

No. XXX. An act relating to making appropriations for the support of government

(H. **XXX**)

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

* * * Purpose, Definitions, Legend * * *

Sec. A.100 SHORT TITLE

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

Sec. A.101 PURPOSE

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

Sec. A.102 APPROPRIATIONS

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

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

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

Sec. A.103 DEFINITIONS

(a) As used in this act:

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

(2) “Grants” means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of

the State for services or supplies and means cash or other direct assistance, including pension contributions.

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

(4) "Personal services" means wages and salaries, fringe benefits, per diems, and contracted third party services, and similar items.

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

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

Sec. A.105 OFFSETTING APPROPRIATIONS

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

Sec. A.106 FEDERAL FUNDS

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

(b) If, during fiscal year 2026, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2025 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to General Assembly or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

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

Sec. A.108 LEGEND

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

<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons and Property</u>
<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and Community Development</u>
<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>
<u>B.1100–B.1199 and E.1100–E.1199</u>	<u>One-time and other appropriation actions</u>

(b) The C sections contain any amendments to the current fiscal year and the D sections contain fund allocations, transfers, reversions and reservations for the upcoming budget year.

* * * Fiscal Year 2026 Base Appropriations * * *

Budget data for Secs. B.100 through B.1000 transmitted electronically to the Joint Fiscal Office

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

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2026 ONE-TIME APPROPRIATIONS

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

- (1) \$220,000 General Fund for the Office of Racial Equity to continue the Inclusion, Diversity, Equity, Action, Leadership (IDEAL) Vermont program an additional two years
- (2) \$1,100,000 General Fund for the Truth and Reconciliation Commission

FY 2026 Governor's Recommended Budget

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

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

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

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

(1) \$1,000,000 PILOT Special Fund for the Municipal Buyout Reimbursement Program as established per section E.142.2 of this act. These funds shall carry forward each fiscal year until fully expended or reverted by the Secretary of Administration.

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

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

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

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

(1) \$4,448,520 General Fund and \$6,351,480 Federal Funds for the Department of Vermont Health Access's Global Commitment appropriation for the Support and Services at Home (SASH), Primary Care Medical Home (PCMH) and Community Health Team (CHT) serviced under the Blueprint for Health.

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

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

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

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

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

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

(1) \$2,000,000 General Fund for shelter capacity expansion.

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

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

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

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

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

FY 2026 Governor's Recommended Budget

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

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

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

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

(1) \$185,000 Fish & Wildlife – Nondedicated Special Fund to sustain current operations as the Department undergoes a financial restructuring. These funds shall carry forward each fiscal year until fully expended or reverted by the Secretary of Administration.

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

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

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

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

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

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

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

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

(3) \$15,000,000 General Fund for the Vermont Housing Finance Agency Rental Revolving Loan Fund.

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

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

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

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

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

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

EXPLANATION:

FY 2026 Governor's Recommended Budget

- (a)(1): Maintains the IDEAL Vermont Program in the Secretary of Administration's Office for an additional two years.
- (a)(2): Annual one-time appropriation for the operating needs of the Truth and Reconciliation Commission
- (a)(3): Supports continuation of MTAP operations for another year
- (b)(1): Funding to support replacement of the outdated Willis classification system. The Willis system is used in determining position pay grades under the collective bargaining agreements for classified employees.
- (c)(1): Provides seed funding for the PILOT Buyout program established in Section E.142.2.
- (d)(1): Provides the matching funds for a federal cybersecurity grant.
- (d)(2): Provides funding needed to replace outdated portable radios and communications equipment needed to ensure law enforcement officer safety.
- (e)(1): Addresses a gap in funding attributed to Medicare beneficiaries during calendar year 2026 prior to implementation of Advancing All-Payer Health Equity Approaches and Development (AHEAD) during calendar year 2027.
- (f)(1): Addresses a gap in funding attributed to Medicare beneficiaries during calendar year 2026 prior to implementation of Advancing All-Payer Health Equity Approaches and Development (AHEAD) during calendar year 2027.
- (g)(1): Maintain limited-service positions necessary for continued PCB testing
- (g)(2): To build a Recovery Campus in the Northeast Kingdom for justice-involved individuals.
- (h)(1): Continued support to expand shelter beds and services
- (h)(2): Projected need to continue the General Assistance Emergency Housing Program under current law.
- (i)(1): To investigate and begin conversion of the Northeast Regional Correctional Facility into a treatment-specific facility for incarcerated individuals.
- (j)(1): Support for the Agency of Education and local education agencies as public education delivery and financing undergoes a transformation.
- (k)(1): Continued support for the CCV Tuition Advantage program
- (k)(2): Final bridge payment to Vermont State University in support of its operational transformation.

FY 2026 Governor’s Recommended Budget

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

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

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

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

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

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

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

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

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

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

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

(p)(1): Land Access Opportunity Board operations support

* * * Fiscal Year 2024 Adjustments, Appropriations, and Amendments * * *

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

Sec. B.209 Public safety - state police

Personal services	74,755,468	<u>76,655,468</u>
Operating expenses	15,992,094	
Grants	1,137,841	
Total	91,885,403	<u>93,785,403</u>
Source of funds		
General fund	57,891,409	<u>59,791,409</u>
Transportation fund	20,250,000	
Special funds	3,170,328	

FY 2026 Governor’s Recommended Budget

Federal funds	8,967,252	
Interdepartmental transfers	1,606,414	
Total	91,885,403	<u>93,785,403</u>

EXPLANATION:

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

Sec. C.101 2024 Acts and Resolves No. 113, Sec. B.503 is amended to read:

Sec. B.503 Education - state-placed students

Grants	20,000,000	<u>19,000,000</u>
Total	20,000,000	<u>19,000,000</u>
Source of funds		
Education fund	20,000,000	<u>19,000,000</u>
Total	20,000,000	<u>19,000,000</u>

EXPLANATION:

Annual costs are less than originally estimated.

