Introduced by Committee on Corrections and Institutions

Date:

Subject: Capital construction; capital appropriations; State bonding

Statement of purpose of bill as introduced: This bill proposes to authorize bonding, appropriate capital funds, and address miscellaneous related items.

An act relating to capital construction and State bonding

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

* * * Legislative Intent * * *

Sec. 1. LEGISLATIVE INTENT

(a) It is the intent of the General Assembly that of the $104,636,887.44 authorized in this act, not more than $54,286,360.44 shall be appropriated in the first year of the biennium, and the remainder shall be appropriated in the second year.

(b) It is the intent of the General Assembly that in the second year of the biennium, any amendments to the appropriations or authorities granted in this act shall take the form of the Capital Construction and State Bonding Adjustment Bill. It is the intent of the General Assembly that unless otherwise indicated, all appropriations in this act are subject to capital budget adjustment.

Sec. 2. STATE BUILDINGS

(a) The following sums are appropriated to the Department of Buildings and General Services, and the Commissioner is authorized to direct funds appropriated in this section to the projects contained in this section; however, no project shall be canceled unless the Chairs of the Senate Committee on Institutions and the House Committee on Corrections and Institutions are notified before that action is taken.

(b) The following sums are appropriated in FY 2026:

(1) Statewide, three-acre parcel stormwater compliance: $1,500,000.00

(2) Statewide, Art in State Buildings Program: $75,000.00

(3) Rutland, Asa Bloomer Building roof repair and sewage system upgrades: $1,500,000.00

(4) Rutland, multimodal garage renovation: $600,000.00

(5) Middlesex, Print and Postal uninterruptable power supply upgrade $58,279.44

(6) Waterbury, State Office Complex historic core roof replacement: $2,000,000.00

(7) Burlington, 32 Cherry St. parking garage repairs: $1,500,000.00

(c) The following sums are appropriated in FY 2027:

(1) Statewide, major maintenance: $8,500,000.00

(2) Statewide, planning, use, and contingency: $250,000.00

(3) Statewide, physical security enhancements: $250,000.00

(4) Statewide, three-acre parcel stormwater compliance: $1,100,000.00

(5) Statewide, Art in State Buildings Program: $75,000.00

(6) Pittsford, Academy firing range upgrades: $200,000.00

(7) Montpelier, State House replacement of historic interior finishes: $50,000.00

(8) Montpelier, 120 State Street HVAC – steam lines interior renovation: $2,000,000.00

(9) Middlesex, Vermont State Archives roof replacement, main building: $1,000,000.00

(10) Waterbury, State Office Complex historic core roof replacement: $2,000,000.00

(11) Burlington, 32 Cherry St. parking garage repairs: $500,000.00

Appropriation – FY 2026 $7,233,279.44

Appropriation – FY 2027 $15,925,000.00

Total Appropriation – Section 2 $23,158,279.44

Sec. 3. HUMAN SERVICES

(a) The following sums are appropriated in FY 2026 to the Department of Buildings and General Services for the Agency of Human Services for the following projects:

(1) Statewide, planning, design and construction for HVAC system upgrades at correctional facilities: $4,000,000.00

(2) Statewide, accessibility upgrades at correctional facilities: $2,000,000.00

(3) Statewide, correctional facility safety and security upgrades: $225,000.00

(4) St. Johnsbury, Northeast Correctional Complex (NECC) door control system replacements: $1,000,000.00

(5) St. Albans, Northwest State Regional Correctional Facility (NWSCF) roof replacement: $1,000,000.00

(b) The following sums are appropriated in FY 2027 to the Department of Buildings and General Services for the Agency of Human Services for the following projects:

(1) Statewide, planning, design and construction for HVAC system upgrades at correctional facilities: $1,000,000.00

(2) Statewide, correctional facility safety and security upgrades: $200,000.00

(3) Rutland, Marble Valley Regional Correctional Facility (MVRCF) door control system replacements: $500,000.00

(4) St. Johnsbury, Northeast Correctional Complex (NECC) door control system replacements: $2,600,000.00

