

1 Introduced by Committee on Appropriations

2 Date:

3 Subject: Appropriations; Big Bill; fiscal year 2027 budget

4 Statement of purpose of bill as introduced: This bill proposes to make
5 appropriations in support of government for fiscal year 2027.

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

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

8 * * * Purpose, Definitions, Legend * * *

9 **Sec. A.100** SHORT TITLE

10 (a) This bill may be referred to as the “BIG BILL – Fiscal Year 2027
11 Appropriations Act.”

12 **Sec. A.101** PURPOSE

13 (a) The purpose of this act is to provide appropriations for the operations of
14 State government during fiscal year 2027. It is the express intent of the
15 General Assembly that activities of the various agencies, departments,
16 divisions, boards, offices, and commissions be limited to those that can be
17 supported by funds appropriated in this act or other acts passed prior to June
18 30, 2026. Agency and department heads are directed to implement staffing
19 and service levels at the beginning of fiscal year 2027 so as to meet this

1 condition unless otherwise directed by specific language in this act or other
2 acts of the General Assembly.

3 **Sec. A.102** APPROPRIATIONS

4 (a) It is the intent of the General Assembly that this act serves as the
5 primary source and reference for appropriations for the operations of State
6 government in fiscal year 2027.

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

15 (c) Unless codified or otherwise specified, all narrative portions of this act
16 apply only to the fiscal year ending on June 30, 2027.

17 **Sec. A.103** DEFINITIONS

18 (a) As used in this act:

19 (1) “Encumbrances” means a portion of spending authority reserved for
20 the subsequent payment of existing travel authorizations, purchase orders,

1 grants, or contracts. The Commissioner of Finance and Management shall
2 make final decisions on the appropriateness of encumbrances.

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

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

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

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

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

17 **Sec. A.105** OFFSETTING APPROPRIATIONS

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

1 **Sec. A.106** FEDERAL FUNDS

2 (a) In fiscal year 2027, the Governor, with the approval of the General
3 Assembly or the Joint Fiscal Committee if the General Assembly is not in
4 session, may accept federal funds available to the State of Vermont, including
5 block grants in lieu of, or in addition to, funds herein designated as federal.
6 The Governor, with the approval of the General Assembly or the Joint Fiscal
7 Committee if the General Assembly is not in session, may allocate all or any
8 portion of such federal funds for any purpose consistent with the purposes for
9 which the basic appropriations in this act have been made.

10 (b) If, during fiscal year 2027, federal funds available to the State of
11 Vermont and designated as federal in this and other acts of the 2026 session of
12 the Vermont General Assembly are converted into block grants or are
13 abolished under their current title in federal law and reestablished under a new
14 title in federal law, the Governor may continue to accept such federal funds for
15 any purpose consistent with the purposes for which the federal funds were
16 appropriated. The Governor may spend such funds for such purposes for not
17 more than 45 days prior to General Assembly or Joint Fiscal Committee
18 approval. Notice shall be given to the Joint Fiscal Committee without delay if
19 the Governor intends to use the authority granted by this section, and the Joint
20 Fiscal Committee shall meet in an expedited manner to review the Governor’s
21 request for approval.

1 **Sec. A.107** NEW POSITIONS

2 (a) Notwithstanding any other provision of law, the total number of
3 authorized State positions, both classified and exempt, excluding temporary
4 positions as defined in 3 V.S.A. § 311(a)(11), shall not be increased during
5 fiscal year 2027 except for new positions authorized by the General Assembly
6 during the 2026 session. Limited service positions approved pursuant to
7 32 V.S.A. § 5 shall not be subject to this restriction.

8 **Sec. A.108** LEGEND

9 (a) This act is organized by functions of government. The sections
10 between B.100 and B.9999 contain appropriations of funds for the upcoming
11 budget year. The sections between E.100 and E.9999 contain language that
12 relates to specific appropriations or government functions, or both. The
13 function areas by section numbers are as follows:

14 <u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
15 <u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and</u>
16	<u>Property</u>
17 <u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
18 <u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
19 <u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
20 <u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
21 <u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>

1 (2) \$900,000 General Fund to complete the work of the Truth and
2 Reconciliation Commission.

3 (b) Department of Vermont Health Access. In fiscal year 2027, funds are
4 appropriated for the following:

5 (1) \$300,000 General Fund and \$2,700,000 federal funds for
6 information technology updates resulting from the federal (H.R.1) Medicaid
7 changes.

8 (2) \$2,000,000 General Fund for Provider Stabilization Grants.

9 (c) Department for Children and Families. In fiscal year 2027, funds are
10 appropriated for the following:

11 (1) \$15,183,809 General Fund for the temporary emergency housing
12 program.

13 (2) \$4,000,000 General Fund for a temporary secure treatment facility
14 for youth.

15 (3) \$6,000,000 General Fund for planning and start-up costs for new
16 shelters.

17 (d) University of Vermont. In fiscal year 2027, funds are appropriated for
18 the following:

19 (1) \$15,000,000 Higher Education Endowment Trust Fund,
20 notwithstanding 16 V.S.A. § 2885, for the Multi-Purpose Center Project
21 approved by the Board of Trustees in 2019.

1 (e) Department of Forests, Parks and Recreation. In fiscal year 2027, funds
2 are appropriated for the following:

3 (1) \$500,000 General Fund for Vermont Outdoor Recreation Economic
4 Collaborative (VOREC) Grants.

5 (f) Department of Housing and Community Development. In fiscal year
6 2027, funds are appropriated for the following:

7 (1) \$800,000 General Fund for the Manufactured Home Improvement
8 and Repair Program.

9 (g) Department of Economic Development. In fiscal year 2027, funds are
10 appropriated for the following:

11 (1) \$150,000 General Fund for maintaining the current contract with
12 Canadian International Economic Development Partnership to provide in-
13 market services to Montreal-based businesses seeking to expand into Vermont.

14 (h) Agency of Transportation. In fiscal year 2027, funds are appropriated
15 for the following:

16 (1) \$1,360,036 Transportation Fund for the FEMA 428 project
17 relocating the Central Garage to Paine Turnpike in Berlin.

18

19 EXPLANATION:

20 (a)(1): Continues the IDEAL program in the Secretary of Administration's
21 Office of Racial Equity for an additional year.

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23 (a)(2): Provides funding for the Truth and Reconciliation Commission's final
24 10 months of operations.

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(b)(1): Information technology modifications needed to accommodate bi-annual eligibility, redeterminations, work requirements, and immigration status.

(b)(2): Continue addressing the emergent and exigent circumstances affecting the financial stability of health care providers.

(c)(1): Funding for staff processing eligibility verifications and to operate the temporary Emergency Housing and Accountability program

(c)(2): Continue funding services provided at the Red Clover temporary facility while Green Mountain Youth Campus is being constructed.

(c)(3): Continue expanding shelter capacity to reduce reliance on hotel/motel housing options.

(d)(1): Leverages the University of Vermont’s \$70 million investment to secure additional philanthropic funding pledged by donors to complete the project.

(e)(1): Maintain the VOREC grant program for an additional year.

(f)(1): Maintain the Manufactured Home Improvement and Repair Program for an additional year. This appropriation is offset by a reversion from the Mobile Home Condemnation appropriation in Sec. D.102 of this act.

(g)(1): Extends the current contract with the Canadian International Economic Development Partnership for an additional year.

(h)(1): Provides funding in an agreement between the Agency of Transportation and FEMA for relocating the Central Garage to Paine Turnpike in Berlin. The current location was destroyed by the July 2023 flood.

35 * * * Fiscal Year 2026 Fund Transfers and Reserve Allocations * * *

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

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

4 (1) The sum of \$608,137 is allocated from the Current Use
5 Administration Special Fund to the Department of Taxes for administration of
6 the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c),
7 amounts in excess of \$608,137 from the property transfer tax deposited into the
8 Current Use Administration Special Fund shall be transferred to the General
9 Fund.

10 (2) Notwithstanding 10 V.S.A. § 312, amounts in excess of \$37,653,750
11 from the property transfer tax and the surcharge established by 32 V.S.A.
12 § 9602a deposited into the Vermont Housing and Conservation Trust Fund
13 shall be transferred to the General Fund.

14 (A) The dedication of \$2,500,000 in revenue from the property
15 transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the
16 affordable housing bond (10 V.S.A. § 314) shall be offset by the reduction of
17 \$1,500,000 in the appropriation to the Vermont Housing and Conservation
18 Board and \$1,000,000 from the surcharge established by 32 V.S.A. § 9602a.
19 The fiscal year 2027 appropriation of \$37,653,750 to the Vermont Housing and
20 Conservation Board reflects the \$1,500,000 reduction. The affordable housing
21 bond and related property transfer tax and surcharge provisions are repealed

1 after the life of the bond on July 1, 2039. Once the bond is retired, the
2 \$1,500,000 reduction in the appropriation to the Vermont Housing and
3 Conservation Board shall be restored.

