

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

2 APPROPRIATIONS

3 \* \* \*

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

6 (1) \$200,000 from the General Fund to retain a consultant and develop  
7 an implementation plan to transition any of the following facilities, or portions  
8 of the following facilities, to a treatment-focused facility for incarcerated  
9 Vermonters:

10 (A) the Northeast Correctional Complex; or

11 (B) the Caledonia County Work Camp.

12 (2) On or before December 1, 2025, the Department of Corrections shall  
13 submit a written report to the Joint Legislative Justice Oversight Committee  
14 concerning the consultant's findings and recommendations related to  
15 transitioning either the Northeast Correctional Complex or the Work Camp, or  
16 parts of both, to a treatment-focused facility. The report shall contain the  
17 following:

18 (A) a detailed transition plan;

19 (B) expected outcomes and measures of success;

20 (C) an assessment of how transitioning either the Northeast  
21 Correctional Complex or Caledonia County Work Camp, or parts of both, to a  
22 treatment-focused facility aligns with best practices for residential treatment  
23 programs; and

1                    (D) input from the Department's current medical providers, including  
2                    an analysis of how the program developed would impact any contract with the  
3                    Department's third-party medical provider.

1 Sec. B.1101 FISCAL YEAR 2025 CLOSEOUT

2 (a) As part of the fiscal year 2025 closeout, the Department of Finance and  
3 Management shall execute the requirements of 32 V.S.A. § 308. If any  
4 balance remains after meeting these requirements, then, notwithstanding 32  
5 V.S.A. § 308c, the Department of Finance and Management shall reserve the  
6 remaining funds in the General Fund Balance Reserve for use for future  
7 appropriations.

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

2 Sec. D.101 FUND TRANSFERS

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

5 \* \* \*

6 (2) From the Transportation Fund to the:

7 \* \* \*

8 (E) Transportation Infrastructure Bond Fund (#20191): \$900,000

9 \* \* \*

10 **EXPLANATION:**

11 (a)(2)(E) Transfers \$2,300,000 from the Transportation Fund to the  
12 Transportation Infrastructure Bond Fund to mitigate the impact of the January  
13 consensus revenue forecast reduction to the TIB fund.

1 Sec. E.100.1 COMMUNITY BASED ORGANIZATIONS; REPORT

2 (a) The Secretary of Administration shall conduct a comprehensive  
3 analysis of the current funding structure for Vermont community-based  
4 organizations.

5 (1) community-based organizations as defined in this section may  
6 include area agencies on aging, community action agencies, designated  
7 agencies, and parent child centers.

8 (b) The Secretary of Administration shall submit a report to the General  
9 Assembly on or before January 15, 2026 on the current funding structure of  
10 community-based organizations. The report shall include:

11 (1) an evaluation of the current funding structure; and

12 (2) an evaluation of the extent to which business or support service  
13 consolidation would impact expenditures.

1 Sec. E.101 AMERICAN RESCUE PLAN ACT – CORONAVIRUS STATE  
2 FISCAL RECOVERY FUND APPROPRIATIONS; REPORTING

3 (a) In fiscal year 2026, the Secretary of Administration shall report to the  
4 Joint Fiscal Committee on a quarterly basis, and upon the request of the  
5 Committee, on the status of appropriations made from the American Rescue  
6 Plan Act – Coronavirus State Fiscal Recovery Fund.

7 (1) Reports shall include information on:

8 (A) the original amounts appropriated;

9 (B) outstanding obligations against appropriations; and

10 (C) any remaining spending authority.

11 (b) In fiscal year 2026, the Secretary of Administration shall report to the  
12 Joint Fiscal Committee on a quarterly basis, and upon the request of the  
13 Committee, on the status of any new spending authority established pursuant to  
14 2023 Acts and Resolves No. 113, Sec. E.106.

15 (1) Reports shall include information on:

16 (A) the original amounts appropriated;

17 (B) outstanding obligations against appropriations; and

18 (C) any remaining spending authority.

19 (c) Any spending authority established pursuant to 2023 Acts and Resolves  
20 No. 113, Sec. E.106(a) and 2023 Acts and Resolves No. 113, Sec. E.106(c)

1 that remains unexpended and unencumbered on June 30, 2027 shall revert to  
2 the General Fund.

3 (d) The Secretary of Administration shall report to the Joint Fiscal  
4 Committee at its July 2027 meeting on the amount reverted to the General  
5 Fund pursuant to subsection (c) of this section.

1 Sec. E.105 AGENCY OF DIGITAL SERVICES; COMMUNICATIONS  
2 AND INFORMATION TECHNOLOGY FUND TRANSFER

3 (a) In fiscal year 2025, the Agency of Digital Services shall utilize the  
4 \$10,000,000 transferred from the General Fund to the Communications and  
5 Information Technology Fund in Sec. D.101(a)(1)(F) of this act to cover the  
6 costs of transitioning billable services from a service level agreement model to  
7 a core enterprise services model. To the extent to which these funds are  
8 insufficient to complete this transition the Agency shall, as part of its fiscal  
9 year 2026 budget adjustment presentation, request an additional appropriation  
10 or transfer of funds and shall not bill other agencies or departments to cover  
11 the costs of the transition.



