Fund for the Confined Animals Feeding Operation
8 database project and contractor support; and

9 (3) \$9,520,000 Environmental Contingency Fund for PCB testing and
10 remediation in schools. These funds shall carry forward each fiscal year until
11 fully expended or reverted by the Secretary of Administration.

12 (n) Department of Housing and Community Development. In fiscal year
13 2026, funds are appropriated for the following:

14 (1) \$300,000 General Fund for two limited service positions to continue
15 an additional year;

16 (2) \$9,100,000 General Fund for the Vermont Bond Bank – Vermont
17 Infrastructure Sustainability Fund;

18 (3) \$15,000,000 General Fund for the Vermont Housing Finance
19 Agency Rental Revolving Loan Fund; and

20 (4) \$15,000,000 General Fund for the Vermont Housing Finance
21 Agency Middle Income Homeownership Development Program.

22 (o) Department of Economic Development. In fiscal year 2026, funds are
23 appropriated for the following:

1 (1) \$250,000 General Fund for the Vermont Professionals of Color

2 Network; and

3 (2) \$2,000,000 General Fund for the Brownfields Revitalization Fund.

4 (p) Vermont Housing and Conservation Board. In fiscal year 2026, funds
5 are appropriated for the following:

6 (1) \$1,631,582 General Fund for the Land Access Opportunity Board.

7 **EXPLANATION:**

8 **(a)(1): Maintains the IDEAL Vermont Program in the Secretary of**
9 **Administration’s Office for an additional two years.**

10 **(a)(2): Annual one-time appropriation for the operating needs of the Truth and**
11 **Reconciliation Commission**

12 **(a)(3): Supports continuation of MTAP operations for another year**

13 **(b)(1): Funding to support replacement of the outdated Willis classification**
14 **system. The Willis system is used in determining position pay grades under the**
15 **collective bargaining agreements for classified employees.**

16 **(c)(1): Provides seed funding for the PILOT Buyout program established in**
17 **Section E.148.**

18 **(d)(1): Provides the matching funds for a federal cybersecurity grant.**

19 **(d)(2): Provides funding needed to replace outdated portable radios and**
20 **communications equipment needed to ensure law enforcement officer safety.**

21 **(e)(1): Addresses a gap in funding attributed to Medicare beneficiaries during**
22 **calendar year 2026 prior to implementation of Advancing All-Payer Health**
23 **Equity Approaches and Development (AHEAD) during calendar year 2027.**

24 **(f)(1): Addresses a gap in funding attributed to Medicare beneficiaries during**
25 **calendar year 2026 prior to implementation of Advancing All-Payer Health**
26 **Equity Approaches and Development (AHEAD) during calendar year 2027.**

27 **(g)(1): Maintain limited-service positions necessary for continued PCB testing**

28 **(g)(2): To build a Recovery Campus in the Northeast Kingdom for justice-**
29 **involved individuals.**

1 (h)(1): Continued support to expand shelter beds and services

2
3 (h)(2): Projected need to continue the General Assistance Emergency Housing
4 Program under current law.

5
6 (i)(1): To investigate and begin conversion of the Northeast Regional
7 Correctional Facility into a treatment-specific facility for incarcerated
8 individuals.

9
10 (j)(1): Support for the Agency of Education and local education agencies as
11 public education delivery and financing undergoes a transformation.

12
13 (k)(1): Continued support for the CCV Tuition Advantage program

14
15 (k)(2): Final bridge payment to Vermont State University in support of its
16 operational transformation.

17
18 (l)(1): Bridge funding for the Department of Fish & Wildlife as it undergoes a
19 financial restructuring.

20
21 (l)(2): Provides funding needed to replace outdated portable radios and
22 communications equipment needed to ensure law enforcement officer safety.

23
24 (m)(1): Resources needed to establish a municipal wastewater connections
25 database

26
27 (m)(2): Resources needed to secure contractor assistance in support of the
28 CAFO program and establish a database.

29
30 (m)(3): Continue PCB testing and remediation in schools

31
32 (n)(1): Funding ensures the Department of Housing and Community
33 Development maintains the capacity needed as they scale up the state's
34 housing investments.

35
36 (n)(2): Create a new fund focused on housing infrastructure development and
37 municipal wastewater expansion.

38
39 (n)(3): Incentivizes developers to create and preserve rental units for middle
40 income households.

41
42 (n)(4): Supports the construction and rehabilitation of affordable housing.

43
44 (o)(1): Vermont Professionals of Color operations support.

45

1 (o)(2): Capitalization of the Brownfields Revitalization Fund as described in
2 10 V.S.A. § 6654.

3
4 (p)(1): Land Access Opportunity Board operations support
5

6 * * * Fiscal Year 2025 Adjustments, Appropriations, and Amendments * * *

7 **Sec. C.100** 2024 Acts and Resolves No. 113, Sec. B.209 is amended to read:

8 Sec. B.209 Public safety - state police

9	Personal services	74,755,468	<u>76,655,468</u>
10	Operating expenses		15,992,094
11	Grants		1,137,841
12	Total	91,885,403	<u>93,785,403</u>
13	Source of funds		
14	General fund	57,891,409	<u>59,791,409</u>
15	Transportation fund		20,250,000
16	Special funds		3,170,328
17	Federal funds		8,967,252
18	Interdepartmental transfers		1,606,414
19	Total	91,885,403	<u>93,785,403</u>

20
21 **EXPLANATION:**

22 \$1,900,000: Vermont State Police law enforcement officer Request for Review
23 (RFR) resulted in a one paygrade increase.
24

25
26 **Sec. C.102** 2024 Acts and Resolves No. 113, Sec. B.702 is amended to read:

27 Sec. B.702 Fish and wildlife - support and field services

1	Personal services	22,597,844 <u>22,887,844</u>
2	Operating expenses	6,843,095
3	Grants	853,066
4	Total	30,294,005 <u>30,584,005</u>
5	Source of funds	
6	General fund	8,267,967 <u>8,557,967</u>
7	Special funds	365,427
8	Fish and wildlife fund	10,418,331
9	Federal funds	9,751,683
10	Interdepartmental transfers	1,490,597
11	Total	30,294,005 <u>30,584,005</u>

12

13 **EXPLANATION:**
14 **\$290,000: Vermont Game Warden law enforcement officer Request for**
15 **Review (RFR) resulted in a one paygrade increase.**
16

17 **!**
18

19 **Sec. C.104** 2024 Acts and Resolves No. 113, Sec. D.101 is amended to read:

20 Sec. D.101 FUND TRANSFERS

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

23 * * *

24 (2) From the Transportation Fund to the:

25 * * *

1 (E) Transportation Infrastructure Bond Fund (#20191): \$2,300,000

2 * * *

3 **EXPLANATION:**
4 (a)(2)(E) Transfers \$2,300,000 from the Transportation Fund to the
5 Transportation Infrastructure Bond Fund to mitigate the impact of the January
6 consensus revenue forecast reduction to the TIB fund.

7
8 * * * Fiscal Year 2025 Fund Transfers and Reserve Allocations * * *

9 **Sec. D.100** PROPERTY TRANSFER TAX ALLOCATIONS

10 (a) This act contains the following amounts allocated to special funds that
11 receive revenue from the property transfer tax. These allocations shall not
12 exceed available revenues.

13 (1) The sum of \$591,137 is allocated from the Current Use
14 Administration Special Fund to the Department of Taxes for administration of
15 the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c),
16 amounts in excess of \$591,137 from the property transfer tax deposited into the
17 Current Use Administration Special Fund shall be transferred to the General
18 Fund.

19 (2) Notwithstanding 10 V.S.A. § 312, amounts in excess of \$36,964,250
20 from the property transfer tax and the surcharge established by 32 V.S.A.
21 § 9602a deposited into the Vermont Housing and Conservation Trust Fund
22 shall be transferred to the General Fund.

23 (A) The dedication of \$2,500,000 in revenue from the property
24 transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the
25 affordable housing bond (10 V.S.A. § 314) shall be offset by the reduction of

1 \$1,500,000 in the appropriation to the Vermont Housing and Conservation
2 Board and \$1,000,000 from the surcharge established by 32 V.S.A. § 9602a.
3 The fiscal year 2026 appropriation of \$36,964,250 to the Vermont Housing
4 Conservation Board reflects the \$1,500,000 reduction. The affordable housing
5 bond and related property transfer tax and surcharge provisions are repealed
6 after the life of the bond on July 1, 2039. Once the bond is retired, the
7 \$1,500,000 reduction in the appropriation to the Vermont Housing
8 Conservation Board shall be restored.

9 (3) Notwithstanding 24 V.S.A. §4306(a)(2), amounts in excess of
10 \$10,000,705 from the property transfer tax deposited into the Municipal and
11 Regional Planning and Resilience Fund shall be transferred into the General
12 Fund. Notwithstanding 24 V.S.A. §4306(a)(3), the \$10,000,705 shall be
13 allocated as follows:

14 (A) \$7,740,546 for disbursement to regional planning commissions in
15 a manner consistent with 24 V.S.A. §4306(b);

16 (B) \$1,260,089 for disbursement to municipalities in a manner
17 consistent with 24 V.S.A. §4306(b);

18 (C) \$1,000,070 to the Agency of Digital Services for the Vermont
19 Center for Geographic Information.