(5) Newport, Northern State Correctional Facility (NSCF) sprinkler system upgrades: $500,000.00

(c)(1) Notwithstanding 29 V.S.A. § 152(a)(20), the Commissioner of Buildings and General Services is authorized to transfer any unexpended project balances between the amount appropriated in subdivision (a)(5) of this section and the amount appropriated in 2023 Acts & Resolves No. 69, Sec. 3(b)(1), as amended by 2024 Acts & Resolves No. 162, Sec. 3 (NWSCF, booking expansion, planning, design, and construction), and the Commissioner of Finance and Management may release the amount notwithstanding 2023 Acts & Resolves No. 69, Sec. 27(a) (NWSCF; funding request for federal detainees).

Appropriation – FY 2026 $8,225,000.00

Appropriation – FY 2027 $4,800,000.00

Total Appropriation – Section 3 $13,025,000.00

Sec. 4. COMMERCE AND COMMUNITY DEVELOPMENT

(a) The following sums are appropriated in FY 2026 to the Agency of Commerce and Community Development for the following projects:

(1) Major maintenance at statewide historic sites: $550,000.00

(2) Underwater preserves: $46,000.00

(3) Roadside historic site markers: $25,000.00

(4) Bennington, Battle Monument, maintenance of safety fencing, restoration, planning, and design: $525,000.00

(b) The following sums are appropriated in FY 2027 to the Agency of Commerce and Community Development for the following projects:

(1) Major maintenance at statewide historic sites: $550,000.00

(2) Underwater preserves: $46,000.00

(3) Roadside historic site markers: $25,000.00

Appropriation – FY 2026 $1,146,000.00

Appropriation – FY 2027 $621,000.00

Total Appropriation – Section 4 $1,767,000.00

Sec. 5. GRANT PROGRAMS

(a) The following sums are appropriated in FY 2026 for the Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: $300,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: $300,000.00

(3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made

available from the National Endowment for the Arts, provided that all capital funds are made available to the Cultural Facilities Grant Program: $300,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program: $300,000.00

(5) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Human Services): $150,000.00

(6) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Education): $150,000.00

(7) To the Department of Buildings and General Services for the Regional Economic Development Grant Program: $300,000.00

(8) To the Agency of Agriculture, Food and Markets for the Agricultural Fairs and Field Days Capital Projects Competitive Grant Program: $300,000.00

(b) The following sums are appropriated in FY 2027 for the Building Communities Grants established in 24 V.S.A. chapter 137:

(1) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Preservation Grant Program: $300,000.00

(2) To the Agency of Commerce and Community Development, Division for Historic Preservation, for the Historic Barns Preservation Grant Program: $300,000.00

(3) To the Vermont Council on the Arts for the Cultural Facilities Grant Program, the sum of which may be used to match funds that may be made available from the National Endowment for the Arts, provided that all capital funds are made available to the Cultural Facilities Grant Program: $300,000.00

(4) To the Department of Buildings and General Services for the Recreational Facilities Grant Program: $300,000.00

(5) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Human Services): $150,000.00

(6) To the Department of Buildings and General Services for the Human Services and Educational Facilities Competitive Grant Program (Education): $150,000.00

(7) To the Department of Buildings and General Services for the Regional Economic Development Grant Program: $300,000.00

(8) To the Agency of Agriculture, Food and Markets for the Agricultural Fairs and Field Days Capital Projects Competitive Grant Program: $300,000.00

Appropriation – FY 2026 $2,100,000.00

Appropriation – FY 2027 $2,100,000.00

Total Appropriation – Section 5 $4,200,000.00

Sec. 6. VETERANS' HOME

(a) The following sums are appropriated in FY 2026 to the Vermont Veterans' Home for the following projects:

(1) Replacement of air handlers: $710,000.00

(2) Expansion of laundry facilities: $340,000.00

(b) The Chief Executive Officer of the Vermont Veterans' Home is authorized to transfer any unexpended project balances between the amounts appropriated in subdivisions (a)(1)–(2) of this section.

