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Adam Greshin, Commissioner

TO: Senator Andrew Perchlik  
CC: Rep. Robin Scheu, Emily Byrne, Grady Nixon, Elle Oille-Stanforth, Erin Pedley  
FROM: Adam Greshin  
DATE: April 4, 2025  
RE: Technical Corrections to H.493 - An act relating to making appropriations for the support of government

I write to suggest the following clarifications and technical edits to H.493 - *An act relating to making appropriations for the support of government*.

#### **Sec. A.101** PURPOSE; LEGISLATIVE INTENT

(a) The purpose of this act is to provide appropriations for the operations of State government and for capital appropriations not funded with bond proceeds 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 that 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.

\*\*\*

#### **EXPLANATION:**

The General Assembly's version of the bill includes capital appropriations not funded from bond proceeds in Section B.1103.

#### **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 the operations of State government and for capital appropriations not funded with bond proceeds 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 operating appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. Capital appropriations funded from the Capital Infrastructure Subaccount of the Cash Fund for Capital and Essential Investments special fund shall be subject to the provisions of 32 V.S.A. § 1001b(e). 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.

\*\*\*

**EXPLANATION:**

The General Assembly's version of the bill includes capital appropriations not funded from bond proceeds in Section B.1103. The duration of these appropriations is subject to the provisions of 32 V.S.A. § 1001b(e).

**Sec. A.103** DEFINITIONS

(a) As used in this act:

(1) "Encumbrances" means a portion of ~~an appropriation~~ spending authority reserved for the subsequent payment of existing travel authorizations, purchase orders, grants or contracts. The Commissioner of Finance and Management shall make final decisions on the appropriateness of encumbrances.

\*\*\*

(5) "Capital appropriation" means an appropriation for tangible capital investments or expenses that are eligible to be funded from general obligation debt financing and are allowed under federal laws governing the use of State bond proceeds as described in 32 V.S.A. § 309.

**EXPLANATION:**

Encumbrances apply to spending authority not just appropriations, which are a component of spending authority. Updates the definition for additional encumbrance items.

The General Assembly's version of the bill includes capital appropriations not funded from bond proceeds in Section B.1103. A definition of Capital Appropriation should be provided.

**Sec. B.225** Agriculture, food and markets - agricultural resource management and environmental stewardship

|                             |                  |                  |
|-----------------------------|------------------|------------------|
| Personal services           | 3,053,693        |                  |
| Operating expenses          | 845,696          |                  |
| Grants                      | <u>359,000</u>   | <u>247,000</u>   |
| Total                       | <u>4,258,389</u> | <u>4,146,389</u> |
| Source of funds             |                  |                  |
| General fund                | <u>934,914</u>   | <u>822,914</u>   |
| Special funds               | 2,473,045        |                  |
| Federal funds               | 482,577          |                  |
| Interdepartmental transfers | <u>367,853</u>   |                  |
| Total                       | <u>4,258,389</u> | <u>4,146,389</u> |

**EXPLANATION:**

Conservation districts are funded out of Sec. B.225.2 not B.225. \$112,000 General Fund should be shifted to the correct appropriation.

**Sec. B.225.2** Agriculture, food and markets - clean water

|                    |                       |                   |
|--------------------|-----------------------|-------------------|
| Personal services  | 4,120,365             |                   |
| Operating expenses | 857,888               |                   |
| Grants             | <del>11,375,000</del> | <u>11,487,000</u> |
| Total              | <del>16,353,253</del> | <u>16,465,253</u> |

Source of funds

|                             |                       |                   |
|-----------------------------|-----------------------|-------------------|
| General fund                | <del>1,863,832</del>  | <u>1,975,832</u>  |
| Special funds               | 10,511,241            |                   |
| Federal funds               | 2,171,588             |                   |
| Interdepartmental transfers | <u>1,806,592</u>      |                   |
| Total                       | <del>16,353,253</del> | <u>16,465,253</u> |

**EXPLANATION:**

Conservation districts are funded out of Sec. B.225.2 not B.225. \$112,000 General Fund should be shifted to the correct appropriation.

**Sec. B.505** Education - adjusted education payment

|        |                          |                      |
|--------|--------------------------|----------------------|
| Grants | <del>1,990,192,238</del> | <u>1,991,143,248</u> |
| Total  | <del>1,990,192,238</del> | <u>1,991,143,248</u> |

Source of funds

|                |                          |                      |
|----------------|--------------------------|----------------------|
| Education fund | <del>1,990,192,238</del> | <u>1,991,143,248</u> |
| Total          | <del>1,990,192,238</del> | <u>1,991,143,248</u> |

**EXPLANATION:**

The House reduced the entire appropriation to the amount of the revised estimate for the Education Spending Grant. This appropriation, however, is composed of three items: the \$1,990,192,238 Education Spending Grant, the \$500,000 grant for Tech FTE's Not Enrolled and the \$451,000 Drivers Education Grant. The appropriation should be \$1,991,143,248.