20
21 **EXPLANATION:**

22 **The January consensus revenue forecast estimated total annual property**
23 **transfer tax receipts of \$80,600,000.**

24 **(a)(1): Following the \$2,500,000 reduction per 32 V.S.A. § 9610(d)(1); 32**
25 **V.S.A. § 9610(c) allocates 1.5% of the net amount, \$1,171,500 to the Current**
26 **Use Administration Special Fund for the administrative costs of the Property**

1 Valuation and Review Division of the Vermont Department of Taxes. The
2 Property Valuation and Review Division only requires \$591,137 to meet its
3 administrative requirements. The \$580,363 surplus property transfer tax
4 receipts are, therefore, being transferred to the General Fund.
5 (a)(2): The \$80,600,00 January consensus property transfer tax estimate is
6 reduced by \$2,500,000, per 32 V.S.A. § 9610(d)(1), for Vermont Housing
7 Finance Agency bond servicing and then by 1.5% of the net receipts
8 (\$1,171,500), per 32 V.S.A. 9610(c), for the Vermont Department of Taxes
9 Property Valuation and Review Division administrative costs. Of the net
10 \$76,928,500 of property transfer taxes available for distribution 50%, or
11 \$38,464,250, is allocated to the Vermont Housing and Conservation Board per
12 10 V.S.A. § 312. An additional \$1,000,000 is allocated to the Vermont
13 Housing and Conservation Board from the property transfer tax surcharge, per
14 32 V.S.A. § 9602a, for a total of \$39,464,250. The language in this section
15 notwithstanding these requirements and finances the \$2,500,000 due the Vermont
16 Housing Finance Agency by redirecting the \$1,000,000 property transfer tax
17 surcharge and \$1,500,000 of the Vermont Housing and Conservation Board's
18 property transfer tax allocation to the General Fund. The resulting net
19 allocation for appropriation to the Vermont Housing and Conservation Board
20 is \$36,964,250.
21 (a)(3): The altered allocation for regional planning commissions and
22 municipalities is based on a request from the Agency of Commerce and
23 Community Development.
24

25 **Sec. D.101 FUND TRANSFERS**

26 (a) Notwithstanding any other provision of law, the following amounts
27 shall be transferred from the funds indicated:

28 (1) From the General Fund (#10000) to the:

29 (A) General Obligation Bonds Debt Service Fund (#35100):

30 \$81,155,462.

31 (B) Capital Infrastructure Subaccount in the Cash Fund for Capital
32 and Essential Investments Fund (#21952): \$14,881,093.

33 (C) Tax Computer System Modernization Fund (#21909):

34 \$4,300,000

35 (D) Fish & Wildlife Fund – Nondedicated (#20305): \$185,000

1 (E) Education Fund (#20205): \$77,200,000

2 (F) Information Technology Fund (#58100): \$15,000,000

3 (G) Environmental Contingency Fund (#21275): \$9,520,000

4 (2) From the Transportation Fund (#20105) to the:

5 (A) General Obligation Bonds Debt Service Fund (#35100):

6 \$305,825.

7 (B) Downtown Transportation and Related Capital Improvements

8 Fund (#21575): \$523,966

9 (3) From the Education Fund (#20205) to the:

10 (A) Tax Computer System Modernization Fund (#21909):

11 \$1,500,000

12 (4) From the Clean Water Fund (#21932) to the:

13 (A) Agricultural Water Quality Special Fund (#21933): \$11,000,000

14 (B) Lake in Crisis Response Program Special Fund (#21938):

15 \$120,000

16 (5) From the Other Infrastructure, Essential Investments and Reserves

17 Subaccount in the Cash Fund for Capital and Essential Investments Fund

18 (#21953) to the:

19 (A) Transportation Fund (#20105): \$12,500,000.

20 (B) Capital Infrastructure Subaccount in the Cash Fund for Capital

21 and Essential Investments Fund (#21952): \$1,000,000

22 (6) From the Agency of Human Services Central Office Earned Federal

23 Receipts (#22005) to the:

1 (A) General Fund (#10000): \$4,641,960

2 (7) From the AG-Fees and Reimbursement-Court Order Special Fund
3 (#21638) to the:

4 (A) General Fund (#10000): \$2,000,000

5 (8) From the Cannabis Regulation Fund (#21998) to the:

6 (A) General Fund (#10000): Seventy percent of the unencumbered
7 and unexpended balance of the fund in excess of \$4,035,000 following the
8 close of fiscal year 2025. The Commissioner of Finance and Management
9 shall report the amount of this transfer to the Joint Fiscal Committee. For
10 purposes of developing the fiscal year 2026 budget this amount is estimated to
11 be \$5,900,000.

12 (B) Substance Misuse Prevention Special Fund (#21995): Thirty
13 percent of the unencumbered and unexpended balance of the fund in excess of
14 \$4,035,000 following the close of fiscal year 2025. The Commissioner of
15 Finance and Management shall report the amount of this transfer to the Joint
16 Fiscal Committee. For purposes of developing the fiscal year 2026 budget this
17 amount is estimated to be \$2,500,000.

18 (b) The following transfers shall be in accordance with the citations
19 provided. Transfer estimates are for purposes of developing the fiscal year
20 2026 budget and do not supersede the actual fiscal year end transfer amounts.

21 (1) To the General Fund (#10000) from the:

22 (A) 8 V.S.A. § 80(d). Insurance Regulatory and Supervision Fund
23 (#21075): \$46,204,523

1 (B) 9 V.S.A. § 5613(c). Securities Regulatory and Supervision Fund

2 (#21085): \$21,745,635

3 (C) 27 V.S.A. § 1543. Unclaimed Property Fund (#62100):

4 \$6,541,757

5 (2) 8 V.S.A. § 6017(b). To the Captive Insurance Regulatory and

6 Supervision Fund (#21085) from the:

7 (A) General Fund (#10000): \$1,053,073

8 (c) Transfers from the following enterprise funds to the General Fund
9 (#10000), shall not exceed the actual fiscal year end profits earned by the
10 enterprise net of any amount necessary to absolve the fund of a deficit. The
11 following estimated transfers are for purposes of developing the fiscal year
12 2026 budget only.

13 (1) From the Sports Wagering Enterprise Fund (#50250): \$7,600,000

14 (2) From the Liquor Control Fund (#50300): \$14,849,754

15

16 **EXPLANATION:**

17 **(a)(1)**

18 **(A): Annual transfer from the General Fund to pay its allocated debt service**
19 **obligations.**

20 **(B): Annual transfer, per 32 V.S.A. 1001b(b)(1)(A), at maximum statutory**
21 **amount.**

22 **[\$2,400,913,883 FY24 Total General Fund Appropriations * 4% =**
23 **\$96,036,555]**

24 **[\$96,036,555 - \$81,155,462 FY25 General Obligation Debt Service Need**
25 **= \$14,881,093]**

26 **(C): Annual transfer from the General Fund to pay its allocated costs per 32**
27 **V.S.A. § 3209(b).**

28 **(D): Transfer to sustain operations without incurring a deficit as the**
29 **Department undergoes a**
30 **financial restructuring.**

1 (E): Transfer to stabilize average statewide property tax rates and provide
2 breathing room for
3 education leaders to begin the transformation of education finance and
4 delivery.

5 (F): Transfer to Information Technology Internal Service Fund (3 V.S.A.
6 § 3304) to permit the Agency of Digital Services to convert a new billing
7 recovery model that will shift approximately \$15 million of services that are
8 currently billed to agencies and departments via the Service Level Agreement
9 (SLA) recovery method (which is billed in arrears), to instead be billed via the
10 Allocation recovery method (which is billed the same year services are
11 received) beginning in FY 2027.

12 The SLA recovery method differs from all other State internal service recovery
13 methods in that the SLA billing received by a department in a given fiscal year
14 is billing in arrears for services that were actually received by the department
15 in the prior fiscal year. The one-time transfer in FY 2026 allows ADS to pay
16 for the approximate \$15 million of services during FY 2026, without creating a
17 fund deficit that needs to be recovered by SLA billing in arrears in FY 2027.
18 Beginning in FY 2027, when this approximate \$15 million of services is
19 recovered via the increased Allocation billing, departments will receive
20 decreased SLA billing as an offset. The one-time transfer essentially prevents
21 the occurrence of \$15 million of “double billing” to departments in FY 2027.

22 (G): Provides funding for the one-time appropriation in Section B.1100(m)(3).
23 PCB remediation in schools.

24 (a)(2)

25 (A): Annual transfer from the Transportation Fund to pay its allocated debt
26 service obligations.

27 (B): Annual transfer to support municipal grants provided in accordance with
28 24 V.S.A. § 2796.

29 (a)(3)

30 (A): Annual transfer from the Education Fund to pay its allocated costs per 32
31 V.S.A. § 3209(b).

32 (a)(4)

33 (A): Annual transfer recommended by the Clean Water Board in their fiscal
34 year 2026 budget.

35 (B): Annual transfer recommended by the Clean Water Board in their fiscal
36 year 2026 budget.

37 (a)(5)

38 (A): For use by the Agency of Transportation as Infrastructure Investment and
39 Jobs Act matching funds.

40 (B): Transfers the \$1M balance intended for use in the prior year capital bill to
41 the capital subaccount for use in this year’s capital bill.

42 (a)(6)

43 (A): Annual transfer for fiscal year 2026.

44 (a)(7)

45 (A): Annual transfer for fiscal year 2026.

46 (a)(8)

1 The Cannabis Control Board anticipates total fiscal year 2026 cost of
2 operations to be \$6,649,000. Fiscal year 2026 anticipated revenues from fees
3 and fines, which originally were supposed to fund operations, are expected to
4 be \$2,614,000. This language allows the first \$4,035,000 of fiscal year 2025
5 year-end balance to be retained in the fund to meet the Cannabis Control
6 Board’s expected cost of operations. The \$8.4M estimated residual balance
7 beyond this amount is transferred 70 percent to the General Fund and 30
8 percent to the newly established Substance Misuse Prevention Special Fund.

9 (b) Multiple sections

10 Provides estimated transfer amounts for the purpose of developing the fiscal
11 year 2026 budget but clarifies that fiscal year actual transfer amounts shall be
12 in accordance with existing codified statute.