4 (3) Notwithstanding 24 V.S.A. § 4306(a)(2), amounts in excess of
5 \$10,179,975 from the property transfer tax deposited into the Municipal and
6 Regional Planning and Resilience Fund shall be transferred into the General
7 Fund. Notwithstanding 24 V.S.A. § 4306(a)(3), the \$10,179,975 shall be
8 allocated as follows:

9 (A) \$7,838,580 for disbursement to regional planning commissions in
10 a manner consistent with 24 V.S.A. § 4306(b);

11 (B) \$1,323,397 for disbursement to municipalities in a manner
12 consistent with 24 V.S.A. § 4306(b); and

13 (C) \$1,017,998 to the Agency of Digital Services for the Vermont
14 Center for Geographic Information.

15
16 **EXPLANATION:**

17 The January consensus revenue forecast estimated total annual property
18 transfer tax receipts of \$82,000,000.

19 (a)(1): Following the \$2,500,000 reduction per 32 V.S.A. § 9610(d)(1); 32
20 V.S.A. § 9610(c) allocates 1.5% of the \$79,500,000 net amount, \$1,192,500 to
21 the Current Use Administration Special Fund for the administrative costs of the
22 Property Valuation and Review Division of the Vermont Department of Taxes.
23 The Property Valuation and Review Division only requires \$608,137 to meet
24 its administrative requirements. The \$584,363 surplus property transfer tax
25 receipts are, therefore, being transferred to the General Fund.

26 (a)(2): The \$82,000,00 January consensus property transfer tax estimate is
27 reduced by \$2,500,000, per 32 V.S.A. § 9610(d)(1), for Vermont Housing

1 Finance Agency bond servicing and then by 1.5% of the net receipts
2 \$1,192,500, per 32 V.S.A. 9610(c), for the Vermont Department of Taxes
3 Property Valuation and Review Division administrative costs. Of the
4 \$78,307,500 net property transfer taxes available for distribution 50%, or
5 \$39,153,750, is allocated to the Vermont Housing and Conservation Board per
6 10 V.S.A. § 312. An additional \$1,000,000 is allocated to the Vermont
7 Housing and Conservation Board from the property transfer tax surcharge, per
8 32 V.S.A. § 9602a, for a total of \$40,153,750. The language in this section
9 notwithstanding these requirements and finances the \$2,500,000 due to the
10 Vermont Housing Finance Agency by redirecting the \$1,000,000 property
11 transfer tax surcharge and \$1,500,000 of the Vermont Housing and
12 Conservation Board’s property transfer tax allocation to the General Fund.
13 The resulting net allocation for appropriation to the Vermont Housing and
14 Conservation Board is \$37,653,750.
15 (a)(3): The remaining \$39,153,750 available, after the 50% allocation to the
16 Vermont Housing Conservation Board per 10 V.S.A. § 312, is split
17 \$28,793,775 (37%) to the General Fund per 32 V.S.A. § 435(b)(10) and
18 \$10,179,975 (13%) to the Municipal and Regional Planning and Resilience
19 Fund per 32 V.S.A. § 4306(a)(2). Of the \$10,179,975 provided to the
20 Municipal and Regional Planning and Resilience Fund, \$1,017,998 (10%) is
21 provided to the Vermont Center for Geographic Information per 32 V.S.A.
22 § 4306(a)(3)(A). The language provided notwithstanding the \$2,035,996 (20%)
23 allocation to municipalities per 32 V.S.A. § 4306(a)(3)(C) and \$7,125,986
24 (70%) allocation to Regional Planning Commissions per 32 V.S.A.
25 § 4306(a)(3)(B) at the request of the Agency of Commerce and Community
26 Development so that grants can be distributed more in accordance with actual
27 demand.
28

29 **Sec. D.101 FUND TRANSFERS**

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

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

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

34 \$73,797,962.

1 (B) Capital Infrastructure Subaccount in the Cash Fund for Capital
2 and Essential Investments Fund (#21952): \$17,016,160.

3 (C) Tax Computer System Modernization Fund (#21909):
4 \$4,650,000.

5 (D) Education Fund (#20205): \$114,908,097.53.

6 (E) Vermont State Police Radio Equipment Replacement Special
7 Fund: \$500,000.

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

9 (A) General Obligation Bonds Debt Service Fund (#35100):
10 \$294,775.

11 (B) Downtown Transportation and Related Capital Improvements
12 Fund (#21575): \$523,966.

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

14 (A) Tax Computer System Modernization Fund (#21909):
15 \$1,550,000.

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

17 (A) Agricultural Water Quality Special Fund (#21933): \$11,897,381.

18 (B) Lake in Crisis Response Program Special Fund (#21938):
19 \$120,000.

20 (5) From the Agency of Human Services Central Office Earned Federal
21 Receipts (#22005) to the:

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

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

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

5 (B) Miscellaneous Fines & Penalties Fund (#21054): \$1,538,600.

6 (7) From the Insurance Reserve Fund (#21335) to the:

7 (A) Transportation Fund (#20105): \$1,360,069, notwithstanding
8 32 V.S.A. § 135.

9 (b) The following transfers shall be in accordance with the citations
10 provided. Transfer estimates are for purposes of developing the fiscal year
11 2027 budget and do not supersede the actual fiscal year-end transfer amounts.

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

13 (A) 8 V.S.A. § 80(d). Insurance Regulatory and Supervision Fund
14 (#21075): \$42,837,511.

15 (B) 9 V.S.A. § 5613(c). Securities Regulatory and Supervision Fund
16 (#21085): \$23,762,455.

17 (C) 27 V.S.A. § 1543. Unclaimed Property Fund (#62100):
18 \$7,500,000.

19 (2) 8 V.S.A. § 6017(b). To the Captive Insurance Regulatory and
20 Supervision Fund (#21085) from the:

21 (A) General Fund (#10000): \$143,318.

1 (c) Transfers from the following enterprise funds, to the General Fund
2 (#10000), shall not exceed the actual fiscal year-end profits earned by the
3 enterprise net of any amount necessary to absolve the fund of a deficit. The
4 following estimated transfers are for purposes of developing the fiscal year
5 2027 budget only.

6 (1) From the Sports Wagering Enterprise Fund (#50250): \$6,700,000.

7 (2) From the Liquor Control Fund (#50300): \$20,871,297.

8

9 **EXPLANATION:**

10 (a)(1)

11 (A): Annual transfer from the General Fund to pay its allocated debt service
12 obligations.. In FY27, the required debt service obligation of \$77,670,806 is
13 offset by an existing cash balance of \$3,872,844 in the General Obligation
14 Debt Service Fund, resulting in a net transfer from the General Fund of
15 \$73,767,962 [$\$77,670,806 - \$3,872,844 = \$73,797,962$].

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

18 [$\$2,367,174,155$ FY25 Total General Fund Appropriations * 4% =
19 \$94,686,966]

20 [$\$94,686,966 - \$77,670,806$ FY27 General Obligation Debt Service Need
21 = \$17,016,160]

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

24 (D): Transfer to stabilize average statewide property tax rates during
25 education transformation (\$104.9 million), and to replace the reduction in
26 the Purchase & Use Tax amount (\$10 million) redirected from the
27 Transportation Fund into the Education Fund.

28 (E): \$500,000 first annual transfer to ensure the Department of Public Safety
29 has the money necessary to purchase replacement radio equipment in
30 accordance with its life cycle replacement schedule. In the FY2026 budget
31 there was \$500k General Fund in the DPS-

32 State Police base appropriation for this purpose; in FY2027 the \$500k
33 has been removed

1 from the base appropriation and replaced with this transfer to the new
2 special fund.

3 (a)(2)

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

6 (B): Annual transfer to support municipal grants provided in accordance with
7 24 V.S.A. § 2796.

8 (a)(3)

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

11 (a)(4)

12 (A): Annual transfer recommended by the Clean Water Board in their fiscal
13 year 2027 budget.

14 (B): Annual transfer recommended by the Clean Water Board in their fiscal
15 year 2027 budget.

16 (a)(5)

17 (A): Annual transfer for fiscal year 2027.

18 (a)(6)

19 (A): Annual transfer for fiscal year 2027.

20 (B): Transfer requested by the Attorney General to meet the 25% match
21 requirement on the State Medicaid Fraud and Residential Abuse Unit
22 federal grant.

23 (a)(7)

24 (A): Funds the Transportation Fund one-time appropriation for the FEMA 428
25 project that relocates the Central Garage to Paine Turnpike in Berlin. The
26 authority to execute this transfer is provided to the Emergency Board and this
27 language notwithstanding that provision to allow this transfer by the General
28 Assembly.

29 (b) Multiple sections

30 Provides estimated transfer amounts for the purpose of developing the fiscal
31 year 2027 budget but clarifies that fiscal year actual transfer amounts shall be
32 in accordance with existing codified statute.