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

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

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

EXPLANATION:

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

Sec. C.103 2024 Acts and Resolves No. 113, Sec. B.1100 is amended to read:

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2025 ONE-TIME APPROPRIATIONS

(h) Department of Economic Development. In fiscal year 2025, funds are appropriated for the following:

(1) \$150,000 General Fund for continued funding of the International Business Office previously funded by 2021 Acts and Resolves No. 74, Sec. G.300(b)(1)

(2) \$2,000,000 General Fund for a grant to the Vermont Economic Development Authority to establish a disaster relief fund for use by businesses following a natural disaster

(3) ~~\$7,000,000~~ \$5,000,000 General Fund is for the Business Emergency Gap Assistance Program, existing Dept ID 7120892502, as authorized on August 12, 2024 by unanimous vote of the Vermont Emergency Board

(o) Department of Vermont Health Access. In fiscal year 2025, funds are appropriated for the following:

(4) \$11,000,000 General Fund for an alternative payment model reconciliation payment to Brattleboro Retreat. All or a portion of these funds may also be used as matching funds to the Agency of Human Services Global Commitment Program to provide state match. If funds are used as matching funds to the Agency of Human Services Global Commitment Program to provide state match, the commensurate amount of Global Commitment Fund spending authority may be requested during the Global Commitment Transfer process pursuant to 2024 Acts and Resolves No. 113, Sec. E.301.1.

EXPLANATION:

(h)(2): Establishes a natural disaster revolving loan fund for businesses in Vermont.

(h)(3): The appropriation in subsection (h)(2) is financed by reducing the one-time Business Emergency Gap Assistance Program appropriation funded by the Emergency Board on August 12, 2024 in response to the July 2024 flood.

(o)(4): Estimate of the annual reconciliation payment to Brattleboro Retreat.

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

Sec. D.101 FUND TRANSFERS

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

FY 2026 Governor's Recommended Budget

(1) From the General Fund to the:

(A) General Obligation Bonds Debt Service Fund (#35100): ~~\$73,212,880~~
\$78,235,088.34.

(J) Emergency Relief and Assistance Fund (#21555): ~~\$830,000~~ \$6,500,000.

(K) Education Fund (#20205): \$25,000,000.

(L) Medical Insurance Fund (#55100): \$18,500,000

(M) Correctional Industries Fund (#59100): \$3,135,443

(N) Act 250 Permit Fund (#21260): \$900,000

(O) State Liability Self-Insurance Fund (#56200): \$3,000,000

(2) From the Transportation Fund to the:

~~(A) Vermont Recreational Trails Fund (#21455): \$370,000.~~

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

(C) General Obligation Bonds Debt Service Fund (#35100): \$316,745.

(D) Notwithstanding 19 V.S.A. § 13(c), the Transportation Fund transfer to the Central Garage fund in fiscal year 2025 shall be \$0

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

(b) Notwithstanding any provision of law to the contrary, in fiscal year 2025:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

(A) Cannabis Regulation Fund (#21998): ~~\$12,000,000~~ \$15,417,084.32.

(B) AHS Central Office Earned Federal Receipts (#22005): \$4,641,960.

(C) Sports Wagering Enterprise Fund (#50250): ~~\$7,000,000~~ \$6,139,162.

(D) Liquor Control Fund (#50300): ~~\$21,100,000~~ \$9,543,353.

~~(E) Tobacco Litigation Settlement Fund (#21370): \$3,000,000.~~

(F) Financial Institutions Supervision Fund (#21065): \$1,100,000.

(G) Workforce Education and Training Fund (#21913): \$2,598,921.75

(H) Vermont Traumatic Brain Injury Fund (#21994): The balance of the fund following the close of fiscal year 2025.

(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund. The Commissioner of Finance and Management shall report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such

FY 2026 Governor's Recommended Budget

transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.

(A) AG-Fees & Reimbursements-Court Order Fund (#21638): \$2,000,000.

(B) Unclaimed Property Fund (#62100): ~~\$6,500,000~~\$10,995,595.

(3) ~~\$66,935,000~~\$63,560,450.50 of the net unencumbered fund balances in the Insurance Regulatory and Supervision Fund (#21075), the Captive Insurance Regulatory and Supervision Fund (#21085), and the Securities Regulatory and Supervision Fund (#21080) shall be transferred to the General Fund.

EXPLANATION:

(a)(1)(A) The first payment of the June 2024 General Obligation issuance is due in February 2025. Spending authority for the payment from the Debt Service Fund is provided to the State Treasurer via 32 V.S.A. § 902(b). This payment necessitates the General Fund transfer included in the recommended FY25 Budget Adjustment Act to eliminate the cash deficit in the Debt Service Fund caused by the timing between when the authorized payment is made and the authorized transfer occurs.

(a)(1)(J) Increased demand following the July 2024 flood.

(a)(1)(L) Deficit capitalization resulting from claims experience exceeding expectations and increased pharmacy costs.

(a)(1)(M) Deficit capitalization less \$92,459 for outstanding receivables.

(a)(1)(N) Transfer mitigates loss of revenues to the Act 250 Permit Fund and is funded by reducing the one-time appropriation provided by 2024 Acts and Resolves No. 181, Sec. 113b at the request of the Natural Resources Board.

(a)(1)(O) Transfer to the State Liability Self-Insurance Fund established pursuant to 29 V.S.A. § 1406, in an amount equivalent to the EB-5 settlement payment that was made from this fund on July 1, 2024. This one-time transfer from the General Fund is necessary to prevent the assessment of this claim cost to all entities statewide via the internal service fund cost allocation process.