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

\*\*\*

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

(1) \$1,000,000 General Fund for the Mileage-Based User Fee Program; and

(2) \$1,400,000 Transportation Fund for distribution to ~~for distribution to~~ **for transfer to** the Agency of Commerce and Community Development for programs to increase access to level 1 and 2 Electric Vehicle Supply Equipment charging ports at workplaces or multiunit dwellings, or both.

**EXPLANATION:**

Ambiguous language. The Agency of Transportation must transfer the Transportation Funds to the Agency of Commerce and Community Development as a cash advance or as reimbursement for

actual expenses incurred.

However, 23 V.S.A. 361(d), the impetus for this one-time appropriation, is contrary to fund accounting. It has been corrected in proposed Sections E.901 and E.902 below. The Administration recommends establishing a special fund, in accordance with Generally Accepted Accounting Principles, from which the Agency of Commerce and Community Development could receive a direct appropriation from the General Assembly.

#### **Sec. B.1101** ~~FISCAL YEAR 2025 CLOSEOUT~~

~~(a) As part of the fiscal year 2025 closeout, the Department of Finance and Management shall execute the requirements of 32 V.S.A. § 308 and any reserve requirements pursuant to 2024 Acts and Resolves No. 113, Sec. D.103. If any balance remains after meeting these requirements, then, notwithstanding 32 V.S.A. § 308c, the Department of Finance and Management shall reserve the remaining funds for future appropriations to address potential federal funding shortfalls.~~

~~(b) In fiscal year 2026, while the General Assembly is not in session, the Joint Fiscal Committee may make recommendations to the Emergency Board on the transfer of funds reserved following the execution of the requirements of 32 V.S.A. § 308 and 2024 Acts and Resolves No. 113, Sec. D.103 pursuant to subsection (a) of this section. The Emergency Board is authorized to unreserve and transfer funds to achieve the purposes of Joint Fiscal Committee recommendations made pursuant to this subsection.~~

#### **EXPLANATION:**

(a) Adjustments to the prior year appropriations act are contained in the C Section of the bill under the original bill's D Section. Section C.106 can be amended to incorporate this requirement, as indicated later in this memo.

(b) The Emergency Board does not have the authority to appropriate funds nor to transfer cash balances between funds. See further explanation in Section E.127.2 below.

#### **Sec. B.1103** CASH FUND FOR CAPITAL AND ESSENTIAL INVESTMENTS; FISCAL YEAR 2026 ~~ONE-TIME CAPITAL~~ APPROPRIATIONS

(a) In fiscal year 2026, capital appropriations ~~\$11,331,099 is appropriated from the Capital Infrastructure subaccount in the Cash Fund for Capital and Essential Investments~~ Capital Infrastructure Subaccount are as follows:~~for the following:~~

\* \* \*

#### **EXPLANATION:**

Removes ambiguity from language as to whether the appropriations are "one-time" operating appropriations, or capital appropriations subject to the provisions of 32 V.S.A. § 1001b(e) per section A.102 of the Act and improves internal controls and reporting by ensuring each itemized subsection is its own appropriation instead of a single \$11,331,099 appropriation with restricted uses. Spending authority is appropriated from a fund, not a "subaccount." Note that fund subaccounts are contrary to Generally Accepted Accounting Principles.

**Sec. C.103** 2024 Acts and Resolves No. 113, Sec. B.1100, as amended by the fiscal year 2025 budget adjustment act, is further amended to read:

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

\* \* \*

(v) Agency of Administration. In fiscal year 2025, funds are appropriated for the following:

~~(1) \$200,000 General Fund for local economic damage grants to municipalities that were impacted by the August and December 2023 flooding events in counties that are eligible for Federal Emergency Management Agency Public Assistance funds under federal disaster declarations DR-4744-VT and DR-4762-VT. It is the intent of the General Assembly that these local economic damage grants be distributed to municipalities throughout the State to address the secondary economic impacts of the August and December 2023 flooding events. Monies from these grants shall not be expended on Federal Emergency Management Agency related projects~~

\$1,800,000 General Fund for local economic damage grants to municipalities in counties that are eligible for Federal Emergency Management Agency Public Assistance funds under federal disaster declarations DR-4810-VT and DR-4744-VT. It is the intent of the General Assembly that these local economic damage grants be distributed to municipalities throughout the State to address the secondary economic impacts of 2023 and 2024 flooding events. Monies from these grants shall not be expended on Federal Emergency Management Agency-related projects.

