

1 Sec. C.100 2026 Acts and Resolves No. 74, Sec 83(e) is amended to read:

2 (e) If funds previously appropriated to the Agency of Human Services are  
3 insufficient to provide the State match needed to make the payment adjustment  
4 in subsection (a) of this section, notwithstanding 32 V.S.A. § 308b, the  
5 Commissioner of Finance and Management shall unreserve an amount of funds  
6 equal to the deficiency from the Human Services Caseload Reserve and,  
7 ~~notwithstanding 32 V.S.A. § 706, transfer~~ an amount of funds equal to the  
8 deficiency shall be appropriated to the Agency of Human Services.

9 **EXPLANATION: Technical correction per Finance and Management.**

1 Sec. C.101 2025 Acts and Resolves No. 27, Sec. E.325(b), as amended by  
2 2026 Acts and Resolves No. 74, Sec. 81 is further amended to read:

3 (b) Of the General Fund appropriation in Sec. B.325 of this act, \$1,322,141  
4 ~~General Fund~~ shall be used by the Department for Children and Families'  
5 Office of Economic Opportunity for distribution to community partners  
6 providing services to prevent and address homelessness ~~for the purpose of~~  
7 ~~restoring these community partners to their fiscal year 2025 appropriation~~  
8 ~~level.~~ The \$1,322,141 shall be allocated as follows:

9 \* \* \*

10 **EXPLANATION: Technical correction.**

1 Sec. C.102 2025 Acts and Resolves No. 27, Sec. D.103, as amended by 2026  
2 Acts and Resolves No. 74, Sec. 55 is further amended to read:

3 Sec. D.103 RESERVES

4 (a) Notwithstanding any provision of law to the contrary, in fiscal year  
5 2026, the following reserve transactions shall be implemented for the funds  
6 provided:

7 (1) General Fund.

8 \* \* \*

9 (D) The first ~~\$74,908,097~~ \$70,948,098 of any fiscal year-end balance  
10 otherwise subject to the requirements of 32 V.S.A. § 308c(a) shall, instead, be  
11 reserved for addressing federal funding shortfalls, property tax relief, or any  
12 other uses determined to be in the best interests of the public in the subsequent  
13 fiscal year. Any proceeds reserved in accordance with the requirements of this  
14 subdivision (D) shall automatically be unreserved for use on July 1 of the  
15 subsequent fiscal year.

16 \* \* \*

17 **EXPLANATION:** Adjusts fiscal year 2026 reserve amount to reflect changes  
18 in miscellaneous tax bill.

1 Sec. C.103 2025 Acts and Resolves No. 73, Sec. 32 is amended to read:

2 Sec. 32. AGENCY OF EDUCATION; TRANSFORMATION

3 APPROPRIATION; TRANSITION GRANTS

4 (a) The sum of \$2,865,000.00 is appropriated from the General Fund to the  
5 Agency of Education in fiscal year 2026 to support education transformation  
6 work as follows:

7 (1) ~~\$200,000.00~~ \$1,452,500.00 for the purpose of awarding transition  
8 grants to school districts and cooperative educational service areas to support  
9 school boards transitioning the work required to transition to new governance  
10 and administrative models as contemplated in this act, pursuant to subsection  
11 (b) of this section, and in light of the continued analysis of the work necessary  
12 in the field to transition to new, operational school districts as contemplated by  
13 this act;

14 (2) \$562,500.00 for positions established in Sec. 33 of this act; and

15 (3) ~~\$2,102,500.00~~ \$850,000.00 for contracted services, subject to the  
16 restrictions contained in subsection (c) of this section, to support facilitate  
17 school districts boards to study the advisability of forming union school  
18 districts, as well as to support districts with administrative activities relating to  
19 consolidation, including accounting, budget and operational practice, and to  
20 support education quality activities including the alignment of curricula,  
21 instructional materials, and teaching activities.

22 (b) The Agency shall use the funds appropriated in subdivision (a)(1) of  
23 this section to award transition facilitation grants to school districts and

1 cooperative educational service areas to support the work required to transition  
2 to new governance models. The Agency shall be prohibited from awarding  
3 grants pursuant to this subsection until new school district boundaries have  
4 been enacted.

5 (c) The appropriation contained in subdivision (a)(3) of this section shall be  
6 subject to the following restrictions:

7 (1) While this appropriation may be used to contract for data analysis  
8 necessary to support school districts with the administrative activities related to  
9 consolidation, it shall not be used to develop visualization tools, reports, or  
10 dashboards.

11 (2) This appropriation shall be used to provide direct support to school  
12 boards for the business processes that are required to be completed before new  
13 school districts become operational. Support and training for school business  
14 officials and other school district personnel shall be funded solely through the  
15 appropriation contained in subdivision (a)(1) of this section and the  
16 corresponding grants created in subsection (b) of this section.

17 (3) This appropriation may be used to support the special education  
18 strategic plan required pursuant to Sec. 30 of this act. It is the intent of the  
19 General Assembly that the strategic plan addresses the supports and processes  
20 needed to be in place for the transition to the weighted funding model for  
21 special education as such funding model is contemplated in this act and as may  
22 be further amended by an act of the General Assembly after consideration of  
23 the report required pursuant to Sec. 45a of this act. Any work or analysis done

1 by the Agency regarding alternatives to the base amount or weights contained  
2 in this act shall not be funded from the appropriation contained in this section.