13 (c) Multiple sections

14 Provides estimated transfer amounts for the purpose of developing the fiscal
15 year 2026 budget but clarifies that fiscal year actual transfer amounts shall not
16 exceed net profits earned by an enterprise operation after accounting for any
17 necessary deficit mitigation.

18
19 **Sec. D.102 REVERSIONS**

20 (a) Notwithstanding any provision of law to the contrary, in fiscal year
21 2025, the following amounts shall revert to the General Fund from the
22 accounts indicated:

23	<u>1210892201 LEG-Pension Benefit Consul</u>	<u>\$8,821.25</u>
24	<u>1220891803 VT Tax Structure Comm</u>	<u>\$59,673.09</u>
25	<u>1220891901 Contract Services for Research</u>	<u>\$25,000.00</u>
26	<u>1220892201 JFO-AAHC Task Force Consult</u>	<u>\$7,155.00</u>
27	<u>1220892301 JFO-Studies & Reports</u>	<u>\$21,125.50</u>
28	<u>1230891301 Security</u>	<u>\$39.10</u>
29	<u>1230892301 SAA-Capitol Police</u>	<u>\$0.99</u>

30
31 **EXPLANATION:**

32 Reversions recommended by the Joint Fiscal Office.
33

1 **Sec. D.103** RESERVES

2 (a) Notwithstanding any provision of law to the contrary, in fiscal year
3 2026, the following reserve transactions shall be implemented for the funds
4 provided:

5 (1) General Fund.

6 (A) The General Fund Budget Stabilization Reserve shall be adjusted
7 in accordance with 32 V.S.A. § 308. For purposes of developing this budget,
8 \$1,429,924.90 is expected to be unreserved in fiscal year 2026.

9 (B) The General Fund Human Services Caseload Reserve shall be
10 adjusted in accordance with 32 V.S.A. § 308b. For purposes of developing
11 this budget, \$2,721,375.00 is expected to be unreserved in fiscal year 2026.

12 (C) The General Fund 27/53 Reserve shall be adjusted in accordance
13 with 32 V.S.A. § 308e. For purposes of developing this budget, \$5,700,000.00
14 is expected to be reserved in fiscal year 2026.

15 (D) The amount reserved per 2024 Acts and Resolves No. 113, Sec.
16 D.103(a)(1) as amended by the addition of subsection (D) in the Governor's
17 proposed fiscal year 2025 Budget Adjustment Act shall be unreserved in fiscal
18 year 2026 for permanent housing, property tax relief and any other uses
19 determined to be in the best interest of the public. For purposes of developing
20 this budget, \$131,296,001.29 is expected to be unreserved in fiscal year 2026.

21 (E) Notwithstanding 32 V.S.A. § 308c(a) any fiscal year-end balance
22 otherwise subject to the requirements of this provision shall instead be reserved
23 for funding the transformation of Vermont's education system in fiscal year

1 2027. Funds may be used to support school consolidation including
2 construction and repurposing of buildings, property tax stabilization and other
3 necessary transformation costs. The requirements of this subsection shall
4 extend past July 1 of the subsequent fiscal year and expire upon completion of
5 the current fiscal year’s accounting closure period.

6 (2) Other Infrastructure, Essential Investments and Reserves Subaccount
7 in the Cash for Capital and Essential Investments Fund.

8 (A) \$12,500,000 is unreserved for transfer to the Transportation Fund
9 for use by the Agency of Transportation in accordance with the provisions for
10 which the funds were originally reserved in 2024 Acts and Resolves No. 113,
11 Sec. B.1102(b)(17).

12 (B) \$14,500,000 is unreserved for use by the Department of
13 Environmental Conservation in accordance with the provisions for which the
14 funds were originally reserved in 2023 Acts and Resolves No. 78, Sec.
15 C.108(b).

16 (3) Transportation Fund.

17 (A) For the purpose of calculating the fiscal year 2026 Transportation
18 Fund Stabilization Reserve’s requirement of five percent of prior year
19 appropriations, fiscal year 2025 Transportation Fund reversions are deducted
20 from the fiscal year 2025 total appropriations amount.

21
22 **EXPLANATION:**

23 (a)(1)(A): Ensures the General Fund Budget Stabilization Reserve is adjusted
24 in accordance with codified law. Provides the current fiscal year end estimated
25 adjustment amount for purposes of developing the fiscal year 2026 budget.

1 (a)(1)(B): Ensures the General Fund Human Services Caseload Reserve is
2 adjusted in accordance with codified law. Provides the current fiscal year end
3 estimated adjustment amount for purposes of developing the fiscal year 2026
4 budget.

5 (a)(1)(C): Ensures the General Fund 27/53 Reserve is adjusted in accordance
6 with codified law. Provides the current fiscal year end estimated adjustment
7 amount for purposes of developing the fiscal year 2026 budget.

8 (a)(1)(D): Unreserves the prior year balance reserved in the Governor's
9 proposed FY25 BAA for use in the current fiscal year.

10 (a)(1)(E): Funds generally subject to 32 V.S.A. § 308c(a) are being carried
11 forward for use in the FY27 budget. The language ensures that the
12 requirements of this subsection do not expire on June 30 but, instead, expire
13 once the current fiscal year's accounting closure process has been completed.

14 (a)(2)(A): Unreserves the \$12.5M needed by the Agency of Transportation for
15 Infrastructure Investment and Jobs Act matching funds. Funds are being
16 transferred to the Transportation Fund in Section D.101(a)(5)(A)

17 (a)(2)(B): Unreserves the \$14.5M needed by the Department of Environmental
18 Conservation for Infrastructure Investment and Jobs Act matching funds.

19 (a)(3)(A): Annual language allowing the Transportation Fund to base its 5%
20 stabilization reserve requirement upon prior year appropriations net of
21 reversions, as opposed to gross prior year appropriations.
22

23 * * * General Government * * *

24 **Sec. E.100.1** 2023 Acts and Resolves No. 78, Sec. B.1100 as amended by

25 2024 Acts and Resolves No. 87, Sec. 40 is further amended to read:

26 Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2024 ONE-TIME

27 APPROPRIATIONS

28 (a) Agency of Administration. In fiscal year 2024, funds are appropriated
29 for the following:

30 * * *

31
32 (4) \$30,000,000 General Fund to be used as ~~Federal Emergency~~
33 ~~Management Agency (FEMA) matching funds~~ non-federal share related to

1 disaster spending for costs incurred due to ~~the July 2023 flooding event~~
2 federally declared disasters in state fiscal years 2024 and 2025.

3 * * *

4
5 **EXPLANATION:**

6 (a)(2) This language (as put forth in the Governor’s Budget Adjustment Act
7 recommendation) expands the allowable uses of the original appropriation to
8 encompass claims denied by the federal government, not just the Federal
9 Emergency Management Agency, related to the July 2023 and 2024 floods.
10 Allows the appropriation to be used by the Recovery Office for statewide costs
11 related to disasters and administrative costs associated with the implementation
12 of the American Rescue Plan Act inclusive of payroll and contracts.
13 (a)(4) Expands the use of the appropriation as match for all federal funds, not
14 just Federal Emergency Management Agency, for all federally declared
15 disasters in fiscal years 2024 and 2025.
16

17 **Sec. E.100.2** 2024 Acts and Resolves No. 113, Sec. C.110 is amended to read:

18 Sec. C.110 EMERGENCY RENTAL ASSISTANCE PROGRAM;

19 REVERSION AND REALLOCATION

20 (a) The Secretary of Administration ~~shall revert~~ may reimburse up to
21 ~~\$5,000,000~~ \$14,300,000 of prior fiscal year federal funds ~~appropriated~~
22 expended through the Emergency Rental Assistance Program, as approved by
23 the Joint Fiscal Committee pursuant to Grant Request #3034. ~~An amount of~~
24 ~~spending authority equal to these reversions shall be provided, pursuant to~~ 32
25 ~~V.S.A. § 511, to existing State programs that meet the eligibility criteria~~
26 established by the U.S. Treasury with new General Fund appropriations
27 transferred from existing State programs that meet the eligibility criteria
28 established by the U.S. Treasury. These programs shall receive an amount of

1 Emergency Rental Assistance Program appropriations equal to the amount of
2 General Fund Appropriation transferred.

3
4 **EXPLANATION:**

5 Allows General Fund to be swapped for Emergency Rental Assistance
6 Program (ERAP) funds so the liberated ERAP funds can be re-deployed to
7 other qualifying expenditures in accordance with criteria established by the
8 U.S. Treasury.
9

10 **Sec. E.133** VERMONT STATE EMPLOYEES' RETIREMENT SYSTEM
11 AND VERMONT PENSION INVESTMENT COMMISSION;
12 OPERATING BUDGET, SOURCE OF FUNDS

13 (a) Of the \$3,293,134 appropriated in Sec. B.133 of this act, \$2,247,471
14 constitutes the Vermont State Employees' Retirement System operating
15 budget, and \$1,045,663 constitutes the portion of the Vermont Pension
16 Investment Commission's budget attributable to the Vermont State
17 Employees' Retirement System.

18
19 **EXPLANATION:** Annual language to differentiate the portion of the VSERS
20 admin appropriation that support operations in the State Treasurer's Office
21 versus the portion that supports VPIC.
22

23 **Sec. E.134** VERMONT MUNICIPAL EMPLOYEES' RETIREMENT
24 SYSTEM AND VERMONT PENSION INVESTMENT
25 COMMISSION; OPERATING BUDGET; SOURCE OF FUNDS

26 (a) Of the \$1,886,562 appropriated in Sec. B.134 of this act, \$1,484,924
27 constitutes the Vermont Municipal Employees' Retirement System operating

1 budget, and \$391,638 constitutes the portion of the Vermont Pension
2 Investment Commission’s budget attributable to the Vermont Municipal
3 Employees’ Retirement System

4
5 **EXPLANATION:** Annual language to differentiate the portion of the VMERS
6 admin appropriation that support operations in the State Treasurer’s Office
7 versus the portion that supports VPIC.
8

9 **Sec. E.139** GRAND LIST LITIGATION ASSISTANCE

10 (a) Of the appropriation in Sec. B.139 of this act, \$9,000 shall be
11 transferred to the Attorney General and \$70,000 shall be transferred to the
12 Department of Taxes’ Division of Property Valuation and Review and used
13 with any remaining funds from the amount previously transferred for final
14 payment of expenses incurred by the Department or towns in defense of grand
15 list appeals regarding the reappraisals of the hydroelectric plants and other
16 expenses incurred to undertake utility property appraisals in Vermont.