Appropriation – FY 2026 $1,050,000.00

Total Appropriation – Section 6 $1,050,000.00

Sec. 7. UNIVERSITY OF VERMONT

(a) The sum of $1,500,000.00 is appropriated in FY 2026 to the University of Vermont for construction, renovations and major maintenance.

(b) The sum of $1,500,000.00 is appropriated in FY 2027 to the University of Vermont for the projects described in subsection (a) of this section.

Appropriation – FY 2026 $1,500,000.00

Appropriation – FY 2027 $1,500,000.00

Total Appropriation – Section 7 $3,000,000.00

Sec. 8. VERMONT STATE COLLEGES

(a) The following sums are appropriated in FY 2026 to the Vermont State Colleges for the following projects:

(1) Statewide, construction, renovations and major maintenance: $1,500,000.00

(2) Johnson, [planning and design for] the central heating plant replacement: $1,500,000.00

(b) The following sums are appropriated in FY 2027 to the Vermont State Colleges for the following projects:

(1) Statewide, construction, renovations and major maintenance: $1,500,000.00

(2) Johnson, [construction of the] central heating plant replacement: $3,500,000.00

(c) For the amounts appropriated in subdivision (a)(2) and (b)(2) of this section, the Vermont State Colleges shall work with Efficiency Vermont to develop a central heating plant replacement.

Appropriation – FY 2026	$3,000,000.00
Appropriation – FY 2027	$5,000,000.00
Total Appropriation – Section 8	$8,000,000.00

Sec. 9. NATURAL RESOURCES

(a) The sum of $500,000.00 is appropriated in FY 2026 to the Agency of Natural Resources for the Department of Environmental Conservation for dam safety and hydrology projects.

(b) The following sums are appropriated in FY 2026 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the following projects:

(1) Park infrastructure rehabilitation, improvement and three-acre rule compliance: $3,500,000.00

(2) Public lands access infrastructure: $700,000.00

(c) The sum of $1,105,000.00 is appropriated in FY 2026 to the Agency of Natural Resources for the Department of Fish and Wildlife for major maintenance and infrastructure projects.

(d) The following sums are appropriated in FY 2027 to the Agency of Natural Resources for the Department of Environmental Conservation for the following projects:

(1) State match, drinking water supply, Drinking Water State Revolving Fund: $590,000.00

(2) Dam safety and hydrology projects: $500,000.00

(e) The following sums are appropriated in FY 2027 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for the following projects:

(1) Park infrastructure rehabilitation, improvement and three-acre rule compliance: $2,500,000.00

(2) Public lands access infrastructure: $700,000.00

(f) The sum of $1,029,360.00 is appropriated in FY 2027 to the Agency of Natural Resources for the Department of Fish and Wildlife for major maintenance and infrastructure projects.

Appropriation – FY 2026	$5,805,000.00
Appropriation – FY 2027	$5,319,360.00
Total Appropriation – Section 9	$11,124,360.00

Sec. 10. CLEAN WATER INITIATIVES

(a) The sum of $3,000,000.00 is appropriated in FY 2026 to the Agency of Agriculture, Food and Markets for water quality grants and contracts.

(b) The sum of $4,000,000.00 is appropriated in FY 2026 to the Agency of Natural Resources for the Department of Environmental Conservation for municipal pollution control grants.

(c) The sum of $200,000.00 is appropriated in FY 2026 to the Agency of Natural Resources for the Department of Forests, Parks and Recreation for water quality improvements to forest access roads.

(d)(1) The following sums are appropriated in FY 2026 to the Vermont Housing and Conservation Board for the following projects:

(A) Agricultural water quality projects: $800,000.00

(B) Land conservation and water quality projects: $2,000,000.00

(2) A grant issued under subdivision (1)(A) of this subsection:

(A) shall not be considered a State grant under 6 V.S.A. chapter 215, subchapter 3 for purposes of calculating the maximum amount of a State water quality assistance award under 6 V.S.A. § 4824 or 4826; and

(B) may be used to satisfy a grant recipient's cost-share requirements.