1 Sec. E.111 32 V.S.A. § 5824 is amended to read:

2 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

3 The statutes of the United States relating to the federal income tax, as in  
4 effect on December 31, ~~2023~~ 2024, but without regard to federal income tax  
5 rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the  
6 tax liability under this chapter and shall continue in effect as adopted until  
7 amended, repealed, or replaced by act of the General Assembly.

1 [GN1]

2 Sec. E.111.1 32 V.S.A. § 7402 is amended to read:

3 § 7402. DEFINITIONS

4 As used in this chapter unless the context requires otherwise:

5 \* \* \*

6 (8) “Laws of the United States” means the U.S. Internal Revenue Code  
7 of 1986, as amended through December 31, 2023 2024. As used in this  
8 chapter, “Internal Revenue Code” has the same meaning as “laws of the United  
9 States” as defined in this subdivision. The date through which amendments to  
10 the U.S. Internal Revenue Code of 1986 are adopted under this subdivision  
11 shall continue in effect until amended, repealed, or replaced by act of the  
12 General Assembly.[GN2]

13 \* \* \*

1 Sec. E.111.2 32 V.S.A. § 5861(c) is amended to read:

2 (c) Spouses or a surviving spouse ~~may~~ shall file a joint Vermont personal  
3 income tax return for any taxable year for which the spouses file or the  
4 surviving spouse ~~are permitted to file~~ files a joint federal income tax return  
5 under the laws of the United States, unless the Commissioner allows a different  
6 filing status.

1 [GN3]

2 Sec. E.236.1 LIQUOR AND LOTTERY; APPROPRIATION; BUSINESS

3 TO BUSINESS WEBSITE

4 (a) Of the funds appropriated in Sec. B.236.1 of this act, \$1,820,000

5 Enterprise Fund shall be used for the business to business website design and

6 implementation to improve the ordering and payment of on-premise licensees.

1 Sec. E.311 2022 Acts and Resolves No. 109 Sec. 4 is amended to read:

2 Sec. 4. ~~SUNSET OF STATE YOUTH COUNCIL~~

3 ~~3 V.S.A. § 3097 (State Youth Council) is repealed on February 1, 2026.~~

4 [Repealed.]

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

2 (a) HIV/AIDS funding:

3 (1) In fiscal year 2026 and as provided in this section, the Department of  
4 Health shall provide grants in the amount of \$475,000 in AIDS Medication  
5 Rebates special funds to the Vermont AIDS service and peer-support  
6 organizations for client-based support services. The Department of Health  
7 AIDS Program shall meet at least quarterly with the Community Advisory  
8 Group with current information and data relating to service initiatives. The  
9 funds shall be allocated according to a Request for Proposal process.

10 (2) In fiscal year 2025, and as provided by this section, the Department  
11 of Health shall provide grants in the amount of \$295,000 from the General  
12 Fund for HIV and Harm Reduction Services to the following organizations:

13 (A) Vermont CARES: \$140,000;

14 (B) AIDS Project of Southern Vermont: \$100,000; and

15 (C) HIV/HCV Resource Center: \$55,000.

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

20 (A) The Secretary of Human Services shall immediately notify the  
21 Joint Fiscal Committee if at any time there are insufficient funds in Vermont  
22 Medication Assistance Program to assist all eligible individuals. The Secretary  
23 shall work in collaboration with persons living with HIV/AIDS to develop a

1 plan to continue access to Vermont Medication Assistance Program  
2 medications until such time as the General Assembly can take action.

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

11 (4) In fiscal year 2026, the Department of Health shall provide grants in  
12 the amount of \$400,000 General Fund for HIV and Harm Reduction Services  
13 not later than September 1, 2025. The method by which these prevention  
14 funds are distributed shall be determined by mutual agreement of the  
15 Department of Health and the Vermont AIDS service organizations and other  
16 Vermont HIV/AIDS prevention providers.

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

22 (5) In fiscal year 2026, the Department of Health shall not reduce any  
23 grants to the Vermont AIDS service and peer-support organizations or syringe

- 1 service programs from funds appropriated for HIV/AIDS services to levels
- 2 below those in fiscal year 2025 without receiving prior approval from the Joint
- 3 Fiscal Committee.



1       Sec. E.338.1 CORRECTIONS; FEDERAL FUNDS STATUS  
2       (a) At or before the Joint Fiscal Committee's November 2025 meeting, the  
3       Department of Corrections shall report to the Committee on the status of  
4       federal funds that may affect the provision of recovery coaching for  
5       incarcerated individuals at the State's correctional facilities.

1 Sec. C. CONTRACTING FOR EMERGENCY SHELTER OPERATIONS  
2 AND SERVICES

3  
4 In contracting with emergency shelter organizations for operations and  
5 services, the Department for Children and Families shall prioritize contracts  
6 with organizations that are in close proximity to the community served to  
7 ensure that an organization familiar with the specific needs of a community  
8 serve its population of unhoused residents.