17
18 **EXPLANATION:**
19 Standard language.
20

21 **Sec. E.142** PAYMENTS IN LIEU OF TAXES

22 (a) This appropriation is for State payments in lieu of property taxes under
23 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in
24 addition to and without regard to the appropriations for correctional facilities
25 elsewhere in this act. Payments in lieu of taxes under this section shall be paid
26 from the PILOT Special Fund under 32 V.S.A. § 3709.

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

Sec. E.142.1 32 V.S.A. § 3709 is amended to read:

§ 3709. PILOT SPECIAL FUND

(a) There is hereby established a PILOT Special Fund consisting of local option tax revenues paid to the Treasurer pursuant to 24 V.S.A. § 138. This Fund shall be managed by the Commissioner of Taxes pursuant to chapter 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title, all interest earned on the Fund shall be retained in the Fund for use in meeting future obligations. The Fund shall be exclusively for payments required under chapter 123, ~~subchapter~~ subchapters 4 and 4C of this title, and for any additional State payments in lieu of taxes for correctional facilities ~~and to the City of Montpelier~~. The Commissioner of Finance and Management may draw warrants for disbursements from this Fund in anticipation of receipts.

* * *

EXPLANATION:
Establishes that the fund shall be used to make payments for the new Municipal Buyout Reimbursement Program established in Sec. 142.2 of this act.
Eliminates “City of Montpelier” as 100% of their amount due is now covered by the general PILOT payment and the Montpelier PILOT appropriation has been eliminated.

Sec. E.142.2 32 V.S.A. Chapter 123, Subchapter 4C is added to read:

1 Subchapter 4C. Municipal Buyout Reimbursement Program

2 § 3710. REIMBURSEMENT TO MUNICIPALITIES

3 (a) There is established a program to reimburse municipalities for
4 municipal property taxes assessed under chapter 133 of this title for flood-
5 prone properties acquired by a municipality to preserve as public space with a
6 permanent restriction on development rights.

7 (b) On or before September 1 of each year, the Commissioner of Public
8 Safety shall certify the properties eligible for the Municipal Buyout
9 Reimbursement Program to the Commissioner of Taxes with any other
10 information required by the Commissioner of Taxes. To be eligible for the
11 program under this subchapter, properties shall be acquired on or after July 1,
12 2023 by municipalities and preserved by the municipality as public space or
13 future space with a restriction on development rights. The Commissioner of
14 Public Safety shall first certify properties to the Commissioner of Taxes
15 pursuant to this subsection on or before September 1, 2025.

16 (c) The Commissioner of Taxes shall certify the payment amounts to the
17 Secretary of Administration. The Secretary shall make an annual payment to
18 each municipality with eligible property for each property to compensate for
19 the loss of municipal property tax. The payment shall be calculated using the
20 grand list value of the acquired property for the year during which the property
21 was either damaged by flooding or identified as flood-prone by the
22 Commissioner of Public Safety, multiplied by the municipal tax rate, including

1 any submunicipal tax rates in effect each year. This payment shall be made on
2 or before January 1 of each year for five years.

3 (d) If a municipality has received payment for any acquired property under
4 subsection (c) of this section for five consecutive years, it shall be eligible for
5 payment for the ensuing five years in an amount equal to one-half of the
6 annual payment calculated under subsection (c).

7 (e) Payment under this section shall be made shall be paid from the PILOT
8 Special Fund under section 3709 of this title only after all other requirements
9 of subchapter 4 of this chapter are met. If the PILOT Special Fund balance is
10 insufficient to pay the full amount of all payments authorized under this
11 subchapter, then payments calculated under this section and due to each
12 municipality for each property shall be reduced proportionately.

13
14 **EXPLANATION:**

15 Significant difficulties have been observed in acquiring approval from some
16 communities for buyouts of flood-impacted properties. Municipal officials
17 often cite the negative impact to their budgets, grand lists and the inability to
18 absorb the lost housing as major impediments. The Administration
19 recommends that funds from the PILOT special fund be used to replace lost
20 municipal revenue at 100% for 5 years and 50% for 5 more years for a total of
21 10 years after the buyout is complete. The calculation would be performed
22 after the BGS PILOT payment is calculated and issued and would be prorated
23 if funds are insufficient. Payments would be based on tracking information
24 maintained by Vermont Emergency Management.
25

26 **Sec. E.144 PAYMENTS IN LIEU OF TAXES – CORRECTIONAL**

27 **FACILITIES**

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

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EXPLANATION:
Standard annual language.

Sec. E.200 ATTORNEY GENERAL

(a) Notwithstanding any other provisions of law, the Office of the Attorney General, Medicaid Fraud and Residential Abuse Unit, is authorized to retain, subject to appropriation, one-half of the State share of any recoveries from Medicaid fraud settlements, excluding interest, that exceed the State share of restitution to the Medicaid Program. All such designated additional recoveries retained shall be used to finance Medicaid Fraud and Residential Abuse Unit activities.

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), \$1,802,200 is appropriated in Sec. B.200 of this act.

EXPLANATION:
Standard annual language.

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:
Standard annual language.

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Sec. E.209 PUBLIC SAFETY – STATE POLICE

(a) Of the General Fund appropriation in Sec. B.209, \$35,000 shall be available to the Southern Vermont Wilderness Search and Rescue Team, which is composed of the 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 the General Fund appropriation in Sec. B.209 of this act, \$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.

(c) Of the General Fund appropriation in Sec. B.209 of this act, \$2,100,000 is allocated exclusively for the purchase, outfitting, assignment, and disposal of State Police vehicles.

EXPLANATION:
Subsections (a) and (b) are standard annual language.
Subsection (c) is added at the request of the Department of Public Safety to ensure that \$2.1M of the General Fund appropriation is allocated for State Police vehicles. This maintains current operations using the General Fund now that the use of Transportation Fund by the Department of Public Safety has been repealed (see Section E.900).

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Sec. E.212 PUBLIC SAFETY – FIRE SAFETY

(a) Of the General Fund appropriation in Sec. B.212 of this act, \$55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

EXPLANATION:
Standard language.

Sec. E.215 MILITARY - ADMINISTRATION

(a) The amount of \$1,219,834 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Tuition Benefit Program established in 16 V.S.A. § 2857.

EXPLANATION:
Standard language.

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; \$2,000 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:
Standard annual language.

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Sec. E.232 SECRETARY OF STATE; VERMONT ACCESS NETWORK
BUDGET

(a) The Secretary of State shall grant the \$1,350,000 General Fund appropriation, provided in Section B.232 of this act, to the Vermont Access Network to maintain current operations and programming.

EXPLANATION:
Specifies the purpose of the \$1,300,000 General Fund appropriation in B.232. The Secretary of State’s office did not receive a General Fund base appropriation until FY 2025, when it received a base appropriation of \$1,000,000. 2023 Act 113 Sec. E.232(a) established that the Secretary of State would request a proposed operating budget from the Vermont Access Network to maintain its current level of operation and programming, and include the proposed operating budget as part of its fiscal year 2026 budget presentation.

Sec. E.300 FUNDING FOR THE OFFICE OF THE HEALTH CARE
ADVOCATE, VERMONT LEGAL AID

(a) Of the funds appropriated in Sec. B.300 of this act:

- (1) \$2,000,406 shall be used for the contract with the Office of the Health Care Advocate.
- (2) \$1,717,994 for Vermont Legal Aid services, including the Poverty Law Project and mental health services; and
- (3) \$650,000 is for the purposes of maintaining current Vermont Legal Aid program capacity and addressing increased requests for services, including eviction prevention and protection from foreclosure and consumer debt.

1 **EXPLANATION:**

2 Annual language required pursuant to 2015 Act 54 Sec 53(c), with the addition
3 of VT Legal Aid subsections which the General Assembly added in fiscal year
4 2024.
5

6 **Sec. E.301** SECRETARY’S OFFICE – GLOBAL COMMITMENT

7 (a) The Agency of Human Services shall use the funds appropriated in Sec.
8 B.301 of this act for payment required under the intergovernmental agreement
9 between the Agency of Human Services and the managed care entity, the
10 Department of Vermont Health Access, as provided for in the Global
11 Commitment for Health Waiver approved by the Centers for Medicare and
12 Medicaid Services under Section 1115 of the Social Security Act.

13 (b) In addition to the State funds appropriated in Sec. B.301 of this act, a
14 total estimated sum of \$27,887,533 is anticipated to be certified as State
15 matching funds under the Global Commitment as follows:

16 (1) \$24,714,000 certified State match available from local education
17 agencies for eligible special education school-based Medicaid services under
18 Global Commitment. This amount, combined with \$35,286,000 of federal
19 funds appropriated in Sec. B.301 of this act, equals a total estimated
20 expenditure of \$60,000,000. An amount equal to the amount of the federal
21 matching funds for eligible special education school-based Medicaid services
22 under Global Commitment shall be transferred from the Global Commitment
23 Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A.
24 § 2959a.

1 (2) \$3,173,533 certified State match available from local designated
2 mental health and developmental services agencies for eligible mental health
3 services provided under Global Commitment.