(a)(2)(A) The transfer from the Transportation Fund to the Vermont Recreational Trails Fund is codified per 10 V.S.A. § 446. Inclusion of the session law language leads to an unintentional doubling of the transfer. This transaction is not recorded on the BAA worksheet because the unintended doubling was never included on the Transportation Fund operating statement. Inclusion on the worksheet would require adding money back to the Transportation Fund to record the reversal and then an offsetting adjustment to account for it never being added to the operating statement.

FY 2026 Governor's Recommended Budget

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

(b)(1)(A) Amends the estimate for the actual amount transferred after the close of FY24 in accordance with 7 V.S.A. § 845.

(b)(1)(C) The Department of Liquor and Lottery anticipates \$860,838 less of sports wagering receipts available for transfer to the General Fund due to a trend of increased winnings and payouts to players, as reported to the Department of Liquor and Lottery from the state's market operators.

(b)(1)(D) The Department of Liquor and Lottery adjusted the FY25 transfer to the General Fund based upon current year market conditions and to compensate for prior year transfers in excess of earnings that put the fund in deficit. The reduction returns the fund to a net balanced position in accordance with Generally Accepted Accounting Principles.

(b)(1)(E) The General Assembly transferred \$3 million dollars to the General Fund from the Tobacco Litigation Special Fund in Act 113. This transfer is leading to a \$1.6 million anticipated FY26 year-end deficit in the Tobacco Litigation Special Fund. The General Assembly's transfer is unnecessary to meet FY25 demands and eliminating the transfer puts the Tobacco Litigation Special Fund back in a projected year-end surplus position in FY26.

(b)(1)(G) The Workforce Education & Training Fund (WET Fund) was funded by a transfer from the Next Generation Initiative Fund, which in turn was funded by a General Fund transfer. The Next Generation Fund was deactivated and the programmatic costs previously covered by the WET Fund are now part of the Labor Department's base General Fund appropriation. This fund is obsolete and should be eliminated. The balance can be returned to the General Fund.

(b)(1)(H) This fund is obsolete. It received one \$140,000.00 transfer to capitalize the fund on August 04, 2008 which was fully expended by February 03, 2010. The fund provided one \$70,000 grant to Health Care & Rehabilitation Services of Southeast Vermont, Inc. and one \$70,000 grant to the Brain Injury Association of Vermont. The \$1,500.00 estimated fiscal year-end balance in the fund is composed entirely of compounded interest earnings received since 2008 and the fund is being repealed by this proposal.

(b)(2)(B) \$4,495,595 was remaining at the close of fiscal year 2024 beyond the required \$4,806,692 transfer per 2024 Acts and Resolved No. 87, Sec. 55.

(b)(3) The original estimate revised for diminishing applications due to fee increases and rebasing original estimate to actuals.

Sec. C.105 2024 Acts and Resolves No. 113, Sec. D.102 is amended to read:

Sec. D.102 REVERSIONS

FY 2026 Governor’s Recommended Budget

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

1210002000 Legislature	\$211,576.00	
1215001000 Legislative Counsel	\$301,089.00	
1220000000 Joint Fiscal Committee/Office	\$301,010.46	
1220890501 Budget System/Transfer to Tax Dept	\$39.54	
1220891802 Decarbonization Mech Study	\$39.00	
3150892104 MH – Case Management Serv	\$350,000.00	<u>\$350,199.34</u>
1100892201 Agency of Administration – 27/53 Reserve	\$8,064,362.69	
1100892302 Agency of Administration – Trans. Retirement	\$3,935,637.31	
1100892208 AOA-VT Housing Finance Agency	\$3,000,000.00	
<u>1100892403 AOA-Health Equity Community Grants</u>	<u>\$500,000.00</u>	
<u>1120020000 Tuition Assistance Program</u>	<u>\$133,877.86</u>	
<u>1120892401 DHR-New Position in DHR Ops</u>	<u>\$477,769.00</u>	
<u>1120892402 DHR-New Position in VTHR Ops</u>	<u>\$40,726.07</u>	
<u>1140010000 Tax Operation Costs</u>	<u>\$1,267,062.22</u>	
<u>1140060000 Reappraisal & Listing Payments</u>	<u>\$35,270.75</u>	
<u>1140070000 Use Tax Reimbursement Program</u>	<u>\$37,864.25</u>	
<u>1140330000 Renter Rebates</u>	<u>\$2,186,940.33</u>	
<u>1140892403 Tax-Childcare Contr Positions</u>	<u>\$3,591,823.02</u>	
<u>1260980000 Debt Service</u>	<u>\$235,445.15</u>	
<u>1266892401 VPIC-Pension System Assets</u>	<u>\$5,000.00</u>	
<u>2100892201 AG – Racial Disparities</u>	<u>\$48,465.00</u>	
<u>2120892203 JUD-Cnty Court House HVAC</u>	<u>\$800,000.00</u>	
<u>2120892402 JUD-Essex Cty Courthouse Renov</u>	<u>\$50,000.00</u>	
<u>2130400000 SIUS Parent Account</u>	<u>\$395,749.64</u>	
<u>2150010000 Mil Admin/TAGO</u>	<u>\$142,789.80</u>	
<u>2150050000 Mil Vet Affairs Office</u>	<u>\$100,000.00</u>	
<u>2160892201 CCVS-VT Forensic Nursing</u>	<u>\$246.43</u>	
<u>2160892304 CCVS-Kurn Hattin Survivor</u>	<u>\$250.00</u>	