(e) The sum of $10,000,000.00 is appropriated in FY 2027 to the Agency of Natural Resources for the Department of Environmental Conservation for clean water implementation projects.

(f) In FY 2026 and FY 2027, any agency that receives funding from this section shall consult with the State Treasurer to ensure that the projects are capital eligible.

Appropriation – FY 2026	$10,000,000.00
Appropriation – FY 2027	$10,000,000.00
Total Appropriation – Section 10	$20,000,000.00

Sec. 11. MILITARY

(a) The following sums are appropriated in FY 2026 to the Military Department for the following projects:

(1) Major maintenance, renovations, and ADA compliance at State armories: $1,272,838.00

(2) Northwest Regional Readiness Center, planning and design: $1,343,333.00

(b) The sum of $1,310,167.00 is appropriated in FY 2027 to the Military Department for major maintenance, renovations, and ADA compliance at State armories.

Appropriation – FY 2026	$2,616,171.00
Appropriation – FY 2027	$1,310,167.00
Total Appropriation – Section 11	$3,926,338.00

Sec. 12. AGRICULTURE, FOOD AND MARKETS

(a) The following sums are appropriated in FY 2026 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for the following projects:

(1) Renovations to the Vermont Building at the Eastern States Exposition: $1,500,000.00

(2) Upgrades to the heat systems serving the Vermont State University Randolph Campus and the Vermont Agricultural and Environmental Laboratory: $3,500,000.00

(b) The sum of $1,500,000.00 is appropriated in FY 2027 to the Department of Buildings and General Services for the Agency of Agriculture, Food and Markets for renovations to the Vermont Building at the Eastern States Exposition.

(c) For the amount appropriated in subdivision (a)(2) of this section, the Commissioner of Buildings and General Services shall negotiate the maintenance of propane summer boilers and update the memorandum of understanding with Vermont State University.

Appropriation – FY 2026 $5,000,000.00

Appropriation – FY 2027 $1,500,000.00

Total Appropriation – Section 12 $6,500,000.00

Sec. 13. PUBLIC SAFETY

(a) The sum of $2,000,000.00 is appropriated in FY 2026 to the Department of Buildings and General Services for the Department of Public Safety for Rutland Field Station.

(b) The following sums are appropriated in FY 2027 to the Department of Buildings and General Services for the Department of Public Safety for the following projects:

(1) Shaftsbury Field Station, land acquisition, planning and design: $150,000.00

(2) Rutland Field Station: $2,000,000.00

Appropriation – FY 2026 $2,000,000.00

Appropriation – FY 2027 $2,150,000.00

Total Appropriation – Section 13 $4,150,000.00

Sec. 14. JUDICIARY

The following sums are appropriated in FY 2026 to the Judiciary for the following projects:

(1) Woodstock Courthouse, backup power system: $100,000.00

(2) Essex County Courthouse expansion: $3,685,910.00

(3) Lamoille County Courthouse, backup power system: $190,000.00

Appropriation – FY 2026 $3,975,910.00

Total Appropriation – Section 14 $3,975,910.00

Sec. 15. VERMONT RURAL FIRE PROTECTION

(a) The sum of $125,000.00 is appropriated in FY 2026 to the Department of Public Safety for the Vermont Rural Fire Protection Task Force for the dry hydrant program.

(b) The sum of $125,000.00 is appropriated in FY 2027 to the Department of Public Safety for the Vermont Rural Fire Protection Task Force for the project described in subsection (a) of this section.

Appropriation – FY 2026 $125,000.00

Appropriation – FY 2027 $125,000.00

Total Appropriation – Section 12 $250,000.00

Sec. 16. VERMONT HISTORICAL SOCIETY

The sum of $700,000.00 is appropriated in FY 2026 to the Vermont Historical Society to mitigate water infiltration at the roof, foundation, and basement of the Spaulding Building in Barre.