(A) The funds appropriated in this subdivision (v)(1) for local economic damage grants shall be distributed as follows:

\*\*\*

(B) ~~To the extent that the funds appropriated in this~~ Any subdivision (v)(1) ~~appropriations that have not been granted~~ encumbered or expended on or before June 30, 2025, ~~they shall revert to the General Fund and~~ an equivalent amount of General Fund proceeds shall be transferred to the Emergency Relief and Assistance Fund.

(C) To the extent that the funds appropriated in this subdivision (v)(1) are insufficient to distribute grants to all eligible municipalities in their full amount, the Commissioner of Finance and Management shall, pursuant to 32 V.S.A. § 511, utilize excess receipt authority to ~~expend funds~~ establish spending authority from the PILOT Special Fund for this purpose.

\*\*\*

(y) Judiciary. In fiscal year 2025, funds are appropriated for the following:

(1) ~~\$850,000 General Fund, of which \$800,000 shall be~~ General Fund to upgrade the network wiring and security systems in county court houses; and

(2) \$50,000 General Fund shall be to upgrade or construct bathrooms in the Essex Meeting House that are compliant with the Americans with Disabilities Act.

#### **EXPLANATION:**

Agency of Administration:

(B) Unencumbered spending authority balances are reverted. Cash is transferred.

(C) Excess Receipts are used to establish spending authority.

(y) Judiciary:

Improves internal controls and reporting by ensuring each itemized subsection is its own appropriation instead of a single \$850,000 appropriation with restricted uses.

**Sec. C.104** 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:

\* \* \*

(4) \$30,000,000 General Fund to be used as ~~Federal Emergency Management Agency (FEMA)~~ federal match ~~matching funds~~ for costs incurred due to the ~~July 2023 flooding event~~ federally declared disasters in fiscal years 2024 and 2025.

\* \* \*

**EXPLANATION:**

Makes clear the funding is to be used as federal match.

**Sec. C.105** 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. ~~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 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 funds from the Emergency Rental Assistance Program equal to the amount of General Fund appropriation transferred.~~

**EXPLANATION:**

The strikethrough on the Grant Request #3034 eliminates the "4" at the end. The strikethrough of that digit needs to be removed.

**Sec. C.106** 2024 Acts and Resolves No. 113, Sec. D.103, as amended by the fiscal year 2025 budget adjustment act, is further amended to read:

Sec. D.103 RESERVES

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2025, the following reserve transactions shall be implemented for the funds provided:

(1) General Fund.

\* \* \*

(D)(i) Notwithstanding 32 V.S.A. § 308c(a), ~~up to \$133,500,000~~ the first \$136,000,000 otherwise subject to the requirements of this provision shall, instead, be reserved for permanent housing, property tax relief, and any other uses determined to be in the best interests of the public in the subsequent fiscal year.

(ii) Any remaining balance shall be reserved for addressing future federal funding shortages.

(iii) The requirements of this subdivision (D) shall extend past July 1 of the subsequent fiscal year and expire upon completion of the current fiscal year's accounting closure period.

\* \* \*

#### EXPLANATION:

Technical adjustment to move the requirements included by the House under Section B.1101 to the D section and to simplify the language.

#### Sec. D.101 FUND TRANSFERS

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

\*\*\*

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

\*\*\*

#### EXPLANATION:

Technical adjustment to incorporate the appropriate statutory nomenclature for the fund.

#### 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, ~~\$1,675,385~~ \$1,676,986.40 is expected to be unreserved in fiscal year 2026.

\*\*\*

(D) The amount reserved per 2024 Acts and Resolves No. 113, Sec. D.103(a)(1)(D)(i) shall be unreserved in fiscal year 2026. For purposes of developing this budget, \$136,000,000 is expected to be unreserved in fiscal year 2026.

#### EXPLANATION:

(A) Technical adjustment to reserve addition.

(D) Amend citation for proposed, updated language in Sec. C.106

#### Sec. E.100 POSITIONS

\*\*\*

~~(b) The establishment of permanent positions to be established through existing vacant positions is authorized in fiscal year 2026 for the following:~~

~~(1) Permanent classified positions:~~

~~(A) Criminal Justice Council:~~

~~(i) one Canine Head Trainer.~~

~~(2) Permanent exempt positions:~~

~~(A) Human Rights Commission:~~

~~(i) one Intake Specialist; and~~

~~(ii) one Staff Attorney Investigator.~~



(e) The extension of nine limited services positions is authorized until June 30, 2026:

(1) Department of State's Attorneys and Sheriffs:

(A) six Deputy State's Attorneys;

(B) two Legal Assistants; and

(C) one Victim Advocate.