FY 2026 Governor’s Recommended Budget

<u>2200010000 Administration Division</u>	<u>\$167,222.00</u>
<u>3310000000 Commission on Women</u>	<u>\$25,390.43</u>
<u>3330892401 GMCB-VHCURES Database Implemen</u>	<u>\$545,782.90</u>
<u>3400892111 Supp New Amer, Refugee</u>	<u>\$23,431.00</u>
<u>3400892301 AHSCO-Refugee Resettlement</u>	<u>\$1,293.00</u>
<u>3420892405 HD-Regional Emergency Med</u>	<u>\$8,295.01</u>
<u>3440050000 DCFS - AABD</u>	<u>\$35,310.73</u>
<u>3440892110 DCF – Grants to Reachup</u>	<u>\$5.10</u>
<u>3440892203 DCF-Parent Child Ctrs Cap Imp</u>	<u>\$20,708.22</u>
<u>3440892214 DCF-Childcare Provider Workfor</u>	<u>\$294.79</u>
<u>4100500000 VT Department of Labor</u>	<u>\$8,000,000.00</u>
<u>5100070000 Education Services</u>	<u>\$100,000.00</u>
<u>5100892101 AOE-VSC Committee Per Diem</u>	<u>\$16,295.33</u>
<u>5100892102 AOA-Advisory Group Per Diem</u>	<u>\$9,018.00</u>
<u>5100892103 AOE-ESESAG Per Diems</u>	<u>\$8,960.00</u>
<u>5100892201 AOE- Comm Pub Sch Emp Hlth Ben</u>	<u>\$29,050.00</u>
<u>5100892202 AOE-Task Force Equit Inclusive</u>	<u>\$6,150.00</u>
<u>5100892302 AOE-Ethnic&Social Equity Per D</u>	<u>\$14,386.24</u>
<u>6100010000 Admin., Management & Planning</u>	<u>\$402,052.99</u>
<u>6100040000 Property Tax Assessment Approp</u>	<u>\$11,692.11</u>
<u>6140880005 152/00 St Asst Munic Poll Cont</u>	<u>\$126.26</u>
<u>7100892301 Everyone Eats</u>	<u>\$144,565.43</u>
<u>7120892304 DED-Relocated & Remote Worker</u>	<u>\$127,314.33</u>
<u>8100002100 Department of Motor Vehicles</u>	<u>\$2,482.81</u>

(c) Notwithstanding any provision of law to the contrary, in fiscal year 2025, the following amounts shall revert to the Education Fund from the accounts indicated:

<u>5100010000 Administration</u>	<u>\$301,041.03</u>
<u>5100050000 State-Placed Students</u>	<u>\$13,687,528.41</u>
<u>5100090000 Education Grant</u>	<u>\$359,570.31</u>

FY 2026 Governor’s Recommended Budget

<u>5100110000 Small School Grant</u>	<u>\$593,700.00</u>
<u>5100200000 Education – Technical Education</u>	<u>\$1,802,347.44</u>
<u>5100210000 Ed – Flexible Pathways</u>	<u>\$1,312,334.72</u>
<u>5100892405 AOE-Universal School Meals</u>	<u>\$6,201,479.69</u>

EXPLANATION:

Net reversions in accordance with 32 V.S.A. § 703 and 2024 Acts and Resolves No. 87, Sec. 103(a) and (b).

The underlined language is consistent with the Governor’s recommended Budget Adjustment Act language, with the following exception:

Highlighted \$3M reversion from AOA-VT Housing Finance Agency added to offset transfer to the State Liability Insurance Fund in Sec. C.104 of this act amending 2024 Act 113 Sec. D.101.

Sec. C.106 2023 Acts and Resolves No. 78. Sec. B.1100, as amended by 2024 Acts and Resolves No. 87, Sec. 40, as amended by 2024 Acts and Resolves 113, Sec. C.101, is further amended to read:

(l) Agency of Human Services Central Office. In fiscal year 2024, funds are appropriated for the following:

(2) \$8,834,000 General Fund and \$11,483,302 Federal Revenue Fund #22005 for a ~~two~~three-year pilot to expand the Blueprint for Health Hub and Spoke program. Funds shall be used to expand the substances covered by the program, include mental health and pediatric screenings, and make strategic investments with community partners;

(m) Department of Vermont Health Access. In fiscal year 2024, funds are appropriated for the following:

(1) \$366,066 General Fund and \$372,048 Federal Revenue Fund #22005 for a ~~two~~three-year pilot to expand the Blueprint for Health Hub and Spoke program and;

(2) \$15,583,352 Global Commitment Fund #20405 for a ~~two~~three-year pilot to expand the Blueprint for Health Hub and Spoke program; and

EXPLANATION:

Expenditures under the pilot program will continue, on a cash basis, into SFY 2026. These amendments will allow the remaining appropriations to carryforward into SFY 2026.

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

Sec. D.100 PROPERTY TRANSFER TAX ALLOCATIONS

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

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

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

(A) The dedication of \$2,500,000 in revenue from the property transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the affordable housing bond (10 V.S.A. § 314) shall be offset by the reduction of \$1,500,000 in the appropriation to the Vermont Housing and Conservation Board and \$1,000,000 from the surcharge established by 32 V.S.A. § 9602a. The fiscal year 2026 appropriation of \$36,964,250 to the Vermont Housing Conservation Board reflects the \$1,500,000 reduction. The affordable housing bond and related property transfer tax and surcharge provisions are repealed after the life of the bond on July 1, 2039. Once the bond is retired, the \$1,500,000 reduction in the appropriation to the Vermont Housing Conservation Board shall be restored.

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

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

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

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

EXPLANATION:

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

(a)(1): Following the \$2,500,000 reduction per 32 V.S.A. § 9610(d)(1); 32 V.S.A. § 9610(c) allocates 1.5% of the net amount, \$1,171,500 to the Current Use Administration Special Fund for the administrative costs of the Property Valuation and Review Division of the Vermont Department of Taxes. The Property Valuation and Review Division only requires \$591,137 to meet its administrative requirements. The \$580,363 surplus property transfer tax receipts are, therefore, being transferred to the General Fund.