Appropriation – FY 2026 $700,000.00

Total Appropriation – Section 16 $700,000.00

* * * Funding * * *

Sec. 17. REALLOCATION OF FUNDS; TRANSFER OF FUNDS

(a) The following sums are reallocated to the Department of Buildings and General Services from prior capital appropriations to defray expenditures authorized in this act:

(1) of the amount appropriated in 2019 Acts & Resolves No. 42, Sec. 2(c)(5), as amended by 2020 Acts & Resolves No. 139, Sec. 1 (108 Cherry Street, parking garage repairs): $399,803.36

(2) of the amount appropriated in 2021 Acts & Resolves No. 50, Sec. 2(c)(18), as amended by 2022 Acts & Resolves No. 180, Sec. 2 (108 Cherry Street, parking garage repairs): $37,519.86

(3) of the amount appropriated in in 2019 Acts & Resolves No. 42, Sec. 13(a), as amended by 2020 Acts & Resolves No. 139, Sec. 9 (Middlesex Field Station): $371.89

(4) of the amount appropriated in 2021 Acts & Resolves No. 50, Sec. 12(a)(2) (Middlesex Field Station): $18,309.45

(5) of the amount appropriated in 2021 Acts & Resolves No. 50, Sec. 12(c), as amended by 2022 Acts & Resolves No. 180, Sec. 10, as further amended by 2023 Acts & Resolves No. 69, Sec. 35 (Williston Public Safety Field Station): $2,220,099.10

(6) of the amount appropriated in 2023 Acts & Resolves No. 69, Sec. 2(b)(3) (statewide, planning, reuse, and contingency): $425,000.00

(7) of the amount appropriated in 2023 Acts & Resolves No. 69, Sec. 2(c)(7) (Northern State Correctional Facility, planning and construction for the boiler replacement): $1,000,000.00

(8) of the amount appropriated in 2023 Acts & Resolves No. 69, Sec. 3(b)(5), as added by 2024 Acts & Resolves No. 162, Sec. 3 (South Burlington, justice-involved men, feasibility study for reentry facility): $125,000.00

(9) of the amounts appropriated in 2015 Acts & Resolves No. 26, Sec. 2(b) (various projects): $58,279.44

(10) of the amounts appropriated in 2017 Acts & Resolves No. 84, Sec. 2(b) (various projects): $23,237.47

(11) of the amounts appropriated in 2019 Acts & Resolves No. 42, Sec. 2(b) (various projects): $73,784.44

(b) The following sums appropriated to the Agency of Commerce and Community Development from prior capital appropriations are reallocated to defray expenditures authorized in this act:

(1) of the amount appropriated in 2019 Acts & Resolves No. 42, Sec. 5(c)(3), as amended by 2020 Acts & Resolves No. 139, Sec. 3 (Highgate Native American Cemetery): $12,042.00

(2) of the amount appropriated in 2017 Acts & Resolves No. 84, Sec. 11(m), as added by 2018 Acts & Resolves No. 190, Sec. 8 (Downtown Transportation Fund pilot project): $67,000.00

(c) The following sums appropriated to the Agency of Transportation from prior capital appropriations are reallocated to defray expenditures authorized in this act:

(1) of the amount appropriated in 2020 Acts & Resolves No. 139, Sec. 12(b)(1) (Lamoille Valley Rail Trail): $112.31

(2) of the amount appropriated in 2017 Acts & Resolves No. 84, Sec. 11(c) (Municipal Mitigation Program): $19,342.69

(3) of the amount appropriated in 2017 Acts & Resolves No. 84, Sec. 11(l)(2), as added by 2018 Acts & Resolves No. 190, Sec. 8 (Better Roads Program): $41,238.46

(d) Of the amount appropriated to the Department of Buildings and General Services in 2023 Acts & Resolves No. 69, Sec. 2(b)(4) (Bennington, Battle Monument, construction of safety fencing), $419,000.00 is reallocated to defray expenditures authorized in Sec. 4 of this act.

(e) Of the amount appropriated to the Agency of Agriculture, Food and Markets in 2017 Acts & Resolves No. 84, Sec. 11(e)(1)(B), as added by 2018 Acts & Resolves No. 190, Sec. 8 (phosphorus removal equipment), $115,000.00 is reallocated to defray expenditures authorized in this act.