**EXPLANATION:**

Section E.100 is for positions created by the General Assembly. Subsection (b) restricts the use of funds, provided in their corresponding B section base budget appropriations, to seeking positions from the position pool for the titles provided. These restrictions have been moved from the E.100 section to the E.221 and E.236 sections for the Criminal Justice Council and Human Rights Commission, respectively.

**Sec. E.100.1** COMMUNITY-BASED ORGANIZATIONS; REPORT

(a) The Secretary of Administration ~~Administration~~ Human Services shall conduct a comprehensive analysis of the current funding structure for Vermont community-based organizations.

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

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

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

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

**EXPLANATION:**

The Agency of Human Services is better suited to conduct this analysis, and the subsequent reporting, due to its existing relationships and knowledge of the provider networks. Furthermore, the Agency of Human Services is currently engaged in similar work pursuant to 2022 Act 167. The Agency of Administration does not have the subject matter expertise that resides within the Agency of Human Services.

**Sec. E.100.3** AMERICAN RESCUE PLAN ACT; CORONAVIRUS STATE FISCAL RECOVERY FUND APPROPRIATIONS; REPORTING

\*\*\*

(c) Any spending authority established pursuant to 2024 Acts and Resolves No. 113, Sec. E.106(a) and (c) that remains unexpended and unencumbered on July 1, 2027 shall revert to the General Fund. Any unallocated balance arising from this reversion shall be reserved in the General Fund Balance Reserve.

(d) The Secretary of Administration shall report to the Joint Fiscal Committee at its July 2027 meeting on the amount reverted to the General Fund and the amount reserved within the General Fund Balance Reserve pursuant to subsection (c) of this section.

**EXPLANATION:**

(c) Spending authority is reverted. Cash assets are reserved.

(d) Provides the Joint Fiscal Committee information regarding subsection (c) transactions.



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

(a) In fiscal year 2026, the Agency of Digital Services shall utilize from its Internal Service Fund appropriation in B.105 of this Act, an amount of funds equal to that ~~the funds~~ transferred from the General Fund to the Communications and Information Technology Fund in Sec. D.101(a)(1)(F) of this act to cover the costs of transitioning billable services from a service level agreement model to a core enterprise services model. To the extent to which these funds are insufficient to complete this transition the Agency shall, as part of its fiscal year 2026 budget adjustment presentation, request an additional ~~appropriation or~~ transfer of funds and shall not bill other agencies or departments to cover the costs of the transition.

**EXPLANATION:**

Agencies/Departments spend appropriated funds, not individual sources into a fund. There is no General Fund appropriation for this purpose in fiscal year 2026 so they would be requesting an “additional” transfer. Provides clarification as to which funding source and appropriation is to be utilized.

**Sec. E.127** 32 V.S.A. § 704 is amended to read:  
§ 704. INTERIM BUDGET AND APPROPRIATION ADJUSTMENTS

\*\*\*

(3) In each instance that a reduction of federal funds results in a one percent or more reduction in the total federal funds anticipated in the most recent fiscal year appropriations act:

\*\*\*

(B) to maintain a balanced State budget, minimize the impact to Vermonters and to abide by the legislative intent set forth by the General Assembly in the most recent appropriations act, the Joint Fiscal Committee may make a recommendation to the Emergency Board to:

(i) pursuant to subdivision 308c(b)(3) of this title, utilize the General Fund Balance Reserve to support impacted programs ~~at not more than the current fiscal year funding level~~ until the General Assembly is in session;

(ii) revert any unexpended and unobligated ~~funds or abolish any~~ spending authority, ~~or both~~; and

(iii) make such reductions or transfers in appropriations necessary to support the priorities of the General Assembly, and the recommended reduction is limited to not more than 10 percent of ~~the combined appropriations from an individual any~~ fund or 10 percent of any appropriation.

(4) In each instance that a reduction of federal funds results in a five percent or more reduction in the total funds available to support an appropriation, the Secretary of Administration shall notify the Joint Fiscal Committee.

**EXPLANATION:**

- (i) The 308c(b)(3) language has been updated below making the eliminated clause unnecessary.
- (ii) Eliminate redundant terms; unobligated and unexpended spending authority that has been reverted is, by definition, abolished.
- (iii) The meaning of “10% of any fund” is unclear. This edit assumes the intent is to refer to 10% of the combined total of all appropriations from an individual fund.