4 (c) Up to \$4,997,210 is transferred from the Agency of Human Services
5 Federal Receipts Holding Account to the Interdepartmental Transfer Fund
6 consistent with the amount appropriated in Sec. B.301, Secretary’s Office –
7 Global Commitment, of this act.

8
9 **EXPLANATION:**
10 Annual language required to clarify the source of IDT funds in the AHS Global
11 Commitment appropriation, as well as to update estimated appropriations and
12 available certified State match as proposed in the fiscal year 2026 budget
13

14 **Sec. E.301.1 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER;**
15 REPORT

16 (a) To facilitate the end-of-year closeout for fiscal year 2026, the Secretary
17 of Human Services, with approval from the Secretary of Administration, may
18 make transfers among the appropriations authorized for Medicaid and
19 Medicaid waiver program expenses, including Global Commitment
20 appropriations outside the Agency of Human Services. At least three business
21 days prior to any transfer, the Agency of Human Services shall submit to the
22 Joint Fiscal Office a proposal of transfers to be made pursuant to this section.
23 A final report on all transfers made under this section shall be made to the Joint
24 Fiscal Committee for review at the Committee’s September 2026 meeting.
25 The purpose of this section is to provide the Agency with limited authority to

1 modify the appropriations to comply with the terms and conditions of the
2 Global Commitment for Health Section 1115 demonstration approved by the
3 Centers for Medicare and Medicaid Services under Section 1115 of the Social
4 Security Act.

5
6 **EXPLANATION:**

7 Medicaid services are included in numerous appropriations within AHS, and
8 outside of AHS. While best efforts are made accurately to project expenditures
9 in each appropriation in the Big Bill, and refined again in the BAA, there is
10 always a need at the end of the year to true-up to actual expenditures and
11 activities. The annual JFC reporting requirement ensures that the legislature is
12 aware of these adjustments.
13

14 **Sec. E.301.2** 2022 Acts and Resolves No. 83, Sec. 72a, as amended by 2022
15 Acts and Resolves No. 185, Sec. C.105, 2023 Acts and Resolves No. 78, Sec.
16 E.301.2, and 2024 Acts and Resolves No. 113, Sec. E.300.2 is further amended
17 to read:

18 Sec. 72a. MEDICAID HOME- AND COMMUNITY-BASED SERVICES
19 (HCBS) PLAN

20 * * *

21 (f) The Global Commitment Fund appropriated in subsection (e) of this
22 section obligated in fiscal years 2023, 2024, ~~and 2025~~, and 2026 for the
23 purposes of bringing HCBS plan spending authority forward into fiscal ~~year~~
24 years 2024, and fiscal year 2025, and 2026, respectively. The funds
25 appropriated in subsections (b), (c), and (e) of this section may be transferred
26 on a net-neutral basis in fiscal years 2023, 2024, ~~and 2025~~, and 2026 in the
27 same manner as the Global Commitment appropriations in 2022 Acts and

1 Resolves No. 185, Sec. E.301. The Agency shall report to the Joint Fiscal
2 Committee in September 2023, September 2024, ~~and~~ September 2025, and
3 September 2026, respectively, on transfers of appropriations made and final
4 amounts expended by each department in fiscal years 2023, 2024, ~~and~~ 2025,
5 and 2026, respectively, and any obligated funds carried forward to be
6 expended in fiscal ~~year~~ years 2024, ~~and fiscal year~~ 2025, and 2026,
7 respectively.

8

9

EXPLANATION:

10 The federal government has extended HCBS fund availability until March
11 2026. In order to make use of all funds to the fullest extent, AHS requires
12 HCBS Global Commitment Fund transfer flexibility language to be extended
13 into FY2026.
14

15

Sec. E.301.3 GLOBAL COMMITMENT FUND; HOSPITAL DIRECTED

16

PAYMENT PROGRAM

17

(a) The Agency of Human Services is authorized to seek a State Directed

18

Payment model with the Centers for Medicare and Medicaid Services (CMS).

19

This payment model will be for a Hospital Directed Payment (HDP) program.

20

Upon approval from CMS, the Agency of Human Services' Department of

21

Vermont Health Access, the University of Vermont, and the University of

22

Vermont Medical Center may enter into a mutual agreement on the

23

implementation of the HDP program.

24

(b) If CMS approves a Vermont HDP program within the State's Global

25

Commitment to Health Section 1115 Demonstration Waiver in fiscal year 2026

26

while the General Assembly is not in session, then, pursuant to 32 V.S.A.

1 § 511 and notwithstanding any other provision of law to the contrary, the
2 Department of Finance and Management is authorized to approve the Agency
3 of Human Services' allocation and expenditure of excess receipts for Global
4 Commitment Fund spending up to the amount approved by CMS for the
5 Vermont HDP program.

6 (c) In State fiscal year 2026, the Agency of Human Services is authorized,
7 to the extent permitted under federal law, to reasonably manage the timing of
8 federal fiscal year 2026 Disproportionate Share Hospital (DSH) payments to
9 hospitals due to the impact the Vermont HDP program payments received in
10 State fiscal year 2026 may have on hospitals' eligibility for DSH payments.

11 (d) The Agency of Human Services shall report on the status of the
12 Vermont HDP program, the expenditure of excess receipts, and the status of
13 the program's potential impacts on DSH payments at the September and
14 November 2025 meetings of the Joint Fiscal Committee.

15
16 **EXPLANATION:**

17 **Language to authorize the Agency of Human Services to seek a Hospital**
18 **Directed Payment program and provide guidance on implementation.**
19

20 **Sec. E.312 HEALTH; PUBLIC HEALTH:**

21 (a) HIV/AIDS funding:

22 (1) In fiscal year 2026 and as provided in this section, the Department of
23 Health shall provide grants in the amount of \$475,000 in AIDS Medication
24 Rebates special funds to the Vermont AIDS service and peer-support
25 organizations for client-based support services. The Department of Health

1 AIDS Program shall meet at least quarterly with the Community Advisory
2 Group with current information and data relating to service initiatives.

3 (2) Ryan White Title II funds for AIDS services and the Vermont
4 Medication Assistance Program shall be distributed in accordance with federal
5 guidelines. The federal guidelines shall not apply to programs or services
6 funded solely by State General Fund.

7 (A) The Secretary of Human Services shall immediately notify the
8 Joint Fiscal Committee if at any time there are insufficient funds in Vermont
9 Medication Assistance Program to assist all eligible individuals. The Secretary
10 shall work in collaboration with persons living with HIV/AIDS to develop a
11 plan to continue access to Vermont Medication Assistance Program
12 medications until such time as the General Assembly can take action.

13 (B) As provided in this section, the Secretary of Human Services
14 shall work in collaboration with the Vermont Medication Assistance Program
15 Advisory Committee, which shall be composed of not less than 50 percent of
16 members who are living with HIV/AIDS. If a modification to the program's
17 eligibility requirements or benefit coverage is considered, the Committee shall
18 make recommendations regarding the program's formulary of approved
19 medication, related laboratory testing, nutritional supplements, and eligibility
20 for the program.

21 (3) In fiscal year 2026, the Department of Health shall provide grants in
22 the amount of \$695,000 General Fund for HIV and Harm Reduction Services.
23 The method by which these prevention funds are distributed shall be

1 determined by mutual agreement of the Department of Health and the Vermont
2 AIDS service organizations and other Vermont HIV/AIDS prevention
3 providers.

4 (4) In fiscal year 2026, the Department of Health shall not reduce any
5 grants to the Vermont AIDS service and peer-support organizations or syringe
6 service programs from funds appropriated for HIV/AIDS services to levels
7 below those in fiscal year 2025 without receiving prior approval from the Joint
8 Fiscal Committee.

9
10 **EXPLANATION:**

11 Annual language that provides guidance to the Department of Health and
12 Agency of Human Services about the allocation and administration of funds
13 for HIV/AIDS prevention and services.
14

15
16 **Sec. E.312.2** 2023 Acts and Resolves No. 78, Sec. E.100 as amended by 2024
17 Acts and Resolves No. 87, Sec. 56 is further amended to read:

18 Sec. E.100 EXECUTIVE BRANCH POSITIONS

19 * * *

20 (d) The establishment of 23 new exempt limited-service positions is
21 authorized in fiscal year 2024 as follows:

22 * * *

23 (2) ~~Agency of Administration~~ Department of Health – Health Equity

24 Advisory Commission:

25 (A) one Private Secretary.

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EXPLANATION:
With administrative assistance for the Health Equity Advisory Commission moving from the Agency of Administration to the Department of Health, language is required to establish the Private Secretary position authorized for the Commission at the Department of Health.