(f) Of the amount appropriated to the Agency of Education in 2021 Acts & Resolves No. 50, Sec. 6(a) (funding emergency projects), $19,549.00 is reallocated to defray expenditures authorized in this act.

(g) Of the amount appropriated to the Agency of Natural Resources for the Department of Environmental Conservation in 2017 Acts & Resolves No. 84, Sec. 11(b)(2) (ecosystem restoration and protection), $249.01 is reallocated to defray expenditures authorized in this act.

(h) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Vermont Veterans' Home in 2024 Acts & Resolves No. 113, Sec.

B.1103(a)(7) and authorized in 2023 Acts & Resolves No. 69, Sec. 18(d)(7) (design for the renovation of the Brandon and Cardinal units), $1,500,000.00 is reallocated to defray expenditures authorized in Sec. 19.

(i) Of the amount appropriated from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments to the Department of Buildings and General Services in 2024 Acts & Resolves No. 113, Sec. B.1103(a)(9) and authorized in 2023 Acts & Resolves No. 69, Sec. 18(d)(10) (111 State Street; renovation of the stack area), $200,000.00 is reallocated to defray expenditures authorized in this act.

Bonded Dollars	$5,074,938.48
Cash	$1,700,000.00
Total Reallocations and Transfers – Section 17	$6,774,938.48

Sec. 18. GENERAL OBLIGATION BONDS AND APPROPRIATIONS

The State Treasurer is authorized to issue general obligation bonds in the amount of $100,000,000.00 for the purpose of funding the appropriations made in Sections 2–16 of this act. The State Treasurer, with the approval of the Governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded.

Total Revenues – Section 18	$100,000,000.00

Sec. 19. FY 2026 AND 2027; CAPITAL PROJECTS; FY 2026 APPROPRIATIONS ACT; INTENT; AUTHORIZATIONS

(a) Findings. The General Assembly finds that in addition to the issuance of general obligation bonds, eligible capital projects may be funded from the Fund established in 32 V.S.A. § 1001b.

(b) Intent. It is the intent of the General Assembly to authorize certain capital projects eligible for funding by 32 V.S.A. § 1001b in this act but appropriate the funds for these projects in the FY 2026 Appropriations Act. It is also the intent of the General Assembly that the FY 2026 Appropriations Act appropriate funds to the Fund established in 32 V.S.A. § 1001b for projects in FY 2027, which shall be allocated pursuant to the process set forth in subsection (e) of this section.

(c) Authorizations; Capital Infrastructure subaccount. In FY 2026, spending authority for the following capital projects from the Capital Infrastructure subaccount of the Cash Fund for Capital and Essential Investments are authorized as follows:

(1) to the Department of Buildings and General Services for statewide major maintenance: $8,000,000.00

(2) to the Department of Buildings and General Services for statewide planning, reuse, and contingency: $250,000.00

(3) to the Department of Buildings and General Services for statewide physical security enhancements: $250,000.00

(4) to the Department of Buildings and General Services for State House repointing: $219,500.00

(5) to the Department of Buildings and General Services for an uninterruptable power supply system for the Middlesex print and postal facility: $250,000.00

(6) to the Department of Buildings and General Services for the Judiciary for renovations at the Windsor County Courthouse in White River Junction: $8,000,000.00

(7) to the Vermont Veterans' Home for the design of the American unit: $1,500,000.00

(d) Authorizations; Other Infrastructure, Essential Investments, and Reserves subaccount. In FY 2026, spending authority for the following capital projects from the Other Infrastructure, Essential Investments, and Reserves subaccount of the Cash Fund for Capital and Essential Investments are authorized as follows:

(1) to the Agency of Natural Resources for the Department of Environmental Conservation for the State match to the Infrastructure Investment and Jobs Act Drinking Water State Revolving Fund and Clean

Water State Revolving Fund, in accordance with the provisions of 2023 Acts & Resolves No. 78, Sec. C.108(b): $14,500,000.00

(2) to the Agency of Commerce and Community Development for the Housing Development Assistance Grant Program: $2,000,000.00

(e) Recommendation. On or before December 15, 2025:

(1) the Secretary of Administration shall review and recommend capital projects to be funded from the Fund established in 32 V.S.A. § 1001b; and

(2) the Secretary of Administration shall submit the list of capital projects recommended for FY 2027 to the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions and to the Governor for the FY 2027 capital budget adjustment report.