**Sec. E.127.1** 32 V.S.A. § 133 is amended to read:

§ 133. DUTIES

(a) The Board shall have authority to make expenditures necessitated by unforeseen emergencies and may draw on the State's General Fund and General Fund Balance Reserve for that purpose.

\*\*\*

**EXPLANATION:**

Reserved funds, by definition, have not been appropriated. To “draw on the State's General Fund Balance Reserve” would require the Emergency Board to appropriate or to transfer cash balances between funds, actions it lacks the authority to perform. See further explanation in Sec. E.127.2 below.

**Sec. E.127.2** 32 V.S.A. § 308c is amended to read:

§ 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE RESERVES

\*\*\*

(b)(1) The General Assembly may specifically unreserve and appropriate the use of up to 50 percent of the amounts added in the prior fiscal year from or transfer an amount not to exceed 10 percent of the General Fund Balance Reserve to fund unforeseen or emergency needs. It is the intent of the General Assembly that any General Fund Balance Reserve funds utilized in accordance with this section be replenished.

(2) If the official State revenue estimates of the Emergency Board for the General Fund, determined under section 305a of this title, have been reduced by two percent or more from the estimates determined and assumed for purposes of the general appropriations act or budget adjustment act, funds in the General Fund Balance Reserve may be unreserved and appropriated or transferred, by the General Assembly, to compensate for a reduction of revenues.

~~(3) The Emergency Board, in response to a declared emergency pursuant to 20 V.S.A. § 9 occurring while the General Assembly is not in session, or a reduction in State revenue estimates or federal funding pursuant to subsection 704(b) of this title occurring while the General Assembly is not in session, may unreserve and make available an amount not to exceed 10 percent of the General Fund Balance Reserve to replenish the spending authority impacted by the declared emergency or reduction in funding in order to maintain a balanced State budget, minimize the impact to Vermonters, and to abide by the legislative intent set forth by the General Assembly in the most recent fiscal year appropriations act. In no event shall the amount provided to any agency or department under this subsection exceed the original amount appropriated by the General Assembly.~~

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**EXPLANATION:**

Subsection (b)(3) is recommended for repeal. While the language of subsection (b)(3) is vague (i.e. “unreserve and make available”), the intent appears to be to authorize the Emergency Board to unreserve reserved funds and to appropriate these funds. The power to access and expend funds reserved in the State Treasury is vested with the Legislature, in accordance with the Vermont Constitution and with supporting statutory law.

Chapter II, § 27 of the Vermont Constitution directs to the Executive Branch that “No money shall be drawn out of the Treasury, unless first appropriated by act of legislation.”

This constitutional stipulation is operationalized in statutes that include 32 V.S.A. § 461, “The Treasurer shall not disburse monies from the State Treasury except upon warrants issued by the Commissioner of Finance and Management” and 32 V.S.A. § 462, “no monies shall be paid out of the Treasury of the State except upon specific appropriation. The Commissioner of Finance and Management shall not issue his or her warrant except as authorized under the provisions of this

section.”

It is unclear how law could permit the Emergency Board to unreserve and authorize the expenditure of funds “drawn out of the Treasury,” since such an action would necessarily require appropriation “by act of legislation” pursuant to the Vermont Constitution.

The Emergency Board is clearly empowered, pursuant to 32 V.S.A. § 133(b), to transfer funds from certain existing appropriations to other different appropriations, “to make expenditures necessitated by unforeseen emergencies.” In such an action, the spending authority has already been appropriated by the Legislature, and only the purpose of the expenditure is being changed by the Emergency Board. However, drawing funds from a reserve within the Treasury, and doing so without appropriation by act of legislation, appears to be in clear conflict with the law.

**Sec. E.131.1** 29 V.S.A. chapter 61 is amended to read:

CHAPTER 61. MUNICIPAL EQUIPMENT AND VEHICLE LOAN FUND

§ 1601. MUNICIPAL EQUIPMENT AND VEHICLE LOAN FUND

\*\*\*

(b) The Municipal Equipment and Vehicle Loan Fund shall be administered by a committee composed of the State Treasurer and the State Traffic Committee established by 19 V.S.A. § 1(24), pursuant to policies and procedures approved by the Traffic this Committee established by 19 V.S.A. § 1(24) with administrative support from the Office of the State Treasurer. The Committee shall establish criteria for distribution of available loan funds among municipalities considering at least financial need, equitable geographic distribution, and ability to repay. The Fund shall be a revolving fund and all principal and interest earned on loans and the fund balance remaining in the Fund at the end of any fiscal year shall ~~not revert but~~ be ~~carried over in the Fund~~ available for use in the succeeding fiscal year. The Committee shall meet upon request of the Treasurer to consider applications.

**EXPLANATION:**

Spending authority reverts; fund assets do not.