33 (c) Multiple sections

34 Provides estimated transfer amounts for the purpose of developing the fiscal
35 year 2027 budget but clarifies that fiscal year actual transfer amounts shall not
36 exceed net profits earned by an enterprise operation after accounting for any
37 necessary deficit mitigation.

38
39 **Sec. D.102 REVERSIONS**

1	<u>(a) Notwithstanding any provision of law to the contrary, in fiscal year</u>		
2	<u>2027, the following amounts shall revert to the General Fund from the</u>		
3	<u>accounts indicated:</u>		
4	<u>1100892208</u>	<u>AOA-VT Housing Finance Agency</u>	<u>1,000,000.00</u>
5	<u>1100892310</u>	<u>AOA-FEMA COVID Match</u>	<u>890,937.34</u>
6	<u>1100892402</u>	<u>AOA-High-Risk FEMA Denial Resv</u>	<u>5,184,452.41</u>
7	<u>2200892301</u>	<u>AAFM-Ecosystems Services</u>	<u>100,000.00</u>
8	<u>2200892307</u>	<u>AAFM-Conservation Districts</u>	<u>16,513.42</u>
9	<u>2200892408</u>	<u>AAFM-Dairy Risk Mgmt</u>	<u>35,496.73</u>
10	<u>2240892204</u>	<u>PSD-Affordable Comm Scale Ren</u>	<u>200,000.00</u>
11	<u>2240892404</u>	<u>PSD-SHARE</u>	<u>195,000.00</u>
12	<u>3150892302</u>	<u>DMH-Howard Center</u>	<u>790.68</u>
13	<u>3400892204</u>	<u>AHSCO-Workforce Retention</u>	<u>300,000.00</u>
14	<u>3400892304</u>	<u>AHS-Nurse Preceptor Grants</u>	<u>189,984.00</u>
15	<u>3410892502</u>	<u>DVHA-Technical Analysis</u>	<u>21,601.25</u>
16	<u>3440891905</u>	<u>Child Dev Assoc Credential</u>	<u>29,752.09</u>
17	<u>3440892401</u>	<u>DCF-Reach Ahead 2 Year Pilot</u>	<u>498.63</u>
18	<u>3480892501</u>	<u>DOC-Data Contract</u>	<u>300,000.00</u>
19	<u>5100892308</u>	<u>AOE-Universal Income Dec.</u>	<u>99,990.00</u>
20	<u>7110892406</u>	<u>HCD-Mobile Home Condemnation</u>	<u>831,043.50</u>
21	<u>7110892106</u>	<u>HCD - Tech Serv Local Gov</u>	<u>1,056.73</u>

1	<u>7110892306</u>	<u>HCD-Designated Area Report</u>	<u>5,342.36</u>
2	<u>7120892204</u>	<u>ACCD-Technology Related Grants</u>	<u>100,000.00</u>

3

4 **EXPLANATION:**

5 Reversions, totaling \$9,502,459.14, from balances of one-time General Fund
6 appropriations made in prior fiscal years.

7

8 **Sec. D.103** RESERVES

9 (a) Notwithstanding any provision of law to the contrary, in fiscal year
10 2027, the following reserve transactions shall be implemented for the funds
11 provided:

12 (1) General Fund.

13 (A) The General Fund Budget Stabilization Reserve shall be adjusted
14 in accordance with 32 V.S.A. § 308. For purposes of developing this budget,
15 \$9,111,511.40 is expected to be reserved in fiscal year 2027.

16 (B) The General Fund 27/53 Reserve shall be adjusted in accordance
17 with 32 V.S.A. § 308e. For purposes of developing this budget, \$6,550,000.00
18 is expected to be reserved in fiscal year 2027.

19 (C) The \$30,000,000 General Fund reserved pursuant to 2025 Acts
20 and Resolves No. 27, Sec. B.1101(b)(4) is unreserved.

21 (D) Notwithstanding 32 V.S.A. § 308c, any General Fund balance
22 that would otherwise have been subject to the provisions of 32 V.S.A. § 308c
23 shall instead be reserved for use in the subsequent fiscal year for providing

1 property tax relief, permanent housing initiatives, or any other uses determined
2 to be in the best interests of the public.

3
4 **EXPLANATION:**

5 (a)(1)(A): Ensures the General Fund Budget Stabilization Reserve is adjusted
6 in accordance with codified law. Provides the current fiscal year end estimated
7 adjustment amount for purposes of developing the fiscal year 2027 budget.

8 (a)(1)(B): Ensures the General Fund 27/53 Reserve is adjusted in accordance
9 with codified law. Provides the current fiscal year end estimated adjustment
10 amount for purposes of developing the fiscal year 2027 budget.

11 (a)(1)(D): Unreserves the \$30,000,000 million reserved by the General
12 Assembly in 2027 Acts and Resolves No. 27, Sec. B.1101(b)(4).

13 (a)(1)(D): Reserves any General Fund balance that would otherwise have been
14 subject to the provisions of the Balance Reserve for mitigating property tax
15 pressures, housing relief or other needs in fiscal year 2028.
16

17 * * * General Government * * *

18
19 **Sec. E.106** 32 V.S.A. § 308c is amended to read:

20 § 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE
21 RESERVES

22 (a) There is hereby created within the General Fund a General Fund
23 Balance Reserve, also known as the “Rainy Day Reserve.” After satisfying the
24 requirements of section 308 of this title, ~~and~~ after other reserve requirements
25 have been met, and after fulfilling any applicable requirements pursuant to
26 16 V.S.A. § 3444(b)(3), any remaining unreserved and undesignated end of
27 fiscal year General Fund surplus shall be reserved in the General Fund Balance

1 Reserve. The General Fund Balance Reserve shall not exceed 10 percent of
2 the appropriations from the General Fund for the prior fiscal year without
3 legislative authorization.

4 * * *

5 **EXPLANATION:**

6 (a)(1): Adds the transfer of any estate taxes exceeding 125% of the July
7 consensus revenue forecast to be executed, provided the necessary conditions
8 pursuant to 16 V.S.A. § 3444(b)(3) have been met, before implementing the
9 Balance Reserve requirements under 32 V.S.A. § 308c.
10

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

14 (a) Of the \$3,602,722 appropriated in Sec. B.133 of this act, \$2,472,608
15 constitutes the Vermont State Employees' Retirement System operating
16 budget, and \$1,130,114 constitutes the portion of the Vermont Pension
17 Investment Commission's budget attributable to the Vermont State
18 Employees' Retirement System.

19
20 **EXPLANATION:** Annual language to differentiate the portion of the VSERS
21 admin appropriation that support operations in the State Treasurer's Office
22 versus the portion that supports VPIC.
23

24 **Sec. E.134** VERMONT MUNICIPAL EMPLOYEES' RETIREMENT
25 SYSTEM AND VERMONT PENSION INVESTMENT

1 COMMISSION; OPERATING BUDGET; SOURCE OF FUNDS

2 (a) Of the \$2,155,545 appropriated in Sec. B.134 of this act, \$1,732,301
3 constitutes the Vermont Municipal Employees’ Retirement System operating
4 budget, and \$423,244 constitutes the portion of the Vermont Pension
5 Investment Commission’s budget attributable to the Vermont Municipal
6 Employees’ Retirement System.

7

8 **EXPLANATION:** Annual language to differentiate the portion of the VMERS
9 admin appropriation that support operations in the State Treasurer’s Office
10 versus the portion that supports VPIC.
11

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

13 (a) Notwithstanding 32 V.S.A. § 3709(a), of the appropriation in Sec.
14 B.139 of this act, \$70,000 shall be provided to the Department of Taxes’
15 Division of Property Valuation and Review and used with any remaining funds
16 from the amount previously transferred for final payment of expenses incurred
17 by the Department or towns in defense of grand list appeals regarding the
18 reappraisals of the hydroelectric plants and other expenses incurred to
19 undertake utility property appraisals in Vermont.

20

21 **EXPLANATION:**
22 Revised standard annual language adding notwithstanding clause for
23 appropriation conversion from General Fund to PILOT Special Fund, and
24 removing the \$9,000 transfer to the Attorney General.
25

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

2 (a) This appropriation is for State payments in lieu of property taxes under
3 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in
4 addition to and without regard to the appropriations for correctional facilities
5 elsewhere in this act. Payments in lieu of taxes under this section shall be paid
6 from the PILOT Special Fund under 32 V.S.A. § 3709.

7
8 **EXPLANATION:**

9 Annual language clarifying that these payments are in addition to, and separate
10 from, those appropriated elsewhere in the Act for corrections facilities.
11

12 **Sec. E.142.1** 32 V.S.A. § 3436(e) is amended to read:

13 (e) A sum not to exceed \$100,000.00 each year shall be paid from the
14 ~~Education~~ PILOT Special Fund to the Division of Property Valuation and
15 Review for the purpose of providing assessment education for municipal listers
16 and assessors. The Director is authorized to establish guidelines and
17 requirements for education programs to be provided using the funds described
18 in this section. Education programs provided using funds described in this
19 section shall be provided at no cost or minimal cost to the municipal listers and
20 assessors. In addition to providing the annual education programs described in
21 this section, up to 20 percent of the amount available for education programs
22 may be reserved as a scholarship fund to permit municipal listers and assessors
23 to attend national programs providing education opportunities on advanced

1 assessment topics. All applications for scholarships shall be submitted to and
2 approved by the Director.