3 **EXPLANATION:** Amends fiscal year 2026 Act 73 appropriations.

1 **Sec. D.101** FUND TRANSFERS

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

4 \* \* \*

5 (8) Transportation Infrastructure Bond Fund (#20191):

6 (A) Transportation Fund (#20105): \$2,200,000, notwithstanding 19  
7 V.S.A. § 11f.

8 \* \* \*

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 \* \* \*

14 (d) Notwithstanding 3 V.S.A. § 3306, an amount equal to all interest  
15 earned on the Technology Modernization Fund (#21951) in fiscal years 2023,  
16 2024, and 2025, estimated to be \$9,547,596, shall be transferred to the General  
17 Fund.

18 \* \* \*

19 **EXPLANATION:** Adds fund transfers.

1 Sec. E.100.1 2025 Acts and Resolves No. 27, Sec. E.100.3 is amended to read:

2 Sec. E.100.3 AMERICAN RESCUE PLAN ACT; CORONAVIRUS

3 STATE FISCAL RECOVERY FUND APPROPRIATIONS;

4 REPORTING

5 (a) In fiscal years 2026 and 2027, the Secretary of Administration shall  
6 report to the Joint Fiscal Committee on a quarterly basis, and upon the request  
7 of the Committee, on the status of appropriations made from the American  
8 Rescue Plan Act – Coronavirus State Fiscal Recovery Fund.

9 (1) Reports shall include information on:

10 (A) the original amounts appropriated;

11 (B) outstanding obligations against appropriations; and

12 (C) any remaining spending authority.

13 (b) In fiscal years 2026, 2027, and 2028, the Secretary of Administration  
14 shall report to the Joint Fiscal Committee on a quarterly basis, and upon the  
15 request of the Committee, on the status of any spending authority established  
16 pursuant to 2023 Acts and Resolves No. 113, Sec. E.106.

17 (1) Reports shall include information on:

18 (A) the original amounts appropriated;

19 (B) outstanding obligations against appropriations; and

20 (C) any remaining spending authority.

21 (c) Any spending authority established pursuant to 2024 Acts and Resolves  
22 No. 113, Sec. E.106(a) ~~and (c)~~ that remains unexpended and unencumbered on  
23 December 31, 2027 shall revert to the General Fund. Any unallocated balance

1 resulting from this reversion shall be reserved in the General Fund Balance  
2 Reserve.

3 **EXPLANATION:** Amends ARPA report language to extend reporting  
4 requirements to entire duration of relevant period (until funds are reverted on  
5 December 31, 2027). Makes technical correction.

1 Sec. E.100.2 SECRETARY OF ADMINISTRATION; REPORT ON  
2 STATUS OF FEDERAL FUNDS

3 (a) The Secretary of Administration shall report to the Joint Fiscal  
4 Committee at its July, September, and November 2026 meetings, and at other  
5 meetings as requested, on any reductions to federal revenues to the State and  
6 the status of any appropriations impacted by such reductions.

1 Sec. E.105 3 V.S.A. § 3306 is amended to read:

2 § 3306. TECHNOLOGY MODERNIZATION SPECIAL FUND

3 (a) Creation. There is created the Technology Modernization Special Fund,  
4 to be administered by the Agency of Digital Services. Monies in the Fund shall  
5 be used to fund business process transformation and to purchase, implement,  
6 and upgrade technology platforms, systems, and cybersecurity services used by  
7 State agencies and departments to carry out their statutory functions.

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

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

10 (2) any interest earned by the Fund.

11 (c) Fund balance.

12 (1) Subject to the exception in subdivision (2) of this subsection, Any  
13 any balance remaining at the end of the fiscal year shall remain in the Fund.

14 (2) In the event that the Information Technology Internal Service Fund  
15 pursuant to section 3304 of this chapter has a negative balance at the end of a  
16 fiscal year, the portion of the balance of the Technology Modernization Special  
17 Fund that is composed solely of interest, if any, shall be transferred to the  
18 Information Technology Internal Service Fund.

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

21 (e) Priorities. The General Assembly shall prioritize projects to receive  
22 monies from the Fund based on recommendations from the Chief Information  
23 Officer submitted pursuant to subsection 3303(a) of this title. Expenditures  
24 shall only be made from the fund through appropriation and project

1 authorization by the General Assembly. Plans for use shall be submitted as  
2 part of the budget adjustment or budget process.

3 **EXPLANATION:** Amends Tech Fund statute to allow for automatic transfer  
4 of interest funds to the IT ISF in the event of a year-end deficit in the latter  
5 fund.

1 Sec. E.106 32 V.S.A. § 307 is amended to read:

2 § 307. FORM OF BUDGET

3 (b) The budget shall also include in detail definite recommendations of the  
4 Governor relative to the amounts that should be appropriated to each of the  
5 activities referred to under this section. It shall also include definite  
6 recommendations of the Governor relative to the financing of the expenditures  
7 recommended and the appropriate amounts to be raised from ordinary revenue,  
8 direct taxes, bonds, or loans. The financing of the expenditures recommended,  
9 as proposed by the Governor, shall not include the funds from the Budget  
10 Stabilization Reserve as established in section 308 of this title. With the  
11 budget, the Governor shall submit to the General Assembly such messages,  
12 statements, or supplemental data with reference to the same, as the Governor  
13 may deem expedient; however, budget documentation shall include to the  
14 extent possible the following:

15 (1) Specific sources of receipts. In the event of special fund  
16 appropriations, the particular special fund sources shall be itemized.