(f) Notwithstanding 29 V.S.A. § 152(a)(20), the Commissioner of Buildings and General Services is authorized to transfer any unexpended project balances between the amount appropriated in subdivision (c)(7) of this section and the amounts appropriated in 2023 Acts & Resolves No. 69, Sec. 15(b)(1) (emergency generator and boiler plant replacement).

* * * Policy * * *

* * * Department of Buildings and General Services * * *

Sec. 20. 32 V.S.A. § 701a is amended to read:

§ 701a. CAPITAL CONSTRUCTION BILL

* * *

(d)(1) On or before November 15 each year, the Commissioner of Finance and Management shall require each entity to which spending authority has been authorized by a capital construction act enacted in a legislative session that was two or more years prior to the current legislative session to submit a report on the current fund balances of each authorized project with unexpended funds. The report shall include plans for the unexpended funds, any projects or contracts the funds are assigned to, and an anticipated timeline for expending the funds.

(2) On or before ~~December 15 each year~~ the third Tuesday of every annual session, the Commissioner of Finance and Management shall submit in a consolidated format the reports required by subdivision (1) of this subsection to the House Committee on Corrections and Institutions and the Senate Committee on Institutions.

* * *

Sec. 22. 32 V.S.A. § 310 is amended to read:

§ 310. FORM OF ANNUAL CAPITAL BUDGET AND 10-YEAR CAPITAL PROGRAM PLAN

(a) Each biennial capital budget request submitted to the General Assembly shall be accompanied by, and placed in the context of, a 10-year State capital program plan to be prepared, and revised annually, by the Governor and approved by the General Assembly. The 10-year plan shall include a list of all

projects that will be recommended for funding in the current and ensuing nine fiscal years. The list shall be prioritized based on need.

(b) The capital budget request for the following biennium shall be presented as the next increment of the 10-year plan. Elements of the plan shall include:

(1) Assessment and projection of need.

(A) Capital needs and projections shall be based upon current and projected statistics on capital inventories and upon State demographic and economic conditions.

(B) Capital funding shall be categorized as follows:

(i) State buildings, facilities, land acquisitions, major maintenance, renewable energy sources, and conservation;

(ii) higher education;

(iii) aid to municipalities for education, environmental conservation, including water, sewer, and solid waste projects, and other purposes; and

(iv) transportation facilities.

(C) Capital needs and projections shall be for the current and the next nine fiscal years, with longer-term projections presented for programs with reasonably predictable longer-term needs.

(D) Capital needs and projections shall be presented independently of financing requirements or opportunities.

(E) Capital needs and projections shall include an estimated cost of deferred infrastructure maintenance in State buildings and facilities.

(2) Comprehensive cost and financing assessment.

(A) Amounts appropriated and expended for the current fiscal year and for the preceding fiscal year shall be indicated for capital programs and for individual projects. The assessment shall indicate further the source of funds for any project that required additional funding and a description of any authorized projects that were delayed.

(B) Amounts proposed to be appropriated for the following fiscal year and each of the nine years thereafter shall be indicated for capital programs and for individual projects and shall be revised annually to reflect revised cost estimates and changes made in allocations due to project delays.

(C) The capital costs of programs and of individual projects, including funds for the development and evaluation of each project, shall be presented in full for the entire period of their development.

(D) The operating costs, both actual and prospective, of capital programs and of individual projects shall be presented in full for the entire period of their development and expected useful life.

(E) The financial burden and funding opportunities of programs and of individual projects shall be presented in full, including federal, State, and local government shares, and any private participation.