3
4 **EXPLANATION:**

5 Changes the funding source for Lister and Assessor Education in Sec. B.139 of
6 this act from the Education Fund to the PILOT Special Fund. This ensures that
7 funds raised from municipal enactment of local option taxes are fully used by
8 the state as aid for municipalities and state General Fund is used for state
9 purposes. Note that while the existing language states Education Fund, it does
10 not reflect actual current practice of payments being made from the General
11 Fund.
12

13 **Sec. E.142.2** 32 V.S.A. § 3709 is amended to read:

14 § 3709. PILOT SPECIAL FUND

15 (a) There is hereby established a PILOT Special Fund consisting of local
16 option tax revenues paid to the State Treasurer pursuant to 24 V.S.A. § 138.
17 This Fund shall be managed by the Commissioner of Taxes pursuant to chapter
18 7, subchapter 5 of this title. Notwithstanding subdivision 588(3) of this title,
19 all interest earned on the Fund shall be retained in the Fund for use in meeting
20 future obligations. The Fund shall be exclusively for payments required under
21 chapter 123, subchapters 4 and 4C of this title, subsections 3436(e), 4041a(a),
22 and 5405(f) of this title, and for any additional State payments in lieu of taxes
23 for correctional facilities. The Commissioner of Finance and Management
24 may draw warrants for disbursements from this Fund in anticipation of
25 receipts.

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* * *

EXPLANATION:

Adds the following as authorized uses of the PILOT special fund: (1) Lister and Assessor Education funding from 32 V.S.A. §3436(e); (2) \$8.50 per parcel payment for Reappraisal and Listing assistance from 32 V.S.A. §4041a(a), and (3) \$1.00 per parcel payment for the Equalization Study from 32 V.S.A. §5405(f). Ensures receipts generated from municipal adoption of local option taxes are used for state assistance for municipalities, and state General Fund is used for other purposes.

Sec. E.142.3 32 V.S.A. § 4041a is amended to read:

§ 4041a. REAPPRAISAL

(a) A municipality shall be paid \$8.50 per grand list parcel per year from the ~~General~~ PILOT Special Fund to be used only for reappraisal and costs related to reappraisal of its grand list properties and for maintenance of the grand list.

* * *

EXPLANATION:

Changes the funding source for the Reappraisal and Listing payments in Sec. B.139 of this act from General Fund to PILOT Special Fund. This ensures that funds raised from municipal enactment of local options taxes are fully used by the state as aid for municipalities and frees up state General Fund for other purposes.

Sec. E.142.4 32 V.S.A. § 5405 is amended to read:

§ 5405. DETERMINATION OF EQUALIZED EDUCATION PROPERTY

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

3
4 **EXPLANATION:**
5 **Standard annual language.**
6

7 **Sec. E.200** ATTORNEY GENERAL

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

15 (b) Of the revenue available to the Attorney General under 9 V.S.A.
16 § 2458(b)(4), \$2,263,600 is appropriated in Sec. B.200 of this act.

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

21 **Sec. E.208** PUBLIC SAFETY; ADMINISTRATION

22 (a) The Commissioner of Public Safety is authorized to enter into a
23 performance-based contract with the Essex County Sheriff’s Department to

1 provide law enforcement service activities agreed upon by both the
2 Commissioner of Public Safety and the Sheriff.

3
4 **EXPLANATION:**
5 **Standard annual language.**
6

7 **Sec. E.209** PUBLIC SAFETY; STATE POLICE

8 (a) Of the General Fund appropriation in Sec. B.209 of this act, \$35,000
9 shall be available to the Southern Vermont Wilderness Search and Rescue
10 Team, which is composed of the State Police, the Department of Fish and
11 Wildlife, county sheriffs, and local law enforcement personnel in Bennington,
12 Windham, and Windsor Counties, for snowmobile enforcement.

13 (b) Of the General Fund appropriation in Sec. B.209 of this act, \$405,000 is
14 allocated for grants in support of the Drug Task Force. Of this amount,
15 \$190,000 shall be used by the Vermont Drug Task Force to fund three town
16 task force officers. These town task force officers shall be dedicated to
17 enforcement efforts with respect to both regulated drugs as defined in 18
18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any
19 unobligated funds may be allocated by the Commissioner to fund the work of
20 the Drug Task Force or carried forward.

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

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

8 **Sec. E.209.1** 20 V.S.A. § 1913a is added to read:

9 § 1913a. VERMONT STATE POLICE RADIO EQUIPMENT

10 REPLACEMENT SPECIAL FUND

11 (a) Creation. There is created the Vermont State Police Radio Equipment
12 Replacement Special Fund, to be administered by the Vermont Department of
13 Public Safety in accordance with 32 V.S.A. chapter 7, subchapter 5. Monies in
14 the Fund shall be used for the purchase of Vermont State Police radio
15 equipment in accordance with the life cycle replacement schedule as approved
16 by the Commissioner of Public Safety.

17 (b) Funds. The Fund shall consist of:

18 (1) any amounts transferred to it by the General Assembly; and

19 (2) the proceeds from the sale of any existing radio equipment.

20 (c) Fund balance. Any balance remaining at the end of the fiscal year shall
21 remain in the Fund.

1 (d) Receipts. The Commissioner of Finance and Management may
2 anticipate receipts to this Fund and issue warrants based thereon.

3
4 **EXPLANATION:**

5 Vermont State Police radios and their supporting equipment must all be
6 replaced simultaneously to ensure effective communication between officers.
7 This language creates a fund into which multiple sources can be accumulated
8 over time to facilitate the periodic large purchase of such radios and their
9 supporting equipment. This reduces the uncertainty and risk associated with
10 their replacement. Radios can be sold outside of the surplus property process
11 by the Commissioner of Public Safety per 20 V.S.A. § 1876.

12
13 **Sec. E.212 PUBLIC SAFETY; FIRE SAFETY**

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

17
18 **EXPLANATION:**

19 Standard annual language.

20
21 **Sec. E.215 MILITARY; ADMINISTRATION**

22 (a) \$1,219,834 of the General Fund appropriated in Sec. B.215 of this act
23 shall be disbursed to the Vermont Student Assistance Corporation for the
24 Vermont National Guard Tuition Benefit Program established in 16 V.S.A.
25 § 2857.

26

1 **EXPLANATION:**
2 **Standard annual language.**
3

4 **Sec. E.217** MILITARY; POSITION POOL; FEDERAL FUNDING

5 (a) Of the federal funds appropriated in Sec. B.217 of this act, \$442,247
6 shall be the 75 percent federal share for the following six classified limited
7 service positions to be taken from the position pool: four Military
8 Maintenance Specialists II; one Military Building Construction Specialist; and
9 one Military Storekeeper.

10
11 **EXPLANATION:**
12 **Designates a portion of the Federal Fund appropriation for the named positions**
13 **to be taken from the position pool.**
14

15 **Sec. E.218** MILITARY; POSITION POOL; STATE FUNDING

16 (a) Of the General Fund appropriated in Sec. B.218 of this act, \$147,411
17 shall be the 25 percent State share for the following six classified limited
18 service positions to be taken from the position pool: four Military
19 Maintenance Specialists II; one Military Building Construction Specialist; and
20 one Military Storekeeper.

21
22 **EXPLANATION:**
23 **Designates a portion of the General Fund appropriation for the named positions**
24 **to be taken from the position pool.**
25

1 **Sec. E.219** MILITARY; VETERANS' AFFAIRS

2 (a) Of the General Fund appropriated in Sec. B.219 of this act, \$1,000 shall
3 be used for continuation of the Vermont Medal Program; \$2,000 shall be used
4 for the expenses of the Governor's Veterans Advisory Council; \$7,500 shall be
5 used for the Veterans Day parade; \$10,000 shall be granted to the American
6 Legion for the Green Mountain Boys' State and Green Mountain Girls' State
7 programs; and \$10,000 shall be used for the USS Vermont Support Group.

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

12 **Sec. E.222** AGRICULTURE, FOOD AND MARKETS; POSITION POOL;
13 FUNDING

14 (a) Of the funds appropriated in Sec. B.222 of this act, \$95,740 of General
15 Fund, \$27,353 of special funds, and \$13,677 of federal funds shall be for a
16 permanent, classified Administrative Services Manager III position to be taken
17 from the position pool.

18
19 **EXPLANATION:**
20 **Designates a portion of the appropriations provided for the named positions to**
21 **be taken from the position pool.**
22

23 **Sec. E.232** SECRETARY OF STATE; VERMONT ACCESS NETWORK

24 BUDGET

1 review and revision of any section of the Plan may be made after conducting
2 public hearings on the interim revision. At least one hearing shall be held
3 jointly with committees of the General Assembly designated by the General
4 Assembly for this purpose.