17 (2) Interdepartmental transfers shall be explained, including the source  
18 department of said transfer.

19 (3) Changes in positions within departmental budgets, including prior  
20 year, current year, and requested budget year positions counts by title and  
21 category. Positions should be identified as to whether they are filled and  
22 unfilled.

23 (4) A document outlining proposed changes in program funding and

1 related policy changes that they reflect. This summary shall include narrative  
2 description of the proposed changes.

3 (5) A document outlining reversions and approved carryforward by  
4 appropriation.

5 **EXPLANATION:** Adds reversion and carryforward report language to  
6 **statute.**

7

1 Sec. E.127 JOINT FISCAL OFFICE; SPECIAL FUNDS REPORT

2 (a) The Joint Fiscal Office shall, in consultation with the Department of  
3 Finance and Management, shall provide a report with a general overview of  
4 special funds and their uses to the House and Senate Committees on  
5 Appropriations on or before December 15, 2026.

6 (b) In addition to the report outlined in subsection (a) of this section, the  
7 Joint Fiscal Office shall, in consultation with the Office of Legislative Counsel  
8 and the Department of Finance and Management, submit the following reports  
9 to the House and Senate Committees on Appropriations:

10 (1) A report with detailed information on all special funds in existence  
11 on July 1 of the prior calendar year that fall within function areas of  
12 government identified by the Department of Finance and Management's  
13 accounting system as "general government," "labor," "general education,"  
14 "commerce and community development," and "transportation." The report  
15 shall be submitted on or before December 15, 2026.

16 (2) A report with detailed information on all special funds in existence  
17 on July 1 of the prior calendar year that fall within function areas of  
18 government identified by the Department of Finance and Management's  
19 accounting system as "human services" and "natural resources." The report  
20 shall be submitted on or before December 15, 2027.

21 (3) A report with detailed information on all special funds in existence  
22 on July 1 of the prior calendar year that fall within function areas of  
23 government identified by the Department of Finance and Management's

1 accounting system as “protection to persons and property.” The report shall be  
2 submitted on or before December 15, 2028.

3 (4) A report with detailed information on all special funds in existence on  
4 July 1 of the prior calendar year that did not fall within any function areas of  
5 government identified in subdivisions (1)–(3) of this subsection or that would  
6 fall within those function areas of government but were established after the  
7 relevant report was submitted. The report shall be submitted on or before  
8 December 15, 2029.

9 (c) The reports required by subsection (b) of this section shall include, for  
10 each special fund identified, the following information, if available:

11 (1) The authorizing statute for the fund, its date of enactment, and any  
12 amendments to the statute;

13 (2) A description of revenue sources and expenditures, including stated  
14 purposes of expenditures;

15 (3) The prior fiscal year fund balance at closeout; and

16 (4) Other relevant information on the general management and oversight  
17 of the fund.

18 **EXPLANATION: Requires JFO to submit four reports over four years on**  
19 **special funds.**

1 Sec. E.131 HIGHER EDUCATION ENDOWMENT TRUST FUND; USES;  
2 REPORT

3 (a) In calendar year 2026, as part of the annual financial report on the  
4 Vermont Higher Education Endowment Trust Fund required by 16 V.S.A. §  
5 2885(e), the Office of the State Treasurer shall, in consultation with the  
6 Vermont Higher Education Endowment Trust Fund Council, include  
7 recommendations on any changes to revenue sources to or expenditures from  
8 the Fund, including any expanded uses of the fund and adjustments to the  
9 current statutory allocation structure.

10 **EXPLANATION:** Requires the Treasurer to address fund uses and sources,  
11 and any potential changes they might recommend, in the annual Higher  
12 Education Endowment Trust Fund report.

1 Sec. E.135 3 V.S.A. § 922 is amended to read:

2 § 922. OFFICE SPACE; EMPLOYEES; MEDIATOR

3 (a) The Secretary of Administration shall, upon request by the State Labor  
4 Relations Board, allow the Board the responsible use of public buildings under  
5 ~~his or her~~ the Secretary's control and furnish heat, light, and furniture for any  
6 meeting or hearing called by the Board.

7 (b) The Board may employ such employees and agents as it deems  
8 necessary; and may employ a reporter for taking and transcribing testimony in  
9 hearing before it.

10 (c)(1) The Board may employ a mediator to provide free mediation services  
11 to public and private sector collective bargaining units and employers upon  
12 reaching an impasse during collective bargaining.

13 (2) If the mediator has capacity, the mediator may provide free  
14 mediation services to public and private sector collective bargaining units and  
15 employers on grievances and unfair labor practice charges.

16 (3) The Board shall develop policies and procedures to ensure that all  
17 confidential mediation information is maintained separately and insulated from  
18 access by members of the Board or other employees of the State Labor  
19 Relations Board so as to protect the integrity of the mediation process.