9 **Department for Children and Families (FSD)**

10 Sec. D. 33 V.S.A. § 125 is added to read:

11

12 § 125. BUDGETARY INFLATION; DIRECT SERVICE PROVIDERS

13

14 Annually, as part of its budget presentation, the Department shall inform the  
15 House Committees on Appropriations and on Human Services and the Senate  
16 Committees on Appropriations and on Health and Welfare the cost of adding a  
17 one percent increase over the previous fiscal year's funding for community-  
18 contracted direct service providers.

19

20 Sec. F. 2023 Acts and Resolves No. 78, Sec. E.316 is amended to read:

21 Sec. E.316 STAKEHOLDER WORKING GROUP; FACILITY

22 PLANNING

23 FOR JUSTICE-INVOLVED YOUTH

24

1 (a) The Department for Children and Families, in consultation with the  
2 Department of Buildings and General Services, shall assemble a stakeholder  
3 working group to provide regular input on the planning, design, development,  
4 and implementation of the temporary stabilization facility for youth and on the  
5 development of a long-term plan for the high-end system of care.

6 \* \* \*

7 (f) The stakeholder working group shall cease to exist on June 30, ~~2025~~  
8 2027.

9 Sec. H. 33 V.S.A. § 506 is added to read:

10  
11 § 506. BUDGETARY INFLATION; DIRECT SERVICE PROVIDERS

12  
13 Annually, as part of its budget presentation, the Department shall inform the  
14 House Committees on Appropriations and on Human Services and the Senate  
15 Committees on Appropriations and on Health and Welfare the cost of adding a  
16 one percent increase over the previous fiscal year's funding for community-  
17 contracted direct service providers

18  
19 Sec. I. DEVELOPMENTAL DISABILITY SERVICES; PAYMENT  
20 REFORM

21  
22 (a) The Department of Disabilities, Aging, and Independent Living's  
23 payment reform process for development disability services shall not be  
24 implemented prior to July 1, 2026.

1        (b) Between July 1, 2025 and implementation of the payment reform  
2        process for developmental disability services, the Department shall align  
3        conflict-free case management with the existing payment model.

4        Sec. J. NURSING HOMES; SKILLED NURSING FACILITIES;

5                EXTRAORDINARY

6                FINANCIAL RELIEF

7        (a) Extraordinary financial relief shall be used in rare occasions or as a last  
8        resort to prevent nursing homes that are in good standing and in compliance  
9        with State and federal regulations from closing. On or before December 15,  
10       2025, the Department of Vermont Health Access' Division of Rate Setting  
11       shall submit a report to the House Committee on Human Services and to the  
12       Senate Committee on Health and Welfare containing proactive measures and  
13       targeted inventions that may be used to reduce the use and amount of future  
14       extraordinary financial relief for nursing homes.

15       (b) On or before January 15, 2026, the Departments of Vermont Health  
16       Access and of Disabilities, Aging, and Independent Living shall present to the  
17       House Committees on Appropriations and on Human Services and to the  
18       Senate Committees on Appropriations and on Health and Welfare on the  
19       following:

20               (1) the number and name of all nursing homes in the State, including:

21                        (A) whether a nursing home is a for-profit or nonprofit organization  
22                        and the owner's contact information;

23                        (B) the payer mix of each nursing home;

1           (C) the ratio of employees versus contracted traveler positions at each  
2 nursing home and the specific job titles of the contracted traveler positions;

3 and

4           (D) the average length of patient stay at each nursing home;

5           (2) the number of skilled nursing facilities seeking extraordinary  
6 financial relief in fiscal years 2023, 2024, and 2025; and

7           (3) the number of skilled nursing facilities receiving extraordinary  
8 financial relief in fiscal years 2023, 2024, and 2025, including:

9           (A) the name of each skilled nursing facility;

10           (B) whether a receiving skilled nursing facility is a for-profit or  
11 nonprofit organization;

12           (C) the amount of extraordinary financial relief received by each  
13 skilled nursing facility;

14           (D) the reason extraordinary financial relief was sought by each  
15 skilled nursing facility; and

16           (E) the reason extraordinary financial relief was awarded to each  
17 skilled nursing facility.

1 Sec. X. AGENCY OF EDUCATION; TRANSFORMATION

2 APPROPRIATION

3 (a) The sum of \$4,000,000.00 is appropriated from the General Fund to the  
4 Agency of Education in fiscal year 2026 to provide additional resources during  
5 the State's education transformation upon approval of the Joint Fiscal  
6 Committee subsequent to submission by the Agency of a detailed,  
7 unambiguous plan of expenditures related to the transformation of the public  
8 education system. The Joint Fiscal Committee shall consult with the chairs of  
9 the House and Senate Committees on Education when reviewing the Agency's  
10 plan.



1           (b) On or before November 15, 2025, the Commission shall submit a copy  
2           of the report described in subsection (a) of this section and a proposed budget  
3           to the Joint Public Pension Oversight Committee and the House and Senate  
4           Committees on Appropriations.