Sec. E.312.3 18 V.S.A. § 252 is amended to read:

§ 252. HEALTH EQUITY ADVISORY COMMISSION

* * *

(c) Powers and duties. The Advisory Commission shall:

(1) provide guidance to the Commissioner on the development of the Office of Health Equity, ~~which shall be established based on the Advisory Commission's recommendations not later than January 1, 2023,~~ including on:

(A) the structure, responsibilities, and jurisdiction of the Office;

(B) whether the Office shall be independent and, if not, in which State agency or department it shall be situated;

(C) how the Office shall be staffed;

(D) the populations served and specific issues addressed by the Office; and

(E) the duties of the Office, including how grant funds shall be managed and distributed; ~~and~~

~~(F) the time frame and necessary steps to establish the Office;~~

(2) provide advice and make recommendations to the Commissioner regarding the Office of Health Equity ~~once established~~, including input on:

(A) any rules or policies proposed by the ~~Office~~ Department;

1 (B) the awarding of grants and the development of programs and
2 services;

3 (C) the needs, priorities, programs, and policies relating to the health
4 of individuals who are Black, Indigenous, and Persons of Color; individuals
5 who are LGBTQ; and individuals with disabilities; and

6 (D) any other issue on which the ~~Office of Health Equity~~ requests
7 Department assistance from the Advisory Commission;

8 (3) review, monitor, and advise all State agencies regarding the impact
9 of current and emerging State policies, procedures, practices, laws, and rules
10 on the health of individuals who are Black, Indigenous, and Persons of Color;
11 individuals who are LGBTQ; and individuals with disabilities;

12 (4) identify and examine the limitations and problems associated with
13 existing laws, rules, programs, and services related to the health status of
14 individuals who are Black, Indigenous, and Persons of Color; individuals who
15 are LGBTQ; and individuals with disabilities;

16 (5) advise the ~~Department of Health~~ and General Assembly on any
17 funding decisions relating to eliminating health disparities and promoting
18 health equity, including the distribution of federal monies related to COVID-
19 19;

20 (6) to the extent funds are available for the purpose, distribute grants
21 that stimulate the development of community-based and neighborhood-based
22 projects that will improve the health outcomes of individuals who are Black,

1 Indigenous, and Persons of Color; individuals who are LGBTQ; and
2 individuals with disabilities; and

3 (7) advise the General Assembly on efforts to improve cultural
4 competency, cultural humility, and antiracism in the health care system
5 through training and continuing education requirements for health care
6 providers and other clinical professionals.

7 (d) Assistance. The Advisory Commission shall have the
8 administrative, legal, and technical assistance of the ~~Agency of Administration~~
9 ~~at the request of the Executive Director of Racial Equity~~ Department.

10 * * *

11 (f) Meetings.

12 ~~(1) The Executive Director of Racial Equity or designee shall call the~~
13 ~~first meeting of the Advisory Commission to occur on or before September 1,~~
14 ~~2021.~~

15 ~~(2)~~(1) The Advisory Commission shall select a chair and vice chair at its
16 first meeting and annually thereafter.

17 ~~(3)~~(2) The Advisory Commission shall adopt procedures to govern its
18 proceedings, including voting procedures and how the staggered terms shall be
19 apportioned among members.

20 ~~(4)~~(3) All meetings of the Advisory Commission and any
21 subcommittees of the Advisory Commission shall be open to the public with
22 opportunities for public comment provided on a regular basis.

23 * * *

1 (h) Compensation and reimbursement. Appointed members of the
2 Advisory Commission shall be entitled to per diem compensation and
3 reimbursement of expenses as permitted under 32 V.S.A. § 1010 for meetings
4 ~~as deemed appropriate by the Advisory Commission within the appropriation~~
5 ~~provided. These payments shall be made from monies appropriated to the~~
6 ~~Agency of Administration.~~

7
8 **EXPLANATION:**

9 Updates required to move administrative assistance for the Health Equity
10 Advisory Commission from the Agency of Administration to the Department
11 of Health.
12

13 **Sec. E.312.4** 18 V.S.A. § 4812 is added to read:

14 § 4812. SUBSTANCE MISUSE PREVENTION SPECIAL FUND

15 (a) The Substance Misuse Prevention Special Fund is established and
16 managed by the Vermont Department of Health in accordance with 32 V.S.A.
17 chapter 7, subchapter 5.

18 (b) Thirty percent of the revenues raised by the cannabis excise tax
19 imposed pursuant to 32 V.S.A. § 7902, not to exceed \$10,000,000 per fiscal
20 year, shall be deposited into this fund for substance misuse prevention costs.

21 (c) Any unencumbered and unexpended spending authority reverted in
22 accordance with 32 V.S.A. § 703 may be immediately re-established the
23 following fiscal year in accordance with 32 V.S.A. § 511.

24 (d) Notwithstanding any provisions of 32 V.S.A. chapter 7, subchapter 5 to
25 the contrary, all interest earned by this fund shall be retained by this fund.

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EXPLANATION:
Establishes a Substance Misuse Prevention Special Fund composed of 30 percent of the cannabis excise tax receipts up to \$10 million annually. Spending authority reverted, per codified law, can be re-established through the Excess Receipt process and all interest earned by the fund remains in the fund. The establishment of a special fund for this purpose implements the legislative intent of 32 V.S.A. § 7909 with reduced administrative complexity and increased budget transparency.

Sec. E.312.5 SUBSTANCE MISUSE PREVENTION FUNDING; REPEAL

(a) 32 V.S.A. § 7909 (substance misuse prevention funding) is repealed.

EXPLANATION:
This language is repealed because its functional equivalent is provided by 18 V.S.A. § 4812 as established by Sec. 312.4 of this act, which creates a special fund for the purpose of substance misuse prevention.

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:
Standard annual language which ensures that eligible families can receive assistance on an expedited basis so that they do not run out of fuel.

1 **Sec. E.325** DEPARTMENT FOR CHILDREN AND FAMILIES; OFFICE
2 OF ECONOMIC OPPORTUNITY

3 (a) Of the General Fund appropriation in Sec. B.325 of this act,
4 \$26,343,655 shall be used by the Department for Children and Families' Office
5 of Economic Opportunity to issue grants to community agencies to assist
6 individuals experiencing homelessness by preserving existing services,
7 increasing services, or increasing resources available statewide. These funds
8 may be granted alone or in conjunction with federal Emergency Solutions
9 Grants funds. Grant decisions and the administration of funds shall be done in
10 consultation with the two U.S. Department of Housing and Urban
11 Development-recognized Continuum of Care programs.

12
13 **EXPLANATION:**
14 Standard annual language which authorizes spending on the Housing
15 Opportunity Grant Program (HOP).
16

17 **Sec. E. 326** DEPARTMENT FOR CHILDREN AND FAMILIES; OFFICE
18 OF ECONOMIC OPPORTUNITY; WEATHERIZATION
19 ASSISTANCE

20 (a) Of the special fund appropriation in Sec. B.326 of this act, \$750,000 is
21 for the replacement and repair of home heating equipment.

22
23 **EXPLANATION:**
24 Standard annual language which authorizes spending on the replacement and
25 repair of home heating equipment.
26

1 **Sec. E.338** CORRECTIONS – CORRECTIONAL SERVICES

2 (a) Notwithstanding 32 V.S.A. § 3709(a), the special fund appropriation of
3 \$152,000 for the supplemental facility payments to Newport and Springfield
4 shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

5
6 **EXPLANATION:**

7 Standard annual language which provides DOC with specific funding from the
8 PILOT Special Fund for payments to municipalities.
9

10 **Sec. E.345** 18 V.S.A. § 9374(h) is amended to read:

11 (h)(1)(A) Except as otherwise provided in subdivisions (1)(C) and (2) of
12 this subsection (h), the expenses of the Board shall be borne as follows:

13 (i) 40.0 percent by the State from State monies;

14 (ii) ~~28.8~~ 36.0 percent by the hospitals;

15 (iii) ~~23.2~~ 24.0 percent by nonprofit hospital and medical service
16 corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance
17 companies licensed under 8 V.S.A. chapter 101, and health maintenance
18 organizations licensed under 8 V.S.A. chapter 139; ~~and~~

19 ~~(iv) 8.0 percent by accountable care organizations.~~

20 (B) Expenses under subdivision (A)(iii) of this subdivision (1) shall
21 be allocated to persons licensed under Title 8 based on premiums paid for
22 health care coverage, which for the purposes of this subdivision (1) shall
23 include major medical, comprehensive medical, hospital or surgical coverage,
24 and comprehensive health care services plans, but shall not include long-term

1 care, limited benefits, disability, credit or stop loss, or excess loss insurance
2 coverage.

3 (C) ~~Expenses~~ Amounts assessed pursuant to the provisions of ~~section~~
4 sections 9441 and 9382 of this title shall not be assessed in accordance with the
5 formula set forth in subdivision (A) of this subdivision (1).

6 (2) The Board may determine the scope of the incurred expenses to be
7 allocated pursuant to the formula set forth in subdivision (1) of this subsection
8 if, in the Board's discretion, the expenses to be allocated are in the best
9 interests of the regulated entities and of the State.

10 (3) If the amount of the proportional assessment to any entity calculated
11 in accordance with the formula set forth in subdivision (1)(A) of this
12 subsection would be less than \$150.00, the Board shall assess the entity a
13 minimum fee of \$150.00. The Board shall apply the amounts collected based
14 on the difference between each applicable entity's proportional assessment
15 amount and \$150.00 to reduce the total amount assessed to the regulated
16 entities pursuant to subdivisions (1)(A)(ii)–(iv)(iii) of this subsection.

17 * * *

18
19 **EXPLANATION:**

20 Removes ACO Billback from this statute since One Care Vermont, the state's
21 only ACO, is ceasing operations.
22

23 **Sec. E.500** EDUCATION – FINANCE AND ADMINISTRATION

24 (a) The Global Commitment funds appropriated in this section will be used
25 for physician claims for determining medical necessity of Individualized

1 Education Programs (IEPs). These services are intended to increase access to
2 quality health care for uninsured persons, underinsured persons, and Medicaid
3 beneficiaries.

4
5 **EXPLANATION:**

6 Standard annual language that makes clear that Global Commitment funds will
7 be used for appropriate Global Commitment purposes. This language reflects
8 allowable uses under the new 1115 Global Commitment Waiver.
9

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

11 (a) Of the appropriation authorized in Sec. B.502 of this act, and
12 notwithstanding any other provision of law, an amount not to exceed
13 \$5,236,200 shall be used by the Agency of Education in fiscal year 2026 as
14 funding for 16 V.S.A. § 2967(b)(2)-(6). In distributing such funds, the
15 Secretary shall not be limited by the restrictions contained within 16 V.S.A.
16 § 2969(c) and (d).

17 (b) Of the appropriation authorized in Sec. B.502 of this act, and
18 notwithstanding any other provision of law, an amount not to exceed
19 \$2,000,000 shall be used by the Agency of Education in fiscal year 2026 as
20 funding for 16 V.S.A. § 2975. In distributing such funds, the Secretary shall
21 not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d).