20 **EXPLANATION: Statutory mediator language from H.548.**

1 Sec. E.136.1 STATE ETHICS COMMISSION; ATTORNEY; MUNICIPAL  
2 CODE OF ETHICS

3 (a) Of the General Fund appropriations in Sec. B.136.1 of this act,  
4 \$125,000 shall be used by the State Ethics Commission to fund an attorney for  
5 the purpose of receiving, reviewing, and referring complaints of violations of  
6 the Municipal Code of Ethics under 3 V.S.A. § 1223.

7 Sec. E.136.2 2024 Acts and Resolves No. 171 (2024 Ethics Act), Sec. 24, as  
8 amended by 2025 Acts and Resolves No. 44, Sec. 4, is further amended to  
9 read:

10 Sec. 24. EFFECTIVE DATES

11 This act shall take effect on passage, except that:

12 (1) Sec. 13 (adding 3 V.S.A. § 1230, Commission procedure,  
13 rulemaking) shall take effect on July 1, ~~2027~~ 2028, except that the Commission  
14 may adopt rules under 3 V.S.A. § 1230(b) prior to July 1, 2028;

15 (2) Sec. 22 (creating Municipal Code of Ethics) shall take effect on  
16 January 1, 2025;

17 (3) Sec. 7 (amending 3 V.S.A. § 1221(a), describing expansion of  
18 Commission powers) shall take effect on ~~September 1, 2027~~ July 1, 2028;

19 (4) Sec. 8 (amending 3 V.S.A. § 1222; title redesignation) shall take  
20 effect on July 1, 2025;

21 (5) Sec. 9 (amending 3 V.S.A. § 1223, Commission procedure for  
22 accepting and referring complaints) shall take effect on September 1, 2025;

1 (6) Secs. 10 (adding 3 V.S.A. § 1227, Commission investigations),  
2 11 (adding 3 V.S.A. § 1228, Commission hearings), 12 (adding 3 V.S.A.  
3 § 1229, Commission warnings, reprimands, recommended actions, and  
4 agreements), and 14 (adding 3 V.S.A. § 1231, Commission public records  
5 regarding complaints) shall take effect on ~~September 1, 2027~~ July 1, 2028; and

6 (7) Sec. 1 (amending 17 V.S.A. § 2414, candidate disclosures) shall take  
7 effect on January 1, 2026.

8 Sec. E.136.3 2025 Acts and Resolves No. 44, Sec. 5 is amended to read:

9 Sec. 5. EFFECTIVE DATES

10 This act shall take effect on passage, except that:

11 (1) Sec. 1 (amending 3 V.S.A. § 1223, Commission procedure for  
12 accepting and referring complaints) shall take effect on September 1, 2025<sub>2</sub> and  
13 shall supersede those provisions of 2024 Acts and Resolves No. 171, Sec. 9  
14 that amended 3 V.S.A. § 1223 and that conflict with the language in this act;

15 (2) Sec. 2 (amending future version of 3 V.S.A. § 1223) shall take effect  
16 on ~~September 1, 2027~~ July 1, 2028; and

17 (3) Sec. 3 (amending 3 V.S.A. § 1231, Commission public records  
18 regarding complaints) shall take effect on ~~September 1, 2027~~ July 1, 2028, and  
19 shall supersede those provisions of 2024 Acts and Resolves No. 171, Sec. 14  
20 that amended 3 V.S.A. § 1231 and that conflict with the language in this act.

21 Sec. E.136.4 3 V.S.A. § 1225 is amended to read:

22 § 1225. EXECUTIVE DIRECTOR GUIDANCE ~~AND~~<sub>2</sub> ADVISORY

23 OPINIONS, AND ETHICS HANDBOOK

1 (a) Guidance.

2 (1) The Executive Director may provide guidance only to a person who  
3 is or will be subject to the provisions of this chapter, upon his or her request,  
4 with respect to that person's duties regarding any provision of this chapter or  
5 regarding any other issue related to governmental ethics.

6 (2) The Executive Director may consult with members of the  
7 Commission and the Department of Human Resources in preparing this  
8 guidance.

9 (3) Guidance provided under this subsection shall be exempt from  
10 public inspection and copying under the Public Records Act and shall be kept  
11 confidential unless the receiving entity has publicly disclosed it.

12 (b) Advisory opinions.

13 (1) On the written request of a person who is or will be subject to the  
14 provisions of this chapter, the Executive Director may issue an advisory  
15 opinion to that person that provides general advice or interpretation with  
16 respect to that person's duties regarding any provision of this chapter or  
17 regarding any other issue related to governmental ethics.

18 (2) The Executive Director may consult with members of the  
19 Commission and the Department of Human Resources in preparing these  
20 advisory opinions.

21 (3) The Executive Director may seek comment from persons interested  
22 in the subject of an advisory opinion under consideration.

1           (4) The Executive Director shall post on the Commission’s website any  
2 advisory opinions that ~~he or she~~ the Director issues.