(a)(2): The \$80,600,00 January consensus property transfer tax estimate is reduced by \$2,500,000, per 32 V.S.A. § 9610(d)(1), for Vermont Housing Finance Agency bond servicing and then by 1.5% of the net receipts (\$1,171,500), per 32 V.S.A. 9610(c), for the Vermont Department of Taxes Property Valuation and Review Division administrative costs. Of the net \$76,928,500 of property transfer taxes available for distribution 50%, or \$38,464,250, is allocated to the Vermont Housing and Conservation Board per 10 V.S.A. § 312. An additional \$1,000,000 is allocated to the Vermont Housing and Conservation Board from the property transfer tax surcharge, per 32 V.S.A. § 9602a, for a total of \$39,464,250. The language in this section notwithstanding these requirements and finances the \$2,500,000 due the Vermont Housing Finance Agency by redirecting the \$1,000,000 property transfer tax surcharge and \$1,500,000 of the Vermont Housing and Conservation Board's property transfer tax allocation to the General Fund. The resulting net allocation for appropriation to the Vermont Housing and Conservation Board is \$36,964,250.

(a)(3): The altered allocation for regional planning commissions and municipalities is based on a request from the Agency of Commerce and Community Development.

Sec. D.101 FUND TRANSFERS

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

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

(A) General Obligation Bonds Debt Service Fund (#35100): \$81,155,462.

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

(C) Tax Computer System Modernization Fund (#21909): \$4,300,000

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

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

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

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

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

(A) General Obligation Bonds Debt Service Fund (#35100): \$305,825.

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

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

(A) Tax Computer System Modernization Fund (#21909): \$1,500,000

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

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

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

FY 2026 Governor's Recommended Budget

(5) From the Other Infrastructure, Essential Investments and Reserves Subaccount in the Cash Fund for Capital and Essential Investments Fund (#21953) to the:

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

(B) Capital Infrastructure Subaccount in the Cash Fund for Capital and Essential Investments Fund (#21952): \$1,000,000

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

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

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

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

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

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

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

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

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

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

(B) 9 V.S.A. § 5613(c). Securities Regulatory and Supervision Fund (#21085):
\$21,745,635

(C) 27 V.S.A. § 1543. Unclaimed Property Fund (#62100): \$6,541,757

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

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

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

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

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

EXPLANATION:

(a)(1)

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

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

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

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

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

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

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

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

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

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

(a)(2)

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

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

(a)(3)

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

FY 2026 Governor’s Recommended Budget

(a)(4)

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

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

(a)(5)

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

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

(a)(6)

(A): Annual transfer for fiscal year 2026.

(a)(7)

(A): Annual transfer for fiscal year 2026.

(a)(8)

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

(b) Multiple sections

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

(c) Multiple sections

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

Sec. D.102 REVERSIONS

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

<u>1210892201 LEG-Pension Benefit Consul</u>	<u>\$8,821.25</u>
<u>1220891803 VT Tax Structure Comm</u>	<u>\$59,673.09</u>
<u>1220891901 Contract Services for Research</u>	<u>\$25,000.00</u>
<u>1220892201 JFO-AAHC Task Force Consult</u>	<u>\$7,155.00</u>

FY 2026 Governor’s Recommended Budget

<u>1220892301 JFO-Studies & Reports</u>	<u>\$21,125.50</u>
<u>1230891301 Security</u>	<u>\$39.10</u>
<u>1230892301 SAA-Capitol Police</u>	<u>\$0.99</u>

EXPLANATION:

Reversions recommended by the Joint Fiscal Office.

Sec. D.103 RESERVES

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

(1) General Fund

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

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

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

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

(E) Notwithstanding 32 V.S.A. § 308c(a) any fiscal year-end balance otherwise subject to the requirements of this provision shall instead be reserved for funding the transformation of Vermont’s education system in fiscal year 2027. Funds may be used to support school consolidation including construction and repurposing of buildings, property tax stabilization and other necessary transformation costs. The requirements of this subsection shall extend past July 01 of the subsequent fiscal year and expire upon completion of the current fiscal year’s accounting closure period.

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

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

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

(3) Transportation Fund

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

EXPLANATION:

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

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

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

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

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

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

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

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

* * * General Government * * *

Sec. E.100.1 2023 Acts and Resolves No. 78, Sec. B.1100 as amended by 2024 Acts and Resolves No. 87, Sec. 40 is further amended to read:

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

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

FY 2026 Governor's Recommended Budget

- (1) \$2,300,000 General Fund to create, implement, and oversee a comprehensive statewide language access plan;
- (2) \$15,000,000 General Fund to be used to offset the cost of denied claims for ~~Federal Emergency Management Agency (FEMA)~~ federal reimbursement related to presidentially declared disasters in fiscal years 2024 or 2025, or to fund unanticipated statewide costs related to recovery efforts from declared disasters or administering programs created by funds from the American Rescue Plan Act - Coronavirus State Fiscal Recovery Fund, including the costs of related limited-service positions, and contracting for programs and services.
- (3) \$500,000 General Fund for community grants related to health equity. These funds shall not be released until the recommendation and report required by Sec. E.100.1 of this act, regarding the permanent administrative location for the Office of Health Equity, is provided to the committees of jurisdiction listed in Sec. E.100.1 of this act and the positions in the Office of Health Equity created by this act are filled.
- (4) \$30,000,000 General Fund to be used as ~~Federal Emergency Management Agency (FEMA) matching funds non-federal share~~ related to disaster spending for costs incurred due to the July 2023 flooding event federally declared disasters in state fiscal years 2024 and 2025.

EXPLANATION:

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

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

Sec. C.110 EMERGENCY RENTAL ASSISTANCE PROGRAM; REVERSION AND REALLOCATION

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

EXPLANATION:

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

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

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

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

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

(a) Of the \$1,886,562 appropriated in Sec. B.134 of this act, \$1,484,924 constitutes the Vermont Municipal Employees' Retirement System operating budget, and \$391,638 constitutes the portion of the Vermont Pension Investment Commission's budget attributable to the Vermont Municipal Employees' Retirement System

EXPLANATION: Annual language to differentiate the portion of the VMERS admin appropriation that support operations in the State Treasurer's Office versus the portion that supports VPIC.

Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

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

EXPLANATION:

Standard language.

Sec. E.142 PAYMENTS IN LIEU OF TAXES

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

EXPLANATION:

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

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

§ 3709. PILOT Special Fund

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

EXPLANATION:

Establishes that the fund shall be used to make payments for the new Municipal Buyout Reimbursement Program established in Sec. 142.2 of this act.

Eliminates “City of Montpelier” as 100% of their amount due is now covered by the general PILOT payment and the Montpelier PILOT appropriation has been eliminated.

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

Subchapter 4C: MUNICIPAL BUYOUT REIMBURSEMENT PROGRAM

§ 3710. Reimbursement to Municipalities

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

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

(c) The Commissioner of Taxes shall certify the payment amounts to the Secretary of Administration. The Secretary shall make an annual payment to each municipality with eligible property for each property to compensate for the loss of municipal property tax. The payment shall be calculated using the grand list value of the acquired property for the year during which the property was either damaged by flooding or identified as flood-prone by the Commissioner of Public Safety, multiplied by the municipal tax rate, including any sub-municipal tax rates in effect each year. This payment shall be made on or before January 1 of each year for five years.

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

(e) Payment under this section shall be made shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709 only after all other requirements of chapter 123, subchapter 4 are met. If the PILOT Special Fund balance is insufficient to pay the full amount of all payments authorized under this Subchapter, then payments calculated under this section and due to each municipality for each property shall be reduced proportionately.

EXPLANATION:

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

Sec. E.144 PAYMENTS IN LIEU OF TAXES – CORRECTIONAL FACILITIES

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

EXPLANATION:

Standard annual language.

Sec. E.200 ATTORNEY GENERAL

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

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

EXPLANATION:

Standard annual language.

Sec. E.208 PUBLIC SAFETY – ADMINISTRATION

(a) The Commissioner of Public Safety is authorized to enter into a performance-based contract with the Essex County Sheriff's Department to provide law enforcement service activities agreed upon by both the Commissioner of Public Safety and the Sheriff.

EXPLANATION:

Standard annual language.

Sec. E.209 PUBLIC SAFETY – STATE POLICE

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

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

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

EXPLANATION:

Subsections (a) and (b) are standard annual language.

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

Sec. E.212 PUBLIC SAFETY – FIRE SAFETY

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

EXPLANATION:

Standard language.

Sec. E.215 MILITARY - ADMINISTRATION

(a) The amount of \$1,319,834 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Tuition Benefit Program established in 16 V.S.A. § 2857.

EXPLANATION:

Standard language.

Sec. E.219 MILITARY – VETERANS’ AFFAIRS

(a) Of the funds appropriated in Sec. B.219 of this act, \$1,000 shall be used for continuation of the Vermont Medal Program; \$2,000 shall be used for the expenses of the Governor’s Veterans’ Advisory Council; \$7,500 shall be used for the Veterans’ Day parade; and \$10,000 shall be granted to the American Legion for the Boys’ State and Girls’ State programs.

EXPLANATION:

Standard annual language.

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

(a) The Secretary of State shall grant the \$1,300,000 General Fund appropriation, provided in section B.232 of this act, to the Vermont Access Network to maintain current operations and programming.

EXPLANATION:

Specifies the purpose of the \$1,300,000 General Fund appropriation in B.232.

The Secretary of State’s office did not receive a General Fund base appropriation until FY 2025, when it received a base appropriation of \$1,000,000.

2023 Act 113 Sec. E.232(a) established that the Secretary of State would request a proposed operating budget from the Vermont Access Network to maintain its current level of operation and programming, and include the proposed operating budget as part of its fiscal year 2026 budget presentation.

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

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

(1) \$2,000,406 shall be used for the contract with the Office of the Health Care Advocate.

(2) \$1,717,994 for Vermont Legal Aid services, including the Poverty Law Project and

mental health services; and

(3) \$650,000 is for the purposes of maintaining current Vermont Legal Aid program capacity and addressing increased requests for services, including eviction prevention and protection from foreclosure and consumer debt.

EXPLANATION:

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

Sec. E.301 SECRETARY'S OFFICE – GLOBAL COMMITMENT

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

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

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

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

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

EXPLANATION:

Annual language required to clarify the source of IDT funds in the AHS Global Commitment appropriation, as well as to update estimated appropriations and available certified State match as proposed in the fiscal year 2026 budget.

Sec. E.301.1 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT

(a) To facilitate the end-of-year closeout for fiscal year 2026, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the Agency of Human Services shall submit to the Joint

Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the Committee's September 2026 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health Section 1115 demonstration approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

EXPLANATION:

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

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

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

EXPLANATION:

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

Sec. E.301.3 GLOBAL COMMITMENT FUND; HOSPITAL DIRECTED PAYMENT PROGRAM

(a) The Agency of Human Services is authorized to seek a State Directed Payment model with the Centers for Medicare and Medicaid Services (CMS). This payment model will be for a Hospital Directed Payment (HDP) program. Upon approval from CMS, the Agency of Human Services' Department of Vermont Health Access, the University of Vermont, and the University of Vermont Medical Center may enter into a mutual agreement on the implementation of the HDP program.

(b) If CMS approves a Vermont HDP program within the State's Global Commitment to Health Section 1115 Demonstration Waiver in fiscal year 2026 while the General Assembly is not in session, then, pursuant to 32 V.S.A. § 511 and notwithstanding any other provision of law to the contrary, the Department of Finance and Management is authorized to approve the Agency of Human Services' allocation and expenditure of excess receipts for Global Commitment Fund spending up to the amount approved by CMS for the Vermont HDP program.