22
23 **EXPLANATION:**

24 The language establishes how much of the special education funding formula
25 shall be used for 16 V.S.A Sec 2967(b)(2)-(6) and 16 V.S.A. 2975.
26

27 **Sec. E.503** EDUCATION – STATE-PLACED STUDENTS

1 (a) The Independence Place Program of the ANEW Place shall be
2 considered a 24-hour residential program for the purposes of reimbursement of
3 education costs.

4
5 **EXPLANATION:**
6 **Standard annual language.**

7
8 **Sec. E.504** ADULT EDUCATION AND LITERACY

9 (a) Of the appropriation in Sec. B.504 of this act, \$3,778,133 General Fund
10 shall be granted to adult education and literacy providers, pursuant to the Adult
11 Education and Secondary Credential Program established in 16 V.S.A. § 945.

12
13 **EXPLANATION:**
14 **Standard annual language.**

15
16 **Sec. E.504.1** EDUCATION – FLEXIBLE PATHWAYS

17 (a) Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund
18 appropriation, the amount of:

19 (1) \$921,500 is available for dual enrollment programs notwithstanding
20 16 V.S.A. § 944(f)(2);

21 (2) \$2,400,000 is available to support the Vermont Virtual High School;

22 (3) \$400,000 is available for secondary school reform grants;

23 (4) \$4,200,000 is available for Early College pursuant to 16 V.S.A.

24 § 947(b); and

1 (5) \$2,518,755 is available for the Adult Education and Secondary
2 Credential Program.

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

5
6 **EXPLANATION:**
7 Standard annual language ensures that education funds are paid to help fund
8 the dual enrollment program created in 16 V.S.A Sec 944, and to support
9 distance learning in Vermont schools.

10
11 **Sec. E.507.1 ENGLISH LEARNER; CATEGORICAL AID**

12 (a) The funds appropriated in Sec. B.507.1 of this act shall be used to
13 provide categorical aid to school districts for English Learner services,
14 pursuant to 16 V.S.A. § 4013.

15
16 **EXPLANATION:**
17 Standard annual language.

18
19 **Sec. E.508** 16 V.S.A. § 1261a is amended to read:

20 § 1261a. DEFINITIONS

21 As used in this subchapter:

22 (1) “Food programs” means provision of food to persons under
23 programs meeting standards for assistance under the National School Lunch
24 Act, 42 U.S.C. § 1751 et seq. and the Child Nutrition Act, 42 U.S.C. § 1771 et
25 seq., each as amended.

1 (2) “School board” means the governing body of a school district
2 responsible for the administration of a public school.

3 (3) “Independent school board” means a governing body responsible for
4 the administration of a nonprofit independent school exempt from U.S. income
5 taxes.

6 (4) “Approved independent school” means an independent school
7 physically located in Vermont and approved by the State Board of Education
8 under section 166 of this title.

9 ~~(5) “Universal meals supplement” means the reimbursement amount paid~~
10 ~~by the State for the cost of a paid breakfast or lunch under the federal school~~
11 ~~breakfast and federal school lunch programs.~~

12 ~~(A) For breakfast, the universal meals supplement is a sum equal to~~
13 ~~the federal reimbursement rate for a free school breakfast less the federal~~
14 ~~reimbursement rate for a paid school breakfast, using rates identified annually~~
15 ~~by the Agency of Education from payment levels established annually by the~~
16 ~~U.S. Department of Agriculture.~~

17 ~~(B) For lunch, the universal meals supplement is a sum equal to the~~
18 ~~federal reimbursement rate for a free school lunch less the federal~~
19 ~~reimbursement rate for a paid school lunch, using rates identified annually by~~
20 ~~the Agency of Education from payment levels established annually by the U.S.~~
21 ~~Department of Agriculture.~~

22

23 **EXPLANATION:**
24 **Repeals definitions related to the universal meals supplement.**

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Sec. E.508.1 16 V.S.A. § 1262a is amended to read:

§ 1262a. AWARD OF GRANTS

(a)(1) The Agency may, from funds appropriated for this subsection to the Agency, award grants to:

(A) supervisory unions for the use of member school boards that establish and operate food programs;

(B) independent school boards that establish and operate food programs; and

(C) approved education programs, as defined in subdivision 11(a)(34) of this title and operating under private nonprofit ownership as defined in the National School Lunch Act, that establish and operate food programs for students engaged in a teen parent education program or students enrolled in a Vermont public school.

(2) The amount of any grant awarded under this subsection shall not be more than the amount necessary, in addition to any reimbursement from federal funds, to pay the actual cost of the meal.

* * *

~~(e) Universal meals supplements shall be awarded in accordance with section 4017 of this title.~~

EXPLANATION:
Repeals language related to the awarding of universal meals supplements.

1 **Sec. E.508.2** 16 V.S.A. § 1264 is amended to read:

2 § 1264. FOOD PROGRAM

3 (a)(1)(A) Each school board operating a public school shall cause to
4 operate within each school in the school district a food program that makes
5 available a school lunch, as provided in the National School Lunch Act, as
6 amended, and a school breakfast, as provided in the Child Nutrition Act, as
7 amended, to each attending student who qualifies for those meals under these
8 acts every school day.

9 ~~(B) In addition, each school board operating a public school shall~~
10 ~~cause to operate within each school in the school district the same school~~
11 ~~breakfast and school lunch program made available to students who qualify for~~
12 ~~those meals under the Child Nutrition Act and the National School Lunch Act,~~
13 ~~each as amended, for each attending student every school day at no charge. An~~
14 ~~approved independent school operating a school lunch and school breakfast~~
15 ~~program made available to students who qualify for those meals under the~~
16 ~~Child Nutrition Act and the National School Lunch Act, each as amended,~~
17 ~~shall offer the same to each attending student every school day at no charge in~~
18 ~~order to qualify for the universal meals supplement.~~

19 ~~(C) In operating its school breakfast and lunch program, a school~~
20 ~~district and an approved independent school shall seek to achieve the highest~~
21 ~~level of student participation, which may include any or all of the following:~~

22 ~~(i) providing breakfast meals that can be picked up by students;~~

1 ~~(ii) making breakfast available to students in classrooms after the~~
2 start of the school day; and

3 ~~(iii) for school districts, collaborating with the school’s wellness~~
4 ~~community advisory council, as established under subsection 136(e) of this~~
5 ~~title, in planning school meals.~~

6 ~~(D) A school district and an approved independent school shall count~~
7 ~~time spent by students consuming school meals during class as instructional~~
8 ~~time.~~

9 * * *

10 **EXPLANATION:**
11 **Repeals language requiring districts to operate free meals programs.**
12

13 **Sec. E.508.3** 16 V.S.A. § 1264a is amended to read:

14 § 1264a. LOCALLY PRODUCED FOODS

15 (a) It is a goal of the State that by the year 2023, at least 20 percent of all
16 foods purchased by eligible entities, as defined by subsection (e) of this
17 section, be locally produced foods. Eligible entities have the discretion to
18 define what foods are included within the definition of “locally produced
19 foods” for the purposes of this subsection and subsection (b) of this section.

20 * * *

21 (e) As used in this section, “eligible entity” means:

22 ~~(4) a supervisory union or supervisory district; or~~

1 ~~(2) an approved independent school operating a food program, as~~
2 ~~defined by subdivision 1261a(1) of this title, that also qualifies for the~~
3 ~~universal meals supplement pursuant to section 4017 of this title.~~

4

5 **EXPLANATION:**
6 Repeals language defining certain independent schools as eligible entities for
7 the purposes of the locally produced foods program; if the universal meals
8 supplement is repealed no approved independent school would be eligible.

9

10 **Sec. E.511** EDUCATION – TECHNICAL EDUCATION

11 (a) Notwithstanding 16 V.S.A. 1561(c) and (d) or any other provision of
12 law to the contrary, in fiscal year 2026 career technical center supplemental
13 assistance grants shall be calculated using the fiscal year 2025 base education
14 amount.

15

16 **EXPLANATION:**
17 Supplemental assistance awards are calculated using a base amount adjusted
18 by the NEEP index. In FY26 this adjustment would lead to a reduction in the
19 base amount. This language ensures that CTE programs do not experience a
20 decrease in supplemental assistance grants awarded pursuant to 16 VSA
21 1561(c) based on the NEEP adjustment.

22

23 **Sec. E.514** STATE TEACHERS' RETIREMENT SYSTEM

24 (a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to
25 the State Teachers' Retirement System (STRS) shall be \$212,752,627, of
26 which \$199,377,627 shall be the State's contribution and \$13,375,000 shall be
27 contributed from local school systems or educational entities pursuant to
28 16 V.S.A. § 1944c.

1 **(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution,**
2 **\$41,414,649 is the “normal contribution” and \$171,337,978 is the “accrued**
3 **liability contribution.”**

4
5 **EXPLANATION: Standard annual language with allows the normal**
6 **contribution to be funded with Education funds. The \$9,800,000 local**
7 **contribution mentioned in subsection (a) reduces the Education Fund**
8 **component of the normal contribution by \$2,603,591 and the General fund**
9 **component of the accrued liability contribution by \$10,771,409.**

10
11 **Sec. E.514.1 VERMONT STATE TEACHERS’ RETIREMENT SYSTEM**
12 **AND VERMONT PENSION INVESTMENT COMMISSION;**
13 **OPERATING BUDGET; SOURCE OF FUNDS**

14 **(a) Of the \$3,820,073 appropriated in Sec. B.514.1 of this act, \$2,719,271**
15 **constitutes the Vermont Municipal Employees’ Retirement System operating**
16 **budget, and \$1,100,802 constitutes the portion of the Vermont Pension**
17 **Investment Commission’s budget attributable to the Vermont Municipal**
18 **Employees’ Retirement System.**

19
20 **EXPLANATION: Standard annual language to differentiate the portion of the**
21 **VSTRS admin appropriation that support operations in the State Treasurer’s**
22 **Office versus the portion that supports VPIC.**

23
24 **Sec. E.515 RETIRED TEACHERS’ HEALTH CARE AND MEDICAL**
25 **BENEFITS**

26 **(a) In accordance with 16 V.S.A. § 1944b(b)(2) and 16 V.S.A.**
27 **§ 1944b(h)(1), the annual contribution to the Retired Teachers’ Health and**

1 Medical Benefits plan shall be \$79,952,589, of which \$71,052,589 shall be the
2 State’s contribution and \$8,900,000 shall be from the annual charge for teacher
3 health care contributed by employers pursuant to 16 V.S.A. §1944d. Of the
4 annual contribution, \$24,712,382 is the “normal contribution” and \$55,240,207
5 is the “accrued liability contribution.”