**Sec. E.131.2** 32 V.S.A. § 1001 is amended to read:

§ 1001. CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE

\*\*\*

(b) Committee duties.

(1) The Committee shall review ~~annually~~ biennially the size and affordability of the net State tax-supported indebtedness and submit to the Governor and to the General Assembly an estimate of the maximum amount of new long-term net State tax-supported debt that prudently may be authorized for the next ~~two~~ year-years fiscal ~~year-years~~. The estimate of the Committee shall be advisory and in no way bind the Governor or the General Assembly.

(A) The Governor or Emergency Board may request an **off-cycle** report from the Committee.

(B) For years in which the Committee does not provide its biennial report, an **interim report** shall be provided.

\*\*\*

(4) The criteria that recognized bond rating agencies use to judge the quality of issues of State bonds, including:

\*\*\*

(D) other metrics at the Committee's discretion, including long-term liabilities not covered in subdivisions (A)–(C) of this subdivision (4).

\*\*\*

(9) ~~The capital asset depreciation ratio reflecting unfunded capital maintenance costs.~~

~~(10)~~ Any other factor that is relevant to:

(A) the ability of the State to meet its projected debt service requirements for the next five fiscal years; or

(B) the interest rate to be borne by the credit rating on, or other factors affecting the marketability of State bonds.

(10) ~~(11)~~ The effect of authorizations of new State debt on each of the considerations of this section.

~~(11) The capital asset depreciation ratio reflecting unfunded capital maintenance costs.~~

\* \* \*

#### EXPLANATION:

If an interim report is already required in (B) then why the need to give the Governor and E-Board the authority to request the same thing? Is an "off-cycle" report different than an interim report?

Grammatical correction - "not covered" is stated twice in a row.

The new requirement should be added as the next in the numerical series. Inserting a new requirement into an existing codified section and reordering the entire sequence entails a significant and unnecessary administrative burden to locate and update all materials referencing this statute.

**Sec. E. 134.1 3** V.S.A. § 523 is amended to read:

§ 523. VERMONT PENSION INVESTMENT COMMISSION; DUTIES

\* \* \*

(i) Professional staff and salaries.

(1) The Commission shall have the assistance of a professional staff to implement its policy and oversee daily operations. The Commission is authorized to retain independent advisors as it deems necessary to carry out its responsibilities.

(2) Staff shall be full-time State employees and shall be exempt from the State classified system. The Commission is authorized to periodically hire independent compensation consultants to set staff compensation at a level sufficient to attract and retain a qualified investment team and to meet the ~~Commissioner's~~ **Commission's** fiduciary duties.

#### EXPLANATION:

Incorrect terminology. The Commission, as an oversight body, has a fiduciary duty.

**Sec. E.142.3** 20 V.S.A. § 51 is added to read:

§ 51. FLOOD-PRONE PROPERTIES; ASSISTANCE PROGRAMS

The ~~Division of Emergency Management~~ **Vermont Emergency Management Division** and the Agency of Commerce and Community Development shall establish and maintain the Voluntary Buyout Program for flood-prone properties. The Program shall allow a municipality, at the request of the owner of a flood-prone property, to apply for funding to cover the purchase price of the property. The purchase price shall be the full fair market value of the flood-prone property. The municipality shall maintain the acquired property as open space with a deed restriction or covenant prohibiting development of the property.

**EXPLANATION:**

20 V.S.A. § 3 appropriate nomenclature for the division.

**E.221 CRIMINAL JUSTICE COUNCIL**

\$115,000 of the General Fund appropriated in Section B.221 is to fund one permanent classified position taken from the position pool. The position shall be used to establish a Canine Head Trainer at the Criminal Justice Council.

**EXPLANATION:**

Provides language designating the General Fund base increase for a new position from the position pool. (Removed from the E.100 section.)

**E.236 HUMAN RIGHTS COMMISSION**

\$250,000 of the General Fund appropriated in Section B.236 is to fund two permanent exempt positions taken from the position pool. The positions shall be used to establish an Intake Specialist and Staff Attorney Investigator at the Human Rights Commission.

**EXPLANATION:**

Provides language designating the General Fund base increase for two new positions from the position pool. (Removed from the E.100 section.)

**Sec. E.236.1 LIQUOR AND LOTTERY; APPROPRIATION; BUSINESS-TO-BUSINESS WEBSITE**

(a) Of the funds appropriated in Sec. B.236.1 of this act, \$1,820,000 Enterprise Fund shall be used for the business-to-business website design and implementation to improve the ordering and payment of for on-premise licensees.

**EXPLANATION:**

Grammatical error.