3           (c) Ethics Handbook. The Executive Director shall publish an Ethics  
4 Handbook that shall provide a plain language guide to a person who is or will  
5 be subject to the provisions of this chapter regarding the application of the  
6 State Code of Ethics. The Ethics Handbook shall include information  
7 regarding all of the following as provided for under the State Code of Ethics  
8 and as interpreted or applied by the Commission:

9           (1) standards of conduct;

10           (2) what constitutes a conflict of interest and how a person subject to the  
11 provisions of this chapter should respond if a conflict of interest is alleged or  
12 perceived;

13           (3) how to determine what is an acceptable gift, including criteria  
14 applied by the Commission to determine when reviewing whether a gift is  
15 acceptable for each category of acceptable gift;

16           (4) what constitutes a misuse of position, misuse of information, or  
17 misuse of government resources by a person subject to the provisions of this  
18 chapter and the criteria applied by the Commission to determine misuse;

19           (5) what constitutes an unauthorized commitment by a person subject to  
20 the requirements of this chapter;

21           (6) what employment restrictions exist for persons subject to this  
22 chapter and how such restrictions are enforced;

1           (7) the legal authority relied on by the Commission in developing the  
2 information and criteria for each subdivision (1)–(6) of this subsection; and  
3           (8) any other information the Executive Director determines is relevant  
4 to the application of the State Code of Ethics and the operation of the  
5 Commission.

6 Sec. E.136.5 PUBLICATION OF ETHICS HANDBOOK; REPORT

7           (a) The Executive Director of the State Ethics Commission shall publish  
8 the Ethics Handbook required by 3 V.S.A. § 1225(c) on or before January 15,  
9 2027.

10          (b) The Executive Director of the State Ethics Commission shall submit a  
11 draft copy of the Ethics Handbook to the House Committee on Government  
12 Operations and Military Affairs and the Senate Committee on Government  
13 Operations on or before December 15, 2026.

14 **EXPLANATION:** Numerous sections relating to the State Ethics Commission  
15 including language on the purpose of an appropriation, amendments to  
16 effective dates, adding statutory language relating to the Ethics Handbook, and  
17 submission requirements for the Handbook.

1 Sec. E.232 3 V.S.A. § 118 is amended to read:

2 3 V.S.A. § 118. COLLECTION AND DISPOSITION OF REVENUE

3 (a) There is hereby created a Secretary of State Services Fund. The Fund  
4 shall be used to provide appropriations for the operations of the Office of the  
5 Secretary of State, with the exception of those operations provided for in  
6 chapter 5, subchapter 3 of this title. The Fund shall be administered as a  
7 special fund pursuant to 32 V.S.A. chapter 7, subchapter 5. ~~At the end of each~~  
8 ~~fiscal year, the unobligated balance in this Fund shall be transferred to the~~  
9 ~~General Fund.~~

10 (b) All revenues collected by the Secretary of State shall be deposited into  
11 the Secretary of State Services Fund except for the following revenues:

12 (1) any revenues collected by the Office of Professional Regulation set  
13 forth in chapter 5, subchapter 3 of this title; and

14 (2) any revenues collected pursuant to subsection 117(k) of this title.

15 (c) The Secretary of State shall have the authority to collect and deposit  
16 into the Secretary of State Services Fund revenues generated from optional  
17 services offered in the normal course of business, including for one-time or  
18 periodic sales of data by subscription or other contractual basis.

19 (d) The Secretary of State or designee shall report annually to the Joint  
20 Fiscal Committee at its September meeting on the prior fiscal year fund  
21 balance at closeout. The report shall include projected revenues to and  
22 expenditures from the Fund in future fiscal years.

23 **EXPLANATION: Keeps year-end balance in the SOS Fund; report to JFC.**

1 Sec. E.307 DEPARTMENT OF VERMONT HEALTH ACCESS; FAMILY  
2 PLANNING CODE IMPLEMENTATION; REPORT

3 (a) Not later than September 15, 2026, the Department of Vermont Health  
4 Access shall review its implementation of family planning codes in the  
5 Medicaid program to ensure that all expenditures for family planning services  
6 and supplies that are eligible for federal match at a 90 percent federal medical  
7 assistance percentage are receiving that enhanced rate.

8 (b) On or before October 1, 2026, the Department shall provide a progress  
9 report to the Health Reform Oversight Committee and the Joint Fiscal  
10 Committee on:

11 (1) the Department's findings to date from its review;

12 (2) an estimate of any reductions in General Fund expenditures that can  
13 be realized by maximizing usage of the family planning codes to obtain the 90  
14 percent federal match for qualifying services and supplies; and

15 (3) proposals for ways in which the estimated savings can be reinvested  
16 into rate increases for family planning services and supplies as part of the fiscal  
17 year 2027 budget adjustment.

18 **EXPLANATION: DVHA review of implementation of family planning codes**  
19 **to ensure maximized federal match; requires report to HROC and JFC.**

1 Sec. E.311 2020 Acts and Resolves No. 155, Sec. 7a, as amended by 2021  
2 Acts and Resolves No. 74, Sec E.311.2 is further amended to read:

3 Sec. 7a. SUNSET

4 ~~18 V.S.A. § 33 (medical students; primary care) is repealed on July 1, 2027.~~

5 [Deleted.]

6 **EXPLANATION: Repeals sunset of UVM Medical Student Incentive**

7 **Scholarship Program.**

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

2 (a) HIV/AIDS funding:

3 (1) In fiscal year 2027 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 HIV 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) Ryan White Title II funds for HIV services and the Vermont  
11 Medication Assistance Program shall be distributed in accordance with federal  
12 guidelines. The federal guidelines shall not apply to programs or services  
13 funded solely by the State's General Fund.