6
7 **EXPLANATION:** Standard annual language which allows the normal
8 contribution to be funded with Education funds. The \$8,900,000 new teacher
9 health care annual charge contribution reduces the Education fund component
10 of the normal contribution by \$2,750,883 and the General fund component of
11 the accrued liability contribution by \$6,149,117.
12

13 **Sec. E.600** UNIVERSITY OF VERMONT

14 (a) The Commissioner of Finance and Management shall issue warrants to
15 pay 1/12 of the appropriation in Sec. B.600 of this act to the University of
16 Vermont on or about the 15th day of each calendar month of the year.

17 (b) Of this appropriation, \$380,362 shall be transferred to the Experimental
18 Program to Stimulate Competitive Research (EPSCoR) to comply with State
19 matching fund requirements necessary for the receipt of available federal or
20 private funds, or both.

21
22 **EXPLANATION:**
23 Standard annual language.
24

25 **Sec. E.602** VERMONT STATE COLLEGES

1 (a) The Commissioner of Finance and Management shall issue warrants to
2 pay 1/12 of the appropriation in Sec. B.602 of this act to the Vermont State
3 Colleges on or about the 15th day of each calendar month of the year.

4 (b) Of this appropriation, \$427,898 shall be transferred to the Vermont
5 Manufacturing Extension Center to comply with State matching fund
6 requirements necessary for the receipt of available federal or private funds, or
7 both.

8
9 **EXPLANATION:**
10 **Standard annual language.**
11

12 **Sec. E.603** VERMONT STATE COLLEGES – ALLIED HEALTH

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

16 (b) The Vermont State Colleges shall use the Global Commitment funds
17 appropriated in Sec. B.603 of this act to support the dental hygiene, respiratory
18 therapy, and nursing programs that graduate approximately 315 health care
19 providers annually. These graduates deliver direct, high-quality health care
20 services to Medicaid beneficiaries or uninsured or underinsured persons.

21
22 **EXPLANATION:**
23 **Standard annual language.**
24

25 **Sec. E.605** VERMONT STUDENT ASSISTANCE CORPORATION

1 (a) Of the funds appropriated to the Vermont Student Assistance

2 Corporation in Sec. B.605 of this act:

3 (1) \$25,000 shall be deposited into the Trust Fund established in 16

4 V.S.A. § 2845;

5 (2) not more than \$300,000 may be used by the Vermont Student

6 Assistance Corporation for a student aspirational initiative to serve one or more

7 high schools; and

8 (3) not less than \$1,000,000 shall be used to continue the Vermont

9 Trades Scholarship Program established in 2022 Act and Resolves No. 183,

10 Sec. 14.

11 (b) Of the funds appropriated to the Vermont Student Assistance

12 Corporation in Sec. B.605 of this act that are remaining after accounting for the

13 expenditures set forth in subsection (a) of this section, not less than 93 percent

14 shall be used for direct student aid.

15 (c) After accounting for the expenditures set forth in subsection (a) of this

16 section, up to seven percent of the funds appropriated to the Vermont Student

17 Assistance Corporation in Sec. B.605 of this act or otherwise currently or

18 previously appropriated to the Vermont Student Assistance Corporation or

19 provided to the Vermont Student Assistance Corporation by an agency or

20 department of the State for the administration of a program or initiative may be

21 used by the Vermont Student Assistance Corporation for its costs of

22 administration. The Vermont Student Assistance Corporation may recoup its

23 reasonable costs of collecting the forgivable loans in repayment. Funds shall

1 not be used for indirect costs. To the extent that any of these funds are federal
2 funds, allocation for expenses associated with administering the funds shall be
3 consistent with federal grant requirements.

4
5 **EXPLANATION:**
6 **Standard annual language.**
7

8 **Sec. E.605.1** NEED-BASED STIPEND FOR DUAL ENROLLMENT AND
9 EARLY COLLEGE STUDENTS

10 (a) Notwithstanding 16 V.S.A. § 4025, the sum of \$41,225 Education Fund
11 and \$41,225 General Fund is appropriated to the Vermont Student Assistance
12 Corporation for dual enrollment and need-based stipend purposes to fund a
13 flat-rate, need-based stipend or voucher program for financially disadvantaged
14 students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in
15 early college pursuant to 16 V.S.A. § 946 to be used for the purchase of books,
16 cost of transportation, and payment of fees. The Vermont Student Assistance
17 Corporation shall establish the criteria for program eligibility. Funds shall be
18 granted to eligible students on a first-come, first-served basis until funds are
19 depleted.

20 (b) On or before January 15, 2026, the Vermont Student Assistance
21 Corporation shall report on the program to the House Committees on
22 Appropriations and on Commerce and Economic Development and to the
23 Senate Committees on Appropriations and on Economic Development,
24 Housing and General Affairs.

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EXPLANATION:
Standard annual language.

Sec. E.715 32 V.S.A. § 9602a is amended to read:

§ 9602a. CLEAN WATER SURCHARGE

There shall be a surcharge of 0.22 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$200,000-00 in value of property to be used for the principal residence of the transferee or the first \$250,000-00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000-00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

~~§ 9602a. Clean water surcharge [Effective July 1, 2027; Effective until July 1, 2039]~~

1 ~~There shall be a surcharge of 0.04 percent on the value of property subject to~~
2 ~~the property transfer tax under section 9602 of this title, except that there shall~~
3 ~~be no surcharge on the first \$200,000.00 in value of property to be used for the~~
4 ~~principal residence of the transferee or the first \$250,000.00 in value of~~
5 ~~property transferred if the purchaser obtains a purchase money mortgage~~
6 ~~funded in part with a homeland grant through the Vermont Housing and~~
7 ~~Conservation Trust Fund or that the Vermont Housing and Finance Agency or~~
8 ~~U.S. Department of Agriculture and Rural Development has committed to~~
9 ~~make or purchase. The surcharge shall be in addition to any tax assessed under~~
10 ~~section 9602 of this title. The surcharge assessed under this section shall be~~
11 ~~paid, collected, and enforced under this chapter in the same manner as the tax~~
12 ~~assessed under section 9602 of this title. The Commissioner shall deposit the~~
13 ~~surcharge collected under this section in the Vermont Housing and~~
14 ~~Conservation Trust Fund created in 10 V.S.A. § 312.~~

15
16 **EXPLANATION:**

17 **Repeal sunset of Property Transfer Tax Surcharge for Clean Water Fund.**
18

19 **Sec. E.900** 19 V.S.A. § 11a is amended to read:

20 § 11a. ~~TRANSPORTATION FUNDS APPROPRIATED FOR THE~~
21 ~~DEPARTMENT OF PUBLIC SAFETY FUND APPROPRIATIONS~~

22 (a) No transportation funds shall be appropriated for the support of
23 government other than for the Agency, the Board, Transportation Pay Act
24 Funds, construction of transportation capital facilities, transportation debt

1 service, and the operation of information centers by the Department of
2 Buildings and General Services, ~~and the Department of Public Safety. The~~
3 ~~amount of transportation funds appropriated to the Department of Public~~
4 ~~Safety shall not exceed:~~

5 (1) ~~\$25,250,000.00 in fiscal year 2014;~~

6 (2) ~~\$22,750,000.00 in fiscal years 2015 and 2016;~~

7 (3) ~~\$21,150,000.00 in fiscal year 2017; and~~

8 (4) ~~\$20,250,000.00 in fiscal year 2018 and in succeeding fiscal years.~~

9 (b) ~~In fiscal year 2018 and in succeeding fiscal years, of the funds~~
10 ~~appropriated to the Department of Public Safety pursuant to subsection (a) of~~
11 ~~this section, the amount of \$2,100,000.00 is allocated exclusively for the~~
12 ~~purchase, outfitting, assignment, and disposal of State Police vehicles. Any~~
13 ~~unexpended and unencumbered funds remaining in this allocation at the close~~
14 ~~of a fiscal year shall revert to the Transportation Fund. The Department of~~
15 ~~Public Safety may periodically recommend to the General Assembly that this~~
16 ~~allocation be adjusted to reflect market conditions for the vehicles and~~
17 ~~equipment.~~

18
19 **EXPLANATION:**

20 **Repeals the use of Transportation Funds by the Department of Public Safety.**
21 **The Department of Public Safety receives General Fund instead. This provides**
22 **additional funding to the Agency of Transportation to leverage available**
23 **federal funds, at a better match rate, in meeting the demands of the Statewide**
24 **Transportation Improvement Program.**
25

26 * * * Effective Dates * * *

1 Sec. F.100 EFFECTIVE DATES

2 (a) This section and Secs. C.100, C.101, C.102, C.103, C.104, C.105,
3 C.106, E.146, E.147, E.148 and E.312.1 shall be effective upon passage.

4 (b) All remaining sections of this act shall take effect July 1, 2025.