5
6 **EXPLANATION:**

7 Extends the window for Telecommunications Plan review and revision from
8 three to five years, which is necessary given that three years is too frequent to
9 ensure the stability of long-term telecommunications planning. In fiscal year
10 2027, the expense savings from this change will be applied to the required
11 Comprehensive Energy Plan update.
12

13 **Sec. E.300 FUNDING FOR THE OFFICE OF THE HEALTH CARE**

14 **ADVOCATE, VERMONT LEGAL AID**

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

16 (1) \$2,000,406 shall be for the contract with the Office of the Health

17 Care Advocate;

18 (2) \$1,717,994 shall be for Vermont Legal Aid services, including the

19 Poverty Law Project and mental health services; and

20 (3) \$650,000 shall be for the purposes of maintaining current Vermont

21 Legal Aid program capacity and addressing increased requests for services,

22 including eviction prevention and protection from foreclosure and consumer

23 debt.
24

1 **EXPLANATION:**

2 Annual language required pursuant to 2015 Acts and Resolves No. 54, Sec.
3 53(c), with the addition of VT Legal Aid subsections which the General
4 Assembly added in fiscal year 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 to 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 \$28,368,715 is anticipated to be certified as State
15 matching funds under the Global Commitment as follows:

16 (1) \$25,158,000 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 \$34,842,000 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

1 Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A.

2 § 2959a.

3 (2) \$3,210,715 certified State match available from local designated
4 mental health and developmental services agencies for eligible mental health
5 services provided under Global Commitment.

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

10
11 **EXPLANATION:**

12 Annual language required to clarify the source of IDT funds in the AHS Global
13 Commitment appropriation, as well as to update estimated appropriations and
14 available certified State match as proposed in the fiscal year 2027 budget. The
15 reference to 16 V.S.A. § 2959a in (b)(1) above is subject to change contingent
16 upon the outcome of a policy proposal to transfer sole authority over the
17 Medicaid school-based services program to the Agency of Human Services.
18

19 **Sec. E.301.1 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER;**

20 **REPORT**

21 (a) To facilitate fiscal year 2027 closeout, the Secretary of Human Services,
22 with the approval of the Secretary of Administration, may make transfers
23 among the appropriations authorized for Medicaid and Medicaid waiver
24 program expenses, including Global Commitment appropriations outside the
25 Agency of Human Services. At least three business days prior to any transfer,

1 the Agency of Human Services shall submit to the Joint Fiscal Office a
2 proposal of transfers to be made pursuant to this section. A final report on all
3 transfers made under this section shall be made to the Joint Fiscal Committee
4 for review at the Committee’s September 2027 meeting. The purpose of this
5 section is to provide the Agency with limited authority to modify the
6 appropriations to comply with the terms and conditions of the Global
7 Commitment to Health Section 1115 demonstration approved by the Centers
8 for Medicare and Medicaid Services under Section 1115 of the Social Security
9 Act.

10
11 **EXPLANATION:**

12 Standard annual language. Medicaid services are included in numerous
13 appropriations within AHS, and outside of AHS. While best efforts are made
14 accurately to project expenditures in each appropriation in the Big Bill, and
15 refined again in the BAA, there is always a need at the end of the year to true-
16 up to actual expenditures and activities. The annual JFC reporting requirement
17 ensures that the legislature is made aware of these adjustments.
18

19 **Sec. E.301.2** 2022 Acts and Resolves No. 83, Sec. 72a, as amended by 2022
20 Acts and Resolves No. 185, Sec. C.105, 2023 Acts and Resolves No. 78, Sec.
21 E.301.2, 2024 Acts and Resolves No. 113, Sec. E.300.2, and 2025 Acts and
22 Resolves No. 27, Sec. E.301.2, is further amended to read:

23 Sec. 72a. MEDICAID HOME- AND COMMUNITY-BASED SERVICES
24 (HCBS PLAN)

25 * * *

1 (f) The Global Commitment Fund appropriated in subsection (e) of this
2 section obligated in fiscal years 2023, 2024, 2025, ~~and 2026~~, and 2027 for the
3 purposes of bringing HCBS plan spending authority forward into fiscal years
4 2024, 2025, ~~and 2026~~, and 2027 respectively. The funds appropriated in
5 subsections (b), (c), and (e) of this section may be transferred on a net-neutral
6 basis in fiscal years 2023, 2024, 2025, ~~and 2026~~, and 2027 in the same manner
7 as the Global Commitment appropriations in 2022 Acts and Resolves No. 185,
8 Sec. E.301. The Agency shall report to the Joint Fiscal Committee in
9 September 2023, September 2024, September 2025, ~~and September 2026~~, and
10 September 2027, respectively, on transfers of appropriations made and final
11 amounts expended by each department in fiscal years 2023, 2024, 2025, ~~and~~
12 2026, and 2027, respectively, and any obligated funds carried forward to be
13 expended in fiscal years 2024, 2025, ~~and 2026~~, and 2027, respectively.

14
15 **EXPLANATION:**

16 The federal government has extended HCBS fund availability until September
17 2026. To make use of all funds, to the fullest extent, AHS requires HCBS
18 Global Commitment Fund transfer flexibility language to be extended into
19 FY2027.
20

21 **Sec. E.301.3 GLOBAL COMMITMENT WAIVER AMENDMENT**

22 (a) The Secretary of Human Services is authorized to seek an extension of
23 Vermont’s Global Commitment to Health Section 1115 Demonstration for the

1 period of January 1, 2028, through December 31, 2032, from the Centers for
2 Medicare and Medicaid Services.

3
4 **EXPLANATION:**

5 The Agency of Human Services plans to submit an extension request to the
6 Centers for Medicare and Medicaid for its Section 1115 Demonstration
7 Waiver: Global Commitment to Health. The Global Commitment
8 Demonstration provides greater program flexibility in the use of Medicaid
9 resources, allowing the State to better meet the needs of Vermont’s uninsured,
10 underinsured, and Medicaid beneficiaries. Originally approved in September
11 2005 and effective October 1, 2005, the Global Commitment Demonstration
12 has undergone multiple extensions and amendments over the past 20 years.
13 This extension request will be submitted by December 31, 2026 for the period
14 January 1, 2028 through December 31, 2032. Prior to submission, a complete
15 draft extension request, including financial data, will be posted for a 30-day
16 public comment period.
17

18 **Sec. E.306.1 AUTHORIZATION FOR SECTION 1332 WAIVER**

19 (a) The Vermont Department of Health Access, in consultation with the
20 Department of Financial Regulation, shall submit a state innovation waiver
21 application under Section 1332 of the Affordable Care Act to establish a
22 program for reinsurance and seek federal pass-through funding under
23 Section 26B of the Internal Revenue Code and Section 1402 of the Affordable
24 Care Act.

25
26 **EXPLANATION:**

27 Language to authorize DVHA to submit a § 1332 waiver.
28

1 **Sec. E.306.2** 2013 Acts and Resolves No. 73, Sec. 60(10), as amended by
2 2017 Acts and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187,
3 Sec. 5, 2019 Acts and Resolves No. 71, Sec. 21, 2021 Acts and Resolves No.
4 73, Sec. 14, 2023 Acts and Resolves No. 78, Sec. E.306.1, and 2024 Acts and
5 Resolves No. 144, Sec. 11, is further amended to read:

6 (10) Secs. 48–51 (health care claims tax) shall take effect on July 1,
7 2013, and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, ~~2026~~
8 2027.

9
10 **EXPLANATION:**
11 **Extends the sunset of the Vermont Health IT-Fund.**
12

13 **Sec. E.306.3** 2019 Acts and Resolves No. 6, Sec. 105, as amended by 2019
14 Acts and Resolves No. 71, Sec. 19, 2022 Acts and Resolves No. 83, Sec. 75,
15 2023 Acts and Resolves No. 78, Sec. E.306.2, and 2024 Acts and Resolves No.
16 144, Sec. 12, is further amended to read:

17 Sec. 105. EFFECTIVE DATES

18 * * *

19 (b) Sec. 73 (further amending 32 V.S.A. § 10402) shall take effect on July
20 1, ~~2026~~ 2027.