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

(a) The Agency of Human Services ~~is authorized to~~ may seek a State Directed Payment model with the Centers for Medicare and Medicaid Services. This payment model will be for a Hospital Directed Payment program. Upon approval from the Centers for Medicare and Medicaid Services, 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 Hospital Directed Payment program.

(b) If the Centers for Medicare and Medicaid Services approves a Vermont Hospital Directed Payment 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~~ may approve the Agency of Human Services' allocation and expenditure of excess receipts for Global Commitment Fund spending up to the amount approved by the Centers for Medicare and Medicaid Services for the Vermont Hospital Directed Payment program.

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

#### EXPLANATION:

Standardized language should be used to communicate intent. If the General Assembly is providing a required directive, use “shall”. If it is providing an option to be exercised at the discretion of the executive branch, then use “may”.

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

§ 252. HEALTH EQUITY ADVISORY COMMISSION

\* \* \*

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

(1) provide advice to the Department of Health guidance on the continued 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;~~

~~(B)~~ (C) how the Office shall be staffed;

~~(C)~~ (D) the populations served and specific issues addressed by the Office; and

~~(D)~~ (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 Office of Health Equity, Commissioner, and General Assembly once established, including input on:

(A) any rules or policies proposed by the Office or Department of Health;

(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 Office of Health Equity, Department of Health, or General Assembly requests assistance from the Advisory Commission;

\* \* \*

#### EXPLANATION:

Clarification that the Commissioner will continue to advise the Department as the office continues to develop.

The Office has been located in the Health Department, (B) is no longer necessary.

**Sec. E.312.4** 18 V.S.A. § 254 is added to read:

§ 254. OFFICE OF HEALTH EQUITY

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(b) The Office of Health Equity shall be **managed** directed by an Executive Director, an individual who shall be qualified by reason of education, expertise, and experience and who may have a professional degree in public health, social or environmental justice, or a related field. The Executive Director shall **report to the Commissioner of Health, shall** serve on a full-time basis, and shall be exempt from classified service.

#### EXPLANATION:

Clarifies the Director is accountable to the Commissioner.



**Sec. E.321** GENERAL ASSISTANCE EMERGENCY HOUSING

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(e) Case management services provided by case managers employed by or under contract with the Agency of Human Services or reimbursed through an Agency-funded grant shall include assisting clients with finding appropriate housing.

(f) The Commissioner for Children and Families shall apply the General Assistance Emergency Housing rules approved by the Legislative Committee on Administrative Rules on March 13, 2025 for the administration of this section.

(g) On or before the last day of each month from July 2025 through June 2026, the Department for Children and Families, or other relevant agency or department, shall continue submitting a similar report to that due pursuant to 2023 Acts and Resolves No. 81, Sec. 6(b) to the Joint Fiscal Committee, House Committee on Human Services, and Senate Committee on Health and Welfare. Additionally, this report shall include the Department's monthly expenditure on General Assistance Emergency Housing.

(gh) For emergency housing provided in a hotel or motel beginning on July 1, 2024 and thereafter, the Department for Children and Families shall not pay a hotel or motel establishment more than the hotel's lowest advertised room rate and not more than \$80 a day per room to shelter a household experiencing homelessness. The Department for Children and Families may shelter a household in more than one hotel or motel room depending on the household's size and composition.

(hi) The Department for Children and Families shall apply the following rules to participating hotels and motels:

(1) Section 2650.1 of the Department for Children and Families' General Assistance (CVR 13-170-260);

(2) Department of Health, Licensed Lodging Establishment Rule (CVR 13-140-023); and

(3) Department of Public Safety, Vermont Fire and Building Safety Code (CVR 28-070-001).

(ii) (1) The Department for Children and Families may work with either a shelter provider or a community housing agency to enter into a full or partial facility lease or sales agreement with a hotel or motel provider. Any facility conversion under this section shall comply with the Office of Economic Opportunity's shelter standards.

(2) If the Department for Children and Families determines that a contractual agreement with a licensed hotel or motel operator to secure temporary emergency housing capacity is beneficial to improve the quality, cleanliness, or access to services for those households temporarily housed in the facility, the Department shall be authorized to enter into such an agreement in accordance with the per-room rate identified in subsection (h) of this section; provided, however, that in no event shall such an agreement cause a household to become unhoused. The Department for Children and Families may include provisions to address access to services or related needs within the contractual agreement.

(ik) Of the amount appropriated to implement this section, not more than \$500,000 shall be used for security costs.

(kl) As used in this section:



(1) “Community-based shelter” means a shelter that meets the Vermont Housing Opportunity Grant Program’s Standards of Provision of Assistance.