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

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

EXPLANATION:

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

Sec. E.312 HEALTH; PUBLIC HEALTH:

(a) HIV/AIDS funding:

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

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

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

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the Vermont Medication Assistance Program Advisory Committee, which shall be composed of not less than 50 percent of members who are living with

HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(3) In fiscal year 2026, the Department of Health shall provide grants in the amount of \$695,000 General Fund for HIV and Harm Reduction Services. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

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

EXPLANATION:

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

Sec. E.312.1 2023 Acts and Resolves No. 78, Sec. B.1100 as amended by 2024 Acts and Resolves No. 87, Sec. 40 is further amended to read:

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

(n) Department of Health. In fiscal year 2024, funds are appropriated for the following:

(1) \$4,595,448 Global Commitment Fund #20405 to the Division of Substance Use Programs for a ~~two-year~~ pilot to expand the Blueprint for Health Hub and Spoke program. Unexpended appropriations shall carry forward into subsequent fiscal years and remain available for this purpose;

EXPLANATION:

The pilot hub expansion program originally intended to be funded for two years beginning July 1, 2023 launched May 1, 2024. Language is needed to carry forward unexpended appropriations until funds are fully expended.

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

Sec. E.100 EXECUTIVE BRANCH POSITIONS

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

- (2) ~~Agency of Administration~~ Department of Health – Health Equity Advisory Commission:
(A) one Private Secretary.

EXPLANATION:

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

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

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

(1) provide guidance to the Commissioner on the development of the Office of Health

Equity, ~~which shall be established based on the Advisory Commission's recommendations not later than January 1, 2023,~~ including on:

- (A) the structure, responsibilities, and jurisdiction of the Office;
- (B) whether the Office shall be independent and, if not, in which State agency or department it shall be situated;
- (C) how the Office shall be staffed;
- (D) the populations served and specific issues addressed by the Office; and
- (E) the duties of the Office, including how grant funds shall be managed and distributed; ~~and~~
- ~~(F) the time frame and necessary steps to establish the Office;~~

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

- (A) any rules or policies proposed by the ~~Office~~ Department;
- (B) the awarding of grants and the development of programs and services;
- (C) the needs, priorities, programs, and policies relating to the health of individuals who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities; and
- (D) any other issue on which the Department ~~Office of Health Equity~~ requests assistance from the Advisory Commission;

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

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

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

(6) to the extent funds are available for the purpose, distribute grants that stimulate the development of community-based and neighborhood-based projects that will improve the health outcomes of individuals who are Black, Indigenous, and Persons of Color; individuals who are LGBTQ; and individuals with disabilities; and

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

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

(f) Meetings.

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

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

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

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

(h) Compensation and reimbursement. Appointed members of the Advisory Commission shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for meetings ~~as deemed appropriate by the Advisory Commission within the appropriation provided. These payments shall be made from monies appropriated to the Agency of Administration.~~ (Added 2021, No. 33, § 3.)

EXPLANATION:

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

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

§ 4812 Substance Misuse Prevention Special Fund

- (a) The Substance Misuse Prevention Special Fund is established and managed by the Vermont Department of Health in accordance with 32 V.S.A. Chapter 7, Subchapter 5.
- (b) Thirty percent of the revenues raised by the cannabis excise tax imposed pursuant to 32 V.S.A. § 7902, not to exceed \$10,000,000.00 per fiscal year, shall be deposited into this fund for substance misuse prevention costs.
- (c) Any unencumbered and unexpended spending authority reverted in accordance with 32 V.S.A. § 703 may be immediately re-established the following fiscal year in accordance with 32 V.S.A. § 511.
- (d) Notwithstanding any provisions of 32 V.S.A. Chapter 7, Subchapter 5 to the contrary all interest earned by this fund shall be retained by this fund.

EXPLANATION:

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

Sec. 312.5 32 V.S.A. § 7909 is repealed:

~~§ 7909. Substance misuse prevention funding~~

~~[Subsection (a) effective until July 1, 2025; see also subsection (a) effective July 1, 2025 set out below.]~~

~~(a) Thirty percent of the unexpended and unobligated balance of the Cannabis Regulation Fund that is transferred to the General Fund pursuant to 7 V.S.A. § 845(d)(1), not to exceed \$10,000,000.00 per fiscal year, shall be used to fund substance misuse prevention programming in the subsequent fiscal year.~~

~~[Subsection (a) effective July 1, 2025; see also subsection (a) effective until July 1, 2025, set out above.]~~

~~(a) Thirty percent of the revenues raised by the cannabis excise tax imposed by section 7902 of this title, not to exceed \$10,000,000.00 per fiscal year, shall be used to fund substance misuse prevention programming in the subsequent fiscal year.~~

~~(b) If any General Fund appropriations for substance misuse prevention programming remain unexpended at the end of a fiscal year, that balance shall be carried forward and shall only be used for the purpose of funding substance misuse prevention programming in the subsequent fiscal year.~~

~~(c) Any appropriation balance carried forward pursuant to subsection (b) of this section shall be in addition to revenues allocated for substance misuse prevention programming pursuant to subsection (a) of this section.~~

EXPLANATION:

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

Sec. E.324 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it if the benefit cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

EXPLANATION:

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

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

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

EXPLANATION:

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

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

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

EXPLANATION:

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

Sec. E.338 CORRECTIONS – CORRECTIONAL SERVICES

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

EXPLANATION:

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

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

* * *

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

- (i) 40.0 percent by the State from State monies;
- (ii) ~~28.8~~ 36.0 percent by the hospitals;
- (iii) ~~23.2~~ 24.0 percent by nonprofit hospital and medical service corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance companies licensed under 8 V.S.A. chapter 101, and health maintenance organizations licensed under 8 V.S.A. chapter 139; ~~and~~
- ~~(iv) 8.0 percent by accountable care organizations.~~

(B) Expenses under subdivision (A)(iii) of this subdivision (1) shall be allocated to persons licensed under Title 8 based on premiums paid for health care coverage, which for the purposes of this subdivision (1) shall include major medical, comprehensive medical, hospital or surgical coverage, and comprehensive health care services plans, but shall not include long-term care, limited benefits, disability, credit or stop loss, or excess loss insurance coverage.