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

20 (B) As provided in this section, the Secretary of Human Services  
21 shall work in collaboration with the Vermont Medication Assistance Program  
22 Advisory Committee, which shall be composed of not less than 50 percent of  
23 members who are living with HIV/AIDS. If a modification to the Program's

1 eligibility requirements or benefit coverage is considered, the Committee shall  
2 make recommendations regarding the Program's formulary of approved  
3 medication, related laboratory testing, nutritional supplements, and eligibility  
4 for the Program.

5 (2) In fiscal year 2027, the Department of Health shall provide grants in  
6 the amount of \$475,000 General Fund for HIV/AIDS services not later than  
7 September 1, 2026. The method by which these prevention funds are  
8 distributed shall be determined by mutual agreement of the Department of  
9 Health and harm reduction program providers.

10 (3) In fiscal year 2027, the Department of Health shall not reduce any  
11 grants to the Vermont AIDS service and peer-support organizations from funds  
12 appropriated for HIV/AIDS services to levels below those in fiscal year 2026  
13 without receiving prior approval from the Joint Fiscal Committee.

14 **EXPLANATION:** Modifies language from Gov. Rec. to reconcile with HHS  
15 recommendations.

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

2 (a) Harm Reduction funding:

3 (1) In fiscal year 2027, and as provided in this section, the Department  
4 of Health shall provide grants in the amount of \$340,000 from the General  
5 Fund for Harm Reduction Services to the following organizations:

6 (A) Vermont CARES: \$165,000;

7 (B) AIDS Project of Southern Vermont: \$115,000; and

8 (C) HIV/HCV Resource Center: \$60,000.

9 (2) In fiscal year 2027, the Department of Health shall provide grants in  
10 the amount of \$340,000 General Fund for Harm Reduction Services not later  
11 than September 1, 2026. The method by which these prevention funds are  
12 distributed shall be determined by mutual agreement of the Department of  
13 Health and harm reduction program providers.

14 (3) In fiscal year 2027, the Department of Health shall not reduce any  
15 grants to syringe service programs from funds appropriated for Harm  
16 Reduction Services to levels below those in fiscal year 2026 without receiving  
17 prior approval from the Joint Fiscal Committee.

18 **EXPLANATION:** Modifies language from Gov. Rec. to reconcile with HHS  
19 recommendations.

1 Sec. E.313 DEPARTMENT OF HEALTH; OPIOID ABATEMENT

2 SPECIAL FUND APPROPRIATIONS; REVIEW

3 (a) On or before December 1, 2026, the Department of Health shall review  
4 all previous appropriations from the Opioid Abatement Special Fund and make  
5 recommendations to the Opioid Settlement Advisory Committee, the House  
6 Committee on Human Services, and the Senate Committee on Health and  
7 Welfare regarding which appropriations could be funded in future years by the  
8 Substance Misuse Prevention Special Fund established pursuant to 18 V.S.A.  
9 § 4812.

10 **EXPLANATION:** Requires VDH to review and make recommendations to  
11 committees of jurisdiction on future year expenditures from the Substance  
12 Misuse Prevention Special Fund.

1 Sec. E.329 DESIGNATED AND SPECIALIZED SERVICE AGENCIES;  
2 ENGAGEMENT PROCESS; REPORT

3 (a) The Department of Disabilities, Aging, and Independent Living, in  
4 collaboration with the Office of Health Care Reform, shall, on or before  
5 January 15, 2027, submit a plan to the House Committees on Health Care, on  
6 Human Services, and on Appropriations and the Senate Committees on Health  
7 and Welfare and on Appropriations on how to develop and conduct a data-  
8 informed, patient-focused, community-inclusive engagement process for  
9 Vermont's designated and specialized service agencies to reduce inefficiencies,  
10 lower costs, improve population health outcomes, reduce and health inequities.

11 (b) The engagement process shall include:

12 (1) hearing from and sharing data, information, trends, and insights with  
13 communities about the current and future states of the designated and  
14 specialized service agencies, unmet health care needs as identified through the  
15 community health needs assessment, and opportunities and resources necessary  
16 to address those needs;

17 (2) providing opportunities for meaningful participation in all stages of  
18 the engagement process by employers; consumers; health care professionals  
19 and health care providers; Vermonters who have direct experience with all  
20 aspects of Vermont's health care system; and Vermonters who are diverse with  
21 respect to race, income, age, and disability status;

22 (3) providing the data, information, and analysis necessary to support  
23 the engagement process, including information and trends relating to the

1 current and future states of the designated and specialized service agencies, the  
2 effects of designated and specialized service agencies in neighboring states on  
3 the services delivered in Vermont, the potential impacts of system  
4 transformation on Vermont's providers, and the workforce challenges in the  
5 health care and human services systems;

6 (5) establishing ways to assess the impact of any changes to the  
7 designated and specialized service agencies on providers, including on  
8 workforce recruitment and retention; and

9 (6) determining the amount of resources that will be needed to support  
10 the designated and specialized service agencies in implementing the  
11 transformation initiatives developed as a result of the engagement process.

12 (d) As part of its fiscal year 2027 budget adjustment presentation, the  
13 Department of Disabilities, Aging, and Independent Living shall include any  
14 request for an appropriation for hiring one or more consultants to support the  
15 work described in this section.

16 **EXPLANATION:** Requires DAIL to submit a plan on how to develop an  
17 engagement process for DAs/SSAs and include a recommendation for an  
18 appropriation in its budget adjustment presentation.