21 * * *

22

1 **EXPLANATION:**

2 Extends the provision removing the Health Care Claims tax as a source of
3 revenue for the Health IT-Fund, contained in 32 V.S.A. § 10402, from July 1,
4 2026 to July 01, 2027.
5

6 **Sec. E.306.4** MEDICARE ADVOCACY PROGRAM

7 (a) Effective July 1, 2026, the Commissioner of Vermont Health Access
8 shall terminate any contract for services for the Medicare Advocacy Program
9 under 33 V.S.A. chapter 67 consistent with the provisions of 33 V.S.A.
10 § 6703(b).
11

12 **EXPLANATION:**

13 Language to authorize DVHA to terminate contracts for services for the
14 Medicare Advocacy Program. The state fiscal year 2027 Governor's
15 Recommended budget eliminates funding for the existing contract for these
16 services due to poor performance.
17

18 **Sec. E.306.5** DEPARTMENT OF VERMONT HEALTH ACCESS;

19 POSITION POOL; FUNDING

20 (a) Of the funds appropriated in Sec. B.306 of this act, \$497,077 of General
21 Fund and \$497,077 of federal funds shall be for the following permanent,
22 classified positions to be taken from the position pool: one Health Care
23 Assistant Administrator I; one Digital Communications Specialist II; one
24 Business Project Manager; four Vermont Healthcare Service Specialists I; and
25 five Vermont Healthcare Service Specialists II.
26

1 **EXPLANATION:**

2 Designates a portion of the appropriations provided for the named positions to
3 be taken from the position pool.
4

5 **Sec. E.307** DEPARTMENT OF VERMONT HEALTH ACCESS;

6 EDUCATION MEDICAID RECEIPTS

7 (a) Notwithstanding any provision of 16 V.S.A. § 2959a to the contrary, the
8 payments ordinarily made by the Secretary of Education pursuant to 16 V.S.A.
9 § 2959a(c)(d) shall instead be made by the Commissioner of Vermont Health
10 Access.
11

12 **EXPLANATION:**

13 The Education Medicaid program is transitioning from the Agency of
14 Education to the Department of Vermont Health Access beginning the second
15 quarter of fiscal year 2027. This language allows the Department of Vermont
16 Health Access to make the first quarter payment to maintain payor consistency,
17 from the state to local education agencies, and to avoid any confusion
18 associated with a first quarter change.
19

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

21 (a) HIV/AIDS funding:

22 (1) In fiscal year 2027 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
26 HIV Program shall meet at least quarterly with the Community Advisory

1 Group with current information and data relating to service initiatives. The
2 funds shall be allocated according to a request for proposal process.

3 (2) Ryan White Title II funds for HIV 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 the State’s 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 the
9 Vermont Medication Assistance Program to assist all eligible individuals. The
10 Secretary shall work in collaboration with persons living with HIV/AIDS to
11 develop a 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 **EXPLANATION:**
22

1 Annual language that provides guidance to the Department of Health and
2 Agency of Human Services about the allocation and administration of funds
3 for HIV/AIDS prevention and services. Harm reduction language previously
4 included in Sec. E.312 has been moved to Sec. E.313 to align with VDH
5 organizational and budget changes.
6

7 **Sec. E.312.1** HEALTH; SUBSTANCE USE PROGRAMS

8 (a) Harm Reduction funding:

9 (1) In fiscal year 2027, and as provided in this section, the Department
10 of Health shall provide grants in the amount of \$295,000 from the General
11 Fund for Harm Reduction Services to the following organizations:

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

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

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

15 (2) In fiscal year 2027, the Department of Health shall provide grants in
16 the amount of \$400,000 General Fund for Harm Reduction Services not later
17 than September 1, 2026. The method by which these prevention funds are
18 distributed shall be determined by mutual agreement of the Department of
19 Health and harm reduction program providers.

20 (3) In fiscal year 2027, the Department of Health shall not reduce any
21 grants to peer-support organizations or syringe service programs from funds
22 appropriated for Harm Reduction Services to levels below those in fiscal year
23 2026 without receiving prior approval from the Joint Fiscal Committee.
24

1 **EXPLANATION:**

2 Annual language that provides guidance to the Department of Health and
3 Agency of Human Services about the allocation and administration of funds
4 for HIV/AIDS prevention and services. Harm reduction language previously
5 included in Sec. E.312 has been moved to Sec. E.313 to align with VDH
6 organizational and budget changes.
7

8 **Sec. E.322** 33 V.S.A. § 2605 is amended to read:

9 § 2605. BENEFIT AMOUNTS

10 * * *

11 (h) ~~Households~~ A household receiving benefits from 3SquaresVT ~~whose~~
12 ~~head-of-household~~ that is not otherwise eligible for a fuel benefit under this
13 section shall be eligible for a nominal annual Home Heating Fuel Assistance
14 benefit of \$21.00 if a member of the household is elderly or disabled under the
15 Supplemental Nutrition Assistance Program regulations.

16
17 **EXPLANATION:**

18 Changes state statute to conform with recent changes to federal law which
19 reduce the number of 3SquaresVT households eligible for the nominal annual
20 Home Heating Fuel Assistance benefit.
21

22 **Sec. E.325** DEPARTMENT FOR CHILDREN AND FAMILIES; OFFICE
23 OF ECONOMIC OPPORTUNITY

24 (a) Of the General Fund appropriation in Sec. B.325 of this act,
25 \$32,145,972 shall be used by the Department for Children and Families' Office
26 of Economic Opportunity to issue grants to community agencies to assist

1 individuals experiencing homelessness by preserving existing services,
2 increasing services, or increasing resources available statewide. These funds
3 may be granted alone or in conjunction with federal Emergency Solutions
4 Grants funds. Grant decisions and the administration of funds shall be done in
5 consultation with the two U.S. Department of Housing and Urban
6 Development recognized Continuum of Care programs.

7
8 **EXPLANATION:**

9 Standard annual language which authorizes spending on the Housing
10 Opportunity Grant Program (HOP).
11

12 **Sec. E.326** DEPARTMENT FOR CHILDREN AND FAMILIES; OFFICE
13 OF ECONOMIC OPPORTUNITY; WEATHERIZATION
14 ASSISTANCE

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

17
18 **EXPLANATION:**

19 Standard annual language which authorizes spending on the replacement and
20 repair of home heating equipment.
21

22 **Sec. E.338** CORRECTIONS; CORRECTIONAL SERVICES

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

4

5 **EXPLANATION:**
6 Standard annual language which provides DOC with specific funding from the
7 PILOT Special Fund for payments to municipalities.
8

9 **Sec. E.338.1** CORRECTIONS; CORRECTIONAL SERVICES; POSITION
10 POOL; FUNDING

11 (a) Of the funds appropriated in Sec. B.338 of this act, \$200,000 General
12 Fund shall be added to existing prior year funding for seven permanent,
13 classified Probation and Parole Officer II positions to be taken from the
14 position pool. These positions will be dedicated to the Department of
15 Corrections Pretrial Supervision Program.

16

17 **EXPLANATION:**
18 Designates a portion of the General Fund appropriated for the named positions
19 to be taken from the position pool.
20

21 **Sec. E.501** EDUCATION; GLOBAL COMMITMENT

22 (a) The Global Commitment appropriation in Sec. B.501 of this act shall be
23 used for physician claims for determining medical necessity of Individualized
24 Education Programs. These services are intended to increase access to quality

1 health care for uninsured persons, underinsured persons, and Medicaid
2 beneficiaries.

3
4 **EXPLANATION:**
5 Standard annual language that makes clear that Global Commitment funds will
6 be used for appropriate Global Commitment purposes. This language reflects
7 allowable uses under the 1115 Global Commitment Waiver.
8

9 **Sec. E.501.1** 2025 Acts and Resolves No. 73, Sec. 33 is amended to read:

10 Sec. 33. EDUCATION TRANSFORMATION; POOL POSITIONS

11 The General Fund appropriation in Sec. 32 of this act shall fund five ~~limited~~
12 ~~service~~ permanent classified positions taken from the position pool. The pool
13 positions shall be used to establish the following ~~limited-service permanent~~
14 classified positions at the Agency of Education in fiscal year 2026 to support
15 education transformation work:

16 (1) one Business Operations Support Specialist;

17 (2) one Data Integration Support Specialist;

18 (3) one Curriculum and Education Quality Standards Integration
19 Specialist;

20 (4) one Learning and Teaching Integration Specialist; and

21 (5) one School Facilities Field Support Specialist.
22

23 **EXPLANATION:**
24 Converts established positions from limited service to permanent.

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Sec. E.501.2 16 V.S.A. § 51 is amended to read:

§ 51. UNIVERSAL AFTERSCHOOL AND SUMMER SPECIAL FUND

(a) The Universal Afterschool and Summer Special Fund is created, to be managed by the Agency of Education. The cannabis sales tax revenue shall be deposited into the Universal Afterschool and Summer Special Fund. The Fund shall be used as follows:

(1) To establish a grant program that supports the expansion of universal afterschool and summer programs with a focus on underserved areas of the State.

(2) Cannabis sales tax revenue shall be used to support a mixed delivery system for afterschool and summer programming. Eligible recipients can be public, private, or nonprofit organizations.

(A) Grants may be used for technical assistance, program implementation, program expansion, program sustainability, and related costs.

(B) Funds may be used to directly target communities with low existing capacity to serve youth in afterschool and summer settings.

(C) The award of grants and any subsequent contract or written agreement issued pursuant to the award of a grant shall require that a grantee does not discriminate, and prohibits its employees, agents, subcontractors, and other service providers from discriminating, on the basis of race, creed, color,

1 national origin, marital status, sex, sexual orientation, gender identity, or
2 disability.