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

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

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

EXPLANATION:

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

Sec. E.500 EDUCATION – FINANCE AND ADMINISTRATION

(a) The Global Commitment funds appropriated in this section will be used for physician claims for determining medical necessity of Individualized Education Programs (IEPs). These services are intended to increase access to quality health care for uninsured persons, underinsured persons, and Medicaid beneficiaries.

EXPLANATION:

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

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

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

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

EXPLANATION:

The language establishes how much of the special education funding formula shall 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 the 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, \$3,778,133 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(b), of this Education Fund appropriation, the amount of:

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

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

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

(4) \$4,200,000 is available for Early College pursuant to 16 V.S.A. § 4011(e).

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

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

EXPLANATION:

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

Sec. E.507.1 ENGLISH LANGUAGE LEARNERS; CATEGORICAL AID

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

EXPLANATION:

Standard annual language.

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

§ 1261a. Definitions

As used in this subchapter:

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

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

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

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

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

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

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

EXPLANATION:

Repeals definitions related to the universal meals supplement.

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

§ 1262a. Award of grants

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

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

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

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

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

* * *

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

EXPLANATION:

Repeals language related to the awarding of universal meals supplements.

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

§ 1264. Food program

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

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

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

- ~~(i) providing breakfast meals that can be picked up by students;~~
- ~~(ii) making breakfast available to students in classrooms after the start of the school day; and~~
- ~~(iii) for school districts, collaborating with the school’s wellness community advisory council, as established under subsection 136(e) of this title, in planning school meals.~~

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

* * *

EXPLANATION:

Repeals language requiring districts to operate free meals programs.

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

§ 1264a. Locally produced foods

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

* * *

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

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

EXPLANATION:

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

Sec. E.511 EDUCATION – TECHNICAL EDUCATION

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

EXPLANATION:

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

Sec. E.514 STATE TEACHERS' RETIREMENT SYSTEM

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

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

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

Sec. E.514.1 VERMONT STATE TEACHERS' RETIREMENT SYSTEM AND VERMONT PENSION INVESTMENT COMMISSION; OPERATING BUDGET; SOURCE OF FUNDS

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

EXPLANATION: Standard annual language to differentiate the portion of the VSTRS admin appropriation that support operations in the State Treasurer's Office versus the portion that supports VPIC.

Sec. E.515 RETIRED TEACHERS' HEALTH CARE AND MEDICAL BENEFITS

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

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

Sec. E.600 UNIVERSITY OF VERMONT

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

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

EXPLANATION:

Standard annual language.

Sec. E.602 VERMONT STATE COLLEGES

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

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

EXPLANATION:

Standard annual language.

Sec. E.603 VERMONT STATE COLLEGES – ALLIED HEALTH

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

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

EXPLANATION:

Standard annual language.

Sec. E.605 VERMONT STUDENT ASSISTANCE CORPORATION

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

(1) \$25,000 shall be deposited into the Trust Fund established in 16 V.S.A. § 2845;

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

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

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

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

EXPLANATION:

Standard annual language.

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

(a) Notwithstanding 16 V.S.A. § 4025, the sum of \$41,225 Education Fund and \$41,225 General Fund is appropriated to the Vermont Student Assistance Corporation 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, 2026, 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.

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

§ 9602a. Clean water surcharge [~~Effective until July 1, 2027; see also 32 V.S.A. § 9602a effective July 1, 2027 set out below~~]

There shall be a surcharge of 0.22 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$200,000.00 in value of property to be used for the principal residence of the transferee or the first \$250,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Clean Water Fund under 10 V.S.A. § 1388, except for the first \$1,000,000.00 of revenue generated by the surcharge, which shall be deposited in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.

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

~~There shall be a surcharge of 0.04 percent on the value of property subject to the property transfer tax under section 9602 of this title, except that there shall be no surcharge on the first \$200,000.00 in value of property to be used for the principal residence of the transferee or the first \$250,000.00 in value of property transferred if the purchaser obtains a purchase money mortgage funded in part with a homeland grant through the Vermont Housing and Conservation Trust Fund or that the Vermont Housing and Finance Agency or U.S. Department of Agriculture and Rural Development has committed to make or purchase. The surcharge shall be in addition to any tax assessed under section 9602 of this title. The~~

FY 2026 Governor's Recommended Budget

~~surcharge assessed under this section shall be paid, collected, and enforced under this chapter in the same manner as the tax assessed under section 9602 of this title. The Commissioner shall deposit the surcharge collected under this section in the Vermont Housing and Conservation Trust Fund created in 10 V.S.A. § 312.~~

EXPLANATION:

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

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

§ 11a. Transportation fund appropriations ~~funds appropriated for the Department of Public Safety~~

(a) No transportation funds shall be appropriated for the support of government other than for the Agency, the Board, Transportation Pay Act Funds, construction of transportation capital facilities, transportation debt service, and the operation of information centers by the Department of Buildings and General Services, ~~and the Department of Public Safety. The amount of transportation funds appropriated to the Department of Public Safety shall not exceed:~~

- ~~(1) \$25,250,000.00 in fiscal year 2014;~~
- ~~(2) \$22,750,000.00 in fiscal years 2015 and 2016;~~
- ~~(3) \$21,150,000.00 in fiscal year 2017; and~~
- ~~(4) \$20,250,000.00 in fiscal year 2018 and in succeeding fiscal years.~~

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

EXPLANATION:

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

Sec. F.100 EFFECTIVE DATES

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

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