1 Sec. E.300 HIGH-END SYSTEM FACILITIES FOR YOUTH

2 (a) Beginning or before August 1, 2026, and ending December 2026, the  
3 Agency of Human Services, in consultation with the Departments for Children  
4 and Families and of Buildings and General Services, shall monthly report to  
5 the Joint Legislative Justice Oversight Committee on its plan to develop the  
6 Green Mountain Youth Campus, including its progress on a complete,  
7 unambiguous written analysis of the estimated costs of an annual operating  
8 budget for full utilization of the proposed 41-bed high-end system of care  
9 consistent with 2025 Acts and Resolves No. 27, Sec. E.300.1.

10 (b) In fiscal year 2027, the Departments for Children and Families and of  
11 Buildings and General Services shall not expend funds for further development  
12 of the Green Mountain Youth Campus unless and until the chairs of the House  
13 Committees on Appropriations, on Corrections and Institutions, on Health  
14 Care, and on Human Services and the Senate Committees on Appropriations,  
15 on Health and Welfare, and on Institutions approve the written analysis in  
16 subsection (a) of this section.

17 **EXPLANATION: Requires AHS to report monthly on and complete a written**  
18 **budgetary analysis requested in Act 27 prior to expending funds for the**  
19 **development of the Green Mountain Youth Campus.**

1 Sec. E.316 REPORT; REACH UP; RATABLE REDUCTION

2 (a) On or before January 15, 2027, the Department for Children and  
3 Families shall submit a report to the House Committees on Appropriations and  
4 on Human Services and to the Senate Committees on Appropriations and on  
5 Health and Welfare containing an actionable, phased plan that estimates the  
6 amount needed to remove the ratable reduction in the Reach Up program. The  
7 plan shall be designed to be phased in over a period not greater than five fiscal  
8 years and shall:

9 (1) address the financial implications posed by removing the ratable  
10 reduction;

11 (2) address any anticipated changes to the Reach Up caseload as a result  
12 of removing the ratable reduction; and

13 (3) identify any federal and State resources that may be utilized to  
14 remove the ratable reduction.

15 **EXPLANATION: Requires report on the Reach Up ratable reduction from**  
16 **DCF (same language as Act 49 (2023)).**

1 Sec. E.500 AGENCY OF EDUCATION; BUDGET PRESENTATIONS

2 (a) As part of its fiscal year 2027 budget adjustment and fiscal year 2028  
3 budget presentations, the Agency of Education shall include:

4 (1) a comprehensive account of fiscal year 2027 appropriations,  
5 including information on amounts expended or obligated at the time of the  
6 presentation's submission;

7 (2) a comprehensive account of anticipated fiscal year 2027  
8 carryforward, including information on the reasons for expenditures being  
9 lower than anticipated;

10 (3) information on all third-party contract agreements the Agency  
11 entered into in fiscal year 2027;

12 (4) organizational charts reflecting the current structure of the Agency  
13 and each division within the Agency;

14 (5) written explanation of any changes to the Agency's organizational  
15 structure and personnel;

16 (6) a comprehensive account of any vacancies within the Agency,  
17 including information on the duration of each position vacancy and any  
18 recommendations for the elimination or redesignation of positions; and

19 (7) information on any changes to federal funding, rules, or policy that  
20 may affect the Agency and any action the Agency has taken or may take to  
21 address those changes.

22 **EXPLANATION:** Specifies necessary materials for AOE's budget  
23 presentations.

1 Sec. E.500.1 16 V.S.A. § 4001 is amended to read:

2 § 4001. DEFINITIONS

3 As used in this chapter:

4 \* \* \*

5 (18) “Local adult education and literacy provider” has the same meaning  
6 as in section 942 of this title.

7 (19) “Statewide AEL student count” means the average annual number  
8 of students statewide who complete the diagnostic portions of the adult  
9 education and secondary credential program over the previous two completed  
10 fiscal years.

11 (20) “Statewide AEL student-hours” means the average annual number  
12 of student-hours of instruction provided statewide for adult education and  
13 literacy activities over the previous two completed fiscal years.

14 Sec. E.500.2 16 V.S.A. § 4011(f) is amended to read:

15 (f)(1) Annually, the General Assembly shall appropriate funds to pay for  
16 adult education and literacy activities in an amount equal to 26 percent of the  
17 base education amount multiplied by the statewide AEL student count. The  
18 General Assembly shall appropriate 40 percent of the funds from the Education  
19 Fund and 60 percent of the funds from the General Fund.

20 (2) Beginning in fiscal year 2029, the Secretary shall determine  
21 payments from the appropriation under this subsection on a per-county basis  
22 according to this subdivision.

23 (A) The Secretary shall first allocate \$80,000.00 to each county.

1           (B) The Secretary shall then allocate the remaining funds among the  
2           counties according to each county's share of the statewide AEL student count.

3           (3) Annually, the Secretary shall pay to a each local adult education and  
4           literacy provider, as defined in section 942 of this title, that provides an adult  
5           education and secondary credential program ~~an the amount equal to 26 percent~~  
6           of the base education amount for each student who completes the diagnostic  
7           portions of the adult education and secondary credential program, based on an  
8           average of the previous two completed fiscal years. ~~Forty percent of the~~  
9           payment required under this subsection shall be from State funds appropriated  
10           from the Education Fund and 60 percent of the payment required under this  
11           subsection shall be from State funds appropriated from the General Fund  
12           determined pursuant to this section for each county in which the local adult  
13           education and literacy provider provides the county's adult education and  
14           secondary credential program.