3 (D) The Agency may use up to ~~\$500,000.00~~ five percent of annually
4 forecasted revenues for administrative costs to allow for the support of the
5 grant program and technical assistance to communities. This could include
6 subcontracts to support the grant program.

7 * * *

8

9 **EXPLANATION:**

10 (b)(1): Provides the Agency of Education a fixed percentage of forecasted
11 receipts to be used annually for overhead costs as opposed to an unindexed
12 fixed amount.

13

14 **Sec. E.501.3** 16 V.S.A. § 3444 is amended to read:

15 § 3444. SCHOOL CONSTRUCTION AID SPECIAL FUND

16 * * *

17 (b) Funds. The Fund shall consist of:

18 (1) any amounts transferred ~~or appropriated~~ to it by the General
19 Assembly; ~~and~~

20 (2) any interest earned by the Fund; and

21 (3) funds raised by the estate tax levied under 32 V.S.A. chapter 190

22 that are more than 125 percent of the amount projected by the Emergency

23 Board in the July annual forecast made pursuant to 32 V.S.A. § 305a, provided

1 the requirements of 32 V.S.A. §§ 308, 308b, and 308e have all been fulfilled
2 and prior to the execution of 32 V.S.A. § 308c.

3
4 **EXPLANATION:**

5 (b)(1): Technical correction. Appropriations provide spending authority for
6 expenditures. They are never sources to a fund.

7 (b)(3): Redirects estate tax receipts in excess of 125% of the July consensus
8 revenue forecast from the Higher Education Endowment Trust Fund to the
9 School Construction Aid Special Fund provided the General Fund Budget
10 Stabilization Reserve, Human Services Caseload Reserve and 27/53 Reserve
11 requirements have all been met and prior to the execution of the Balance
12 Reserve requirements.
13

14 **Sec. E.502** EDUCATION; SPECIAL EDUCATION: FORMULA GRANTS

15 (a) Of the appropriation authorized in Sec. B.502 of this act, and
16 notwithstanding any other provision of law, an amount not to
17 exceed \$5,336,200 shall be used by the Agency of Education in fiscal year
18 2027 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds,
19 the Secretary shall not be limited by the restrictions contained within 16 V.S.A.
20 § 2969(c) and (d).

21 (b) Of the appropriation authorized in Sec. B.502 of this act, and
22 notwithstanding any other provision of law, an amount not to
23 exceed \$2,000,000 shall be used by the Agency of Education in fiscal year
24 2027 as funding for 16 V.S.A. § 2975. In distributing such funds, the
25 Secretary shall not be limited by the restrictions contained within 16 V.S.A.
26 § 2969(c) and (d).

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

Sec. E.503 EDUCATION; STATE-PLACED STUDENTS

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

EXPLANATION:
Standard annual language.

Sec. E.504 ADULT EDUCATION AND LITERACY

(a) Of the appropriation in Sec. B.504 of this act, \$4,349,673 General Fund shall be granted to adult education and literacy providers, pursuant to the Adult Education and Secondary Credential Program established in 16 V.S.A. § 945.

EXPLANATION:
Standard annual language.

Sec. E.504.1 EDUCATION; FLEXIBLE PATHWAYS

(a) Notwithstanding 16 V.S.A. § 4025, of the Education Fund appropriation in Sec. B.504.1 of this act, the amount of:

- 1 (1) \$921,500 is available for dual enrollment programs notwithstanding
2 16 V.S.A. § 944(f)(2);
3 (2) \$2,400,000 is available to support the Vermont Virtual High School;
4 (3) \$400,000 is available for secondary school reform grants;
5 (4) \$4,200,000 is available for Early College pursuant to 16 V.S.A.
6 § 947(b); and
7 (5) \$2,899,782 is available for the Adult Education and Secondary
8 Credential Program.
9 (b) Of the appropriation in Sec. B.504 of this act, \$921,500 from the
10 General Fund is available for dual enrollment programs.

11
12 **EXPLANATION:**
13 Standard annual language ensures that education funds are paid to help fund
14 the dual enrollment program created in 16 V.S.A Sec 944, and to support
15 distance learning in Vermont schools.
16

17 **Sec. E.507.1 ENGLISH LANGUAGE LEARNERS; CATEGORICAL AID**

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

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

1 **Sec. E.514** STATE TEACHERS’ RETIREMENT SYSTEM

2 (a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to
3 the State Teachers’ Retirement System (STRS) shall be \$220,905,084, of
4 which \$212,905,084 shall be the State’s contribution and \$8,000,000 shall be
5 contributed from local school systems or educational entities pursuant to 16
6 V.S.A. § 1944c.

7 (b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution,
8 \$43,739,011 is the “normal contribution,” and \$177,166,073 is the “accrued
9 liability contribution.”

10
11 **EXPLANATION**

12 Standard annual language with allows the normal contribution to be funded
13 with Education funds. The \$8,000,000 local contribution mentioned in
14 subsection (a) reduces the Education Fund component of the normal
15 contribution by \$1,583,993 and the General fund component of the accrued
16 liability contribution by \$6,416,007.
17

18 **Sec. E.514.1** VERMONT STATE TEACHERS’ RETIREMENT SYSTEM

19 AND VERMONT PENSION INVESTMENT COMMISSION;

20 OPERATING BUDGET; SOURCE OF FUNDS

21 (a) Of the \$4,015,592 appropriated in Sec. B.514.1 of this act, \$2,824,955
22 constitutes the Vermont State Teachers’ Retirement System operating budget,
23 and \$1,189,637 constitutes the portion of the Vermont Pension Investment

1 Commission’s budget attributable to the Vermont State Teachers’ Retirement
2 System.

3
4 **EXPLANATION**

5 Standard annual language to differentiate the portion of the VSTRS admin
6 appropriation that support operations in the State Treasurer’s Office from the
7 portion that supports VPIC.
8

9 **Sec. E.515** RETIRED TEACHERS’ HEALTH CARE AND MEDICAL
10 BENEFITS

11 (a) In accordance with 16 V.S.A. § 1944b(b)(2) and 16 V.S.A.
12 § 1944b(h)(1), the annual contribution to the Retired Teachers’ Health and
13 Medical Benefits plan shall be \$90,834,595, of which \$81,834,595 shall be the
14 State’s contribution and \$9,000,000 shall be from the annual charge for teacher
15 health care contributed by employers pursuant to 16 V.S.A. § 1944d. Of the
16 annual contribution, \$28,193,691 is the “normal contribution,” and
17 \$62,640,904 is the “accrued liability contribution.”

18
19 **EXPLANATION**

20 Standard annual language which allows the normal contribution to be funded
21 with Education funds. The \$9,000,000 new teacher health care annual charge
22 contribution reduces the Education fund component of the normal contribution
23 by \$2,793,465 and the General fund component of the accrued liability
24 contribution by \$6,206,535.
25

26 **Sec. E.516** 16 V.S.A. § 4025 is amended to read:

1 § 4025. EDUCATION FUND

2 (a) The Education Fund is established to comprise the following:

3 * * *

4 (5) ~~one-third of the revenues raised from the purchase and use tax~~
5 imposed by 32 V.S.A. chapter 219, notwithstanding 19 V.S.A. § 11(1), the
6 amount received from the purchase and use tax imposed by 32 V.S.A. chapter
7 219 shall be as follows: \$41,900,000 for the fiscal year beginning on July 1,
8 2026; \$31,900,000 for the fiscal year beginning on July 1, 2027; \$21,900,000
9 for the fiscal year beginning on July 1, 2028; and \$11,900,000 for the fiscal
10 year beginning on July 1, 2029;

11 * * *

12 EXPLANATION:

13 Transitions the current one-third Purchase & Use Tax, received by the
14 Department of Motor Vehicles and deposited into the Education Fund, back to
15 the Transportation Fund beginning in fiscal year 2027.

17 Sec. E.516.1 EDUCATION FUND; PURCHASE AND USE TAX; REPEAL

18 (a) 16 V.S.A. § 4025(a)(5) is repealed.

19

20 EXPLANATION:

21 Effective July 1, 2030, proceeds from the Motor Vehicle Purchase & Use Tax
22 are no longer directed to the Education Fund.

23

24 Sec. E.600 UNIVERSITY OF VERMONT

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

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

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

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

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

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

20
21 **EXPLANATION:**
22 **Standard annual language.**
23

24 **Sec. E.603** VERMONT STATE COLLEGES; ALLIED HEALTH

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

4 (b) The Vermont State Colleges shall use the Global Commitment
5 appropriation in Sec. B.603 of this act to support the dental hygiene,
6 respiratory therapy, and nursing programs that graduate approximately 315
7 health care providers annually. These graduates deliver direct, high-quality
8 health care services to Medicaid beneficiaries or uninsured or underinsured
9 persons.