(2) “Household” means an individual and any dependents for whom the individual is legally responsible and who live in Vermont. “Household” includes individuals who reside together as one economic unit, including those who are married, parties to a civil union, or unmarried.

**EXPLANATION:**

Technical amendments are required due to the implementation of conflict-free-case-management during SFY26, as well as to prevent the unintended consequence of applying LCAR rules in effect on March 13, 2025 which will otherwise prevent any further changes to rules that may be required during SFY26. As drafted, the rules currently with LCAR prevent the prioritization of placements for Emergency Housing.

**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~~ **\$29,343,655** 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:**

Error in the original language provided by the Agency of Human Services.

**Sec. E.338.1** CORRECTIONS; FEDERAL FUNDS STATUS

~~(a) At or before the Joint Fiscal Committee’s November 2025 meeting, the Department of Corrections shall report to the Committee on the status of federal funds that may affect the provision of recovery coaching for incarcerated individuals at the State’s correctional facilities.~~

**EXPLANATION:**

This language is obsolete since the federal grant was not funded.

**Sec. E.345.1**

\$300,000 of the General Fund appropriated in Section B.345 is to fund three permanent classified positions taken from the position pool. The positions shall be used to establish a Health Systems Financial Principal Analyst, a Health Systems Access Principal Analyst, and a Health Systems Quality Project Manager at the Green Mountain Care Board.

**EXPLANATION:**

Provides language designating the General Fund base increase for three new positions from the position pool. (Removed from Section E.100.)

**Sec. E.504** ADULT EDUCATION AND LITERACY

(a) Of the appropriation in Sec. B.504 of this act, ~~\$3,958,345~~ **\$3,958,344** 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:**

The amount needs to be reduced \$1 to match the General Fund appropriation in B.504.

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

§ 11a. TRANSPORTATION FUNDS APPROPRIATED FOR THE DEPARTMENT OF PUBLIC SAFETY FUND APPROPRIATIONS

(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, Electric Vehicle Supply Equipment (EVSE) programs at the Agency of Commerce and Community Development, 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:**

This modification is needed only if the Administration's recommendation to create an Electric Vehicle Supply Equipment special fund is not implemented due to the changes in Sec. E.901.

**Sec. E.901** 23 V.S.A. § 361 is amended to read:

§ 361 Pleasure cars

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(d) The annual and biennial EV infrastructure fees collected in subsections (b) and (c) of this section shall be allocated to the Transportation Fund deposited into the Electric Vehicles Supply Equipment (EVSE) special fund for programs administered by the Agency of Commerce and Community Development to increase Vermonters' access to level 1 and 2 electric vehicle supply equipment (EVSE) charging ports at workplaces or multiunit dwellings, or both.

(e) The Electric Vehicle Supply Equipment (EVSE) special fund is established for the purposes provided in subsection (d) of this section and shall be administered by the Agency of Commerce and Community Development in accordance with 32 V.S.A. Subchapter 5.

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(d) The annual and biennial EV infrastructure fees collected in subsection (c) of this section shall be allocated to the Transportation Fund deposited into the Electric Vehicles Supply Equipment (EVSE) special fund for programs administered by the Agency of Commerce and Community Development to increase Vermonters' access to level 1 and 2 electric vehicle supply equipment (EVSE) charging ports at workplaces or multiunit dwellings, or both.

(e) The Electric Vehicle Supply Equipment (EVSE) special fund is established for the purposes provided in subsection (d) of this section and shall be administered by the Agency of Commerce and Community Development in accordance with 32 V.S.A. Subchapter 5.

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**EXPLANATION:**

The first technical correction applies to the period beginning January 01, 2025 prior to the contingency in statute being met and the second correction applies to the period beginning January 01, 2025 once the contingency is met. In each case the language is modified to accomplish the General Assembly's intent but does so in accordance with Generally Accepted Accounting Principles. Creating a special fund and directing fees into it is administratively simple and presents less risk. The Agency of Commerce and Community Development is directly appropriated spending authority based on projected fee collections and no need for a transfer exists. This complies with language in E.900.

**Sec. E.902** 19 V.S.A. § 11 is amended to read:

§ 11 Transportation Fund

The Transportation Fund shall comprise the following:

(1) all taxes, penalties, and fees received by the Commissioner of Motor Vehicles except those relating to motorboats imposed under 23 V.S.A. chapter 29, which shall be expended pursuant to 23 V.S.A. § 3319; and those relating to Electric Vehicle Supply Equipment per 23 V.S.A. § 361(d);

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**EXPLANATION:**

This modification is needed if the Administration's recommendation to create an Electric Vehicle Supply Equipment special fund is implemented due to changes in Sec. E.901.