(F) Alternative methods of financing capital programs and projects should be described and assessed, including debt financing and use of current revenues.

Sec. 23. DEPARTMENT OF BUILDINGS AND GENERAL SERVICES; TRANSFER OF RANDALL MEADOW PROPERTY IN THE TOWN OF WATERBURY

On or before July 1, 2026, the Department of Buildings and General Services shall finalize a transfer of State-owned real property in the Town of Waterbury referred to as the "Randall Meadow." The Department shall grant the Town the ability to either acquire ownership of the property or an option to purchase the property, which shall remain available for a period of ten years. The Department shall transfer this property to the Town of Waterbury. The Town may use the property for future flood-resilient redevelopment. Prior to completing the transfer, the Department shall contract for engineering and other necessary services to create a higher volume floodway within the bounds of the property.

* * * Agency of Human Services * * *

Sec. 24. REPEAL

2024 Acts & Resolves No. 162, Sec. 31 (potential reuse of Chittenden Regional Correctional Facility Site; feasibility; report) is repealed.

* * * Agency of Commerce and Community Development * * *

Sec. 25. HOUSING DEVELOPMENT ASSISTANCE GRANT PROGRAM

(a) Creation. There is created the Housing Development Assistance Grant Program to be administered by the Agency of Commerce and Community Development to ensure transparency, equity, and accountability in the allocation of capital grants through the capital bill to housing infrastructure projects. The amount appropriated in Sec. 19[(c)][(d)(2)] of this act shall be used to fund this Program.

(b) Use of funds. Capital grants authorized in this section shall be used for housing infrastructure projects that the Agency of Commerce and Community Development selects through a competitive grant program using the project criteria developed under this section

(c) Project criteria. The Agency of Commerce and Community Development shall develop criteria for awarding capital grants through the Program that ensure that a competitive application under the Program:

(1) demonstrates clear readiness for immediate implementation of the proposed housing infrastructure project, including through evidence of secured permits, the completion of design and planning phases, confirmation of

additional funding sources, and a realistic timeline for groundbreaking and construction;

(2) aligns with community and regional planning goals and objectives;

(3) provides evidence of local support, including by resolutions of support from local legislative bodies, community input processes, and demonstrated partnerships with local organizations;

(4) demonstrates that the proposed housing infrastructure project will address local housing needs, including by increasing affordability, diversifying housing type, or increasing accessibility to community resources; and

(5) provides for permanently affordable housing units to ensure long-term affordability within the community.

(d) Administration. The Agency of Commerce and Community Development shall administer and coordinate capital grants made pursuant to this section. The Agency of Commerce and Community Development shall widely publicize the grant application process to ensure broad participation from communities and organizations throughout the State. Grant funds shall not be used to administer the Program.

(e) Awards. Grants shall be awarded competitively to applicants for housing infrastructure projects and shall require a detailed agreement outlining project timelines, milestones, anticipated outcomes, and provisions for the return of funds if the project fails to meet the conditions and timelines

specified in the agreement. The Agency of Commerce and Community Development shall not award any capital grant through the Program until the Agency has satisfied the reporting provisions of subsection (f).

(f) Reporting. Prior to the award of any capital grant through the Program, the Agency of Commerce and Community Development shall report to the House Committee on Corrections and Institutions and the Senate Committee on Institutions for each Committee's approval of the project criteria and application process developed for the Program.

* * * Vermont Veterans' Home * * *

Sec. 26. USE OF FEDERAL FUNDS; EMERGENCY GENERATOR AND BOILER REPLACEMENT; ELEVATOR UPGRADE

If the Commissioner of Finance and Management offsets any capital funds appropriated in 2023 Acts & Resolves No. 69, Sec. 15 (b)(1)–(2) (emergency generator and boiler plant replacement; elevator upgrade) with federal funds, then any offset amounts shall be reused for future capital construction projects as part of the capital budget process.

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* * * Effective Date * * *

Sec. 27. EFFECTIVE DATE

This act shall take effect on passage.