10

11 **EXPLANATION:**
12 **Standard annual language.**

13

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

15 (a) Of the funds appropriated to the Vermont Student Assistance
16 Corporation in Sec. B.605 of this act:

17 (1) \$25,000 shall be deposited into the trust fund established in 16
18 V.S.A. § 2845;

19 (2) not more than \$300,000 may be used by the Vermont Student
20 Assistance Corporation for a student aspirational initiative to serve one or more
21 high schools; and

1 (3) not less than \$1,000,000 shall be used to continue the Vermont
2 Trades Scholarship Program established in 2022 Act and Resolves No. 183,
3 Sec. 14.

4 (b) Of the funds appropriated to the Vermont Student Assistance
5 Corporation in Sec. B.605 of this act that remain after accounting for the
6 expenditures set forth in subsection (a) of this section, not less than 93 percent
7 shall be used for direct student aid.

8 (c) After accounting for the expenditures set forth in subsection (a) of this
9 section, up to seven percent of the funds appropriated to the Vermont Student
10 Assistance Corporation in Sec. B.605 of this act or otherwise currently or
11 previously appropriated to the Vermont Student Assistance Corporation or
12 provided to the Vermont Student Assistance Corporation by an agency or
13 department of the State for the administration of a program or initiative may be
14 used by the Vermont Student Assistance Corporation for its costs of
15 administration. The Vermont Student Assistance Corporation may recoup its
16 reasonable costs of collecting the forgivable loans in repayment. Funds shall
17 not be used for indirect costs. To the extent that any of these funds are federal
18 funds, allocation for expenses associated with administering the funds shall be
19 consistent with federal grant requirements.

20
21 **EXPLANATION:**
22 **Standard annual language.**

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

(a) Notwithstanding 16 V.S.A. § 4025, the \$41,225 Education Fund and \$41,225 General Fund appropriated to the Vermont Student Assistance Corporation in Sec. B.605.1 of this act is for dual enrollment and need-based stipend purposes to fund a flat-rate, need-based stipend or voucher program for financially disadvantaged students enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 946 to be used for the purchase of books, cost of transportation, and payment of fees. The Vermont Student Assistance Corporation shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(b) On or before January 15, 2027, the Vermont Student Assistance Corporation shall report on the program to the House Committees on Appropriations and on Commerce and Economic Development and to the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs.

EXPLANATION:
Standard annual language.

1 **Sec. E.606** 16 V.S.A. § 2885 is amended to read:

2 § 2885. VERMONT HIGHER EDUCATION ENDOWMENT TRUST FUND

3 (a) A Vermont Higher Education Endowment Trust Fund is established in
4 the Office of the State Treasurer to comprise the following:

5 (1) ~~appropriations~~ transfers made by the General Assembly; and

6 (2) ~~in any fiscal year in which a General Fund surplus exists and the~~
7 ~~General Fund Stabilization Reserve is funded to its required statutory level,~~
8 ~~funds raised by the estate tax levied under 32 V.S.A. chapter 190 that are more~~
9 ~~than 125 percent of the amount projected by the Emergency Board in the July~~
10 ~~annual forecast made pursuant to 32 V.S.A. § 305a; and~~

11 (3) contributions from any other sources.

12 * * *

13

14 **EXPLANATION:**

15 (a)(1): Technical correction. Appropriations provide spending authority for
16 expenditures from a fund; appropriations cannot be sources to a fund.

17 (a)(2): Eliminates the proceeds from the estate tax exceeding 125% of the July
18 consensus forecast. These proceeds are redirected to the School Construction
19 Aid Special Fund.
20

21 **Sec. E.700** 3 V.S.A. § 2807 is amended to read:

22 § 2807. LANDS AND FACILITIES TRUST FUND

23 (a) Legislative purpose. The General Assembly finds and determines:

1 (1) The public lands, facilities, and recreational assets of Vermont
2 represent both a priceless inheritance from the past and an enduring legacy for
3 future generations.

4 (2) The lands, facilities, and recreational assets owned or managed by
5 the ~~Department of Forests, Parks and Recreation~~ Agency of Natural Resources
6 are held as public assets for the citizens of Vermont, and require proper
7 management to ensure that these natural resources and facilities remain viable
8 and available for this and all future generations.

9 (b) Definitions. As used in this section:

10 (1) ~~“Commissioner” means the Commissioner of Forests, Parks and~~
11 ~~Recreation or the Commissioner’s designee~~ “Secretary” means the Secretary of
12 Natural Resources or the Secretary’s designee.

13 (2) “Eligible activity” means any activity undertaken, initiated, or
14 supported by the ~~Department of Forests, Parks and Recreation~~ Agency of
15 Natural Resources, for State lands under the ownership of the Department of
16 Forests, Parks and Recreation, that provides for the management of State lands,
17 facilities, and recreational assets, including administrative support. “Eligible
18 activity” includes but is not limited to: repair and maintenance of State parks;
19 contract surveys and mapping; maintenance of State lands, including
20 boundaries, roads, trails, and facilities; contract inventories of State land
21 natural resources; repair of State-owned dams; ~~repair, replacement, and~~

1 ~~maintenance of conservation camps; and~~ timber management in accordance
2 with U.S.D.A. silvicultural guidelines; project management; contract
3 development and administration; and business office support. “Eligible
4 activity” does not include the acquisition of land.

5 (3) “Fund” means the Lands and Facilities Trust Fund.

6 (c) Creation and use of Fund.

7 (1) There is established in the State Treasury an income-producing fund
8 to be known as the Lands and Facilities Trust Fund, to be managed by the State
9 Treasurer, and from which expenditures shall be made by the ~~Commissioner~~
10 Secretary in accordance with appropriations by the General Assembly for the
11 benefit of lands, facilities, and recreational assets owned or managed by the
12 Agency. Payments from the Fund may be made to meet costs for eligible
13 activities ~~that are not covered in operating budgets for management of Agency~~
14 ~~lands, facilities, and recreational assets.~~

15 (2) The Fund shall be administered as part of the trust investment
16 account established in 32 V.S.A. § 434. After the first three years of the
17 Fund’s existence, on July 1 of each year, the Treasurer shall distribute from the
18 Fund ~~five~~ eight percent of the moving average of the market value of the Fund
19 over the prior 12 quarters with the approval of the House and Senate.
20 Notwithstanding the foregoing, during the first three years of the Fund’s
21 existence, expenditures for immediate needs, not to exceed five percent of the

1 principal, may be authorized by the ~~Commissioner~~ Secretary, provided that
2 such expenditures are consistent with the priorities established by the
3 ~~Commissioner~~ Secretary, pursuant to this section, and shall be subject to the
4 approval of the General Assembly.

5 (3) ~~Annual expenditures from the Fund shall be limited to projects~~
6 ~~approved by the Commissioner and shall be in accordance with appropriations~~
7 ~~of the General Assembly. Project priorities shall be determined in accordance~~
8 ~~with criteria established by the Commissioner and shall include consideration~~
9 ~~of at least the following:~~ The Secretary may make expenditures from the fund
10 for eligible projects with a consideration towards cost; availability of funds;
11 condition of the resource, facility, or infrastructure; level of use; level of public
12 need; the stated intent of the donor, when donated property is involved; and the
13 ability to protect or enhance a public investment or public resource.

14 (4) There shall be deposited in the Fund monies received by the Agency
15 that are related to management and administrative support of Agency lands,
16 facilities, and recreational assets, ~~and administrative support~~ and that are
17 received from a variety of public and private sources pertinent to the purposes
18 of the Fund, including donations; grants; special use permits; federal funds
19 specifically designated for uses compatible with the intent of the fund; timber
20 sale receipts received after June 30, 2001, from State forestland and all Agency
21 lands otherwise not restricted; and such sums as may be appropriated to the

1 Fund by the General Assembly. The Agency may solicit and accept aid or
2 contributions consistent with the stated intent of the donor and deposited with
3 the State Treasurer. Income earned by the Fund shall be deposited into the
4 Fund, and all balances in the Fund at the end of any fiscal year shall be carried
5 forward and remain part of the Fund.

6 * * *

7

8 **EXPLANATION:**

9 Updates the statute to align management of the fund with the Agency of
10 Natural Resources. Provides clarification that administrative support is an
11 eligible cost. Increases distribution from the fund to 8 percent of the market
12 value of the Fund over the prior 12 quarters, resulting in additional project
13 dollars, while still growing the fund overall.

14

15 **Sec. E.923** 19 V.S.A. § 11 is amended to read:

16 § 11. TRANSPORTATION FUND

17 The Transportation Fund shall comprise the following:

18 * * *

19 (8) other miscellaneous sources including the sale of maps, plans, and
20 reports, fees collected by the Travel Information Council, leases for property at
21 State-owned airports and railroads, proceeds from the sale of State surplus
22 property under the provisions of 29 V.S.A. §§ 1556 and 1557, and proceeds
23 from the sale of recycled materials; and

1 (b) All other sections shall take effect on July 1, 2026.