15           (4) For each of fiscal years 2027 and 2028, the Secretary shall determine  
16           payments from the appropriation under this subsection on a per-county basis  
17           according to this subdivision.

18           (A) The Secretary shall first allocate \$80,000.00 to each county.

19           (B) The Secretary shall then allocate among the counties 85 percent  
20           of the remaining funds according to each county's share of the statewide AEL  
21           student count and 15 percent of the remaining funds according to each  
22           county's share of the statewide AEL student-hours.

1 Sec. E.500.3 REPEALS

2 (a) 16 V.S.A. § 4011(f)(4) (adult education funding transition language) is  
3 repealed on July 1, 2029.

4 (b) 2025 Acts and Resolves No. 73, Sec. 36 (16 V.S.A. § 4011) is repealed.

5 Sec. E.500.4 2025 Acts and Resolves No. 73, Sec. 70(f) is amended to read:

6 (f) The following sections shall take effect on July 1, 2028, provided that  
7 the new school districts contemplated by this act have assumed responsibility  
8 for the education of all resident students and that the expert tasked with  
9 developing a cost-factor foundation formula has provided to the General  
10 Assembly the report pursuant to Sec. 45a to provide the General Assembly an  
11 opportunity to enact legislation in consideration of the report:

12 \* \* \*

13 (3) Secs. ~~34–43~~ 34–35 and 37–43 (transition to cost-factor foundation  
14 formula);

15 \* \* \*

16 Sec. E.500.5 16 V.S.A. § 945(d) is amended to read:

17 (d) The diagnostic portion of the Program referenced in subsection 4011(f)  
18 of this title shall be used as a tool to evaluate the educational needs of and  
19 skills gained by individual students but shall not be used to exclude individuals  
20 from the Program ~~or to condition payments to local education and literacy~~  
21 ~~providers.~~

22 **EXPLANATION: Various changes to education-related law.**

1 Sec. E.700 2018 (Special Session) Acts and Resolves No. 11, Section C.110 is  
2 amended to read:

3 Sec. C.110 IMPLEMENTATION OF PRELIMINARY  
4 RECOMMENDATIONS OF THE VERMONT CLIMATE  
5 ACTION COMMISSION

6 (b) Recommendations of the Commission and actions taken on them  
7 include:

8 \* \* \*

9 ~~(5) Electrify the transportation system: The direction concerning the use~~  
10 ~~of Environmental Mitigation Trust monies resulting from the Volkswagen~~  
11 ~~litigation set forth in Sec. E.700 of this act is designed to increase~~  
12 ~~electrification of transportation.~~

13 Sec. E.700.1 2018 (Special Session) Acts and Resolves No. 11, Section E.700  
14 is amended to read:

15 Sec. E.700 VOLKSWAGEN LITIGATION; ENVIRONMENTAL  
16 MITIGATION TRUST FOR STATE BENEFICIARIES

17 (a) As used in this section:

18 (1) “Appendix D-2” means Appendix D-2 to the Environmental  
19 Mitigation Trust, entitled “Eligible Mitigation Actions and Mitigation Action  
20 Expenditures.”

21 (2) “Environmental Mitigation Trust” or “Trust” means the  
22 Environmental Mitigation Trust Agreement for State Beneficiaries filed on  
23 October 2, 2017 in In re: Volkswagen “Clean Diesel” Marketing, Sales

1 Practices, and Products Liability Litigation, 3:16-CV-00295-CRB, MDL No.  
2 2672 CRB (JSC) (N.D. Cal.).

3 (3) “Mobile source” means any vehicle, freight switcher, ferry, tug,  
4 vessel, or equipment that qualifies under an eligible mitigation action listed in  
5 Appendix D-2.

6 (b) The Secretary of Natural Resources shall administer Environmental  
7 Mitigation Trust monies pursuant to 10 V.S.A. § 554(15), ~~and, in~~  
8 ~~administering the Trust monies appropriated under Sec. B.710 of this act, shall:~~

9 ~~(1) Dedicate at least 15 percent of those monies for the purchase of light~~  
10 ~~duty electric supply equipment and associated allowable administrative costs in~~  
11 ~~accordance with Appendix D-2.~~

12 ~~(2) Dedicate the remainder of the monies to the replacement of mobile~~  
13 ~~sources that consume fossil fuels with all electric mobile sources or the~~  
14 ~~repowering of mobile sources that consume fossil fuels with all electric~~  
15 ~~engines, or both, and associated allowable administrative costs. The~~  
16 expenditures shall be in accordance with the requirements of Appendix D-2.

17 **EXPLANATION: Removes electrification/expenditure limits on settlement**  
18 **funds in Act 11.**

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

2 § 11. TRANSPORTATION FUND

3 The Transportation Fund shall comprise the following:

4 \* \* \*

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

10 (9) all interest earned in accordance with 32 V.S.A. § 308a(e) and  
11 interest earned upon the non-dedicated component of the Transportation Fund.

12 **EXPLANATION:** Technical correction to Gov. Rec. language.