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Adam Greshin, Commissioner

TO: Members of the H.493 Committee of Conference
CC: Erin Pedley, Elle Oille-Stanforth, Emily Byrne, Aimee Pope, Grady Nixon
FROM: Adam Greshin
DATE: May 6, 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. B.200 Attorney general

Personal services	15,608,060	<u>15,528,060</u>
Operating expenses	1,810,445	
Grants	20,000	
Total	17,438,505	<u>17,358,505</u>

Source of funds

General fund	8,195,240	<u>8,115,240</u>
Special funds	2,468,889	
Tobacco fund	434,660	
Federal funds	1,809,676	
Interdepartmental transfers	4,530,040	
Total	17,438,505	<u>17,358,505</u>

EXPLANATION:

The \$80,000 General Fund added by the Senate to extend the limited-service position created pursuant to 2022 Acts and Resolves No. 182, Sec. 17 is removed from the base appropriation in Sec. B.200 and is added to the original one-time appropriation created pursuant to 2022 Act 182 Sec. 17(b). See Sec. B.1100(gg)(1) of this memorandum for the corresponding one-time appropriation language to extend the limited-service position.

Sec. B.211 Public safety - emergency management

Personal services	6,811,020	
Operating expenses	1,018,043	
Grants	63,029,843	<u>62,529,843</u>
Total	70,858,906	<u>70,358,906</u>

Source of funds

General fund	2,145,622	<u>1,645,622</u>
Special funds	710,000	
Federal funds	67,941,304	
Interdepartmental transfers	61,980	
Total	70,858,906	<u>70,358,906</u>

EXPLANATION:

The House added \$500,000 General Fund for Foodbank Warehouses to grants. The Senate eliminated this increase and provided \$500,000 for Urban Search and Rescue but did not make the appropriation in the correct section. The \$500,000 should be moved from Sec. B.211 to B.212 as reflected below.

Sec. B.212 Public safety - fire safety

Personal services	9,963,365	<u>10,243,365</u>
Operating expenses	3,674,954	<u>3,894,954</u>
Grants	127,350	
Total	13,765,669	<u>14,265,669</u>

Source of funds

General fund	1,795,530	<u>2,295,530</u>
Special funds	10,769,486	
Federal funds	1,155,653	
Interdepartmental transfers	45,000	
Total	13,765,669	<u>14,265,669</u>

EXPLANATION:

Urban Search and Rescue is housed within the Fire Safety Division. This adjustment transfers the funding to the proper appropriation and distributes it to the proper major object codes.

Sec. B.802 Housing and community development

Personal services	2,669,883	<u>6,669,883</u>
Operating expenses	1,528,070	
Grants	27,139,431	<u>23,139,431</u>
Total	31,337,384	

Source of funds

General fund	7,806,505	
Special funds	10,144,339	
Federal funds	10,957,973	
Interdepartmental transfers	2,428,567	
Total	31,337,384	

EXPLANATION:

The House removed \$4 million of base funding for the Vermont Housing Improvement Program; however, this program funding should be removed from Grants rather than from Personal Services.

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

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

(3) Notwithstanding 32 V.S.A. § 3709(a), \$1,000,000 PILOT Special Fund for the **Municipal Technical Assistance Program** as established by 2023 Acts and Resolves No. 3, Sec. 95.

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

(3) \$300,000 Substance Misuse Prevention Special Fund for recovery residences certified by the Vermont Alliance for Recovery Residences, **notwithstanding 18 V.S.A. § 4812**;

(4) \$800,000 Substance Misuse Prevention Special Fund for recovery centers **notwithstanding 18 V.S.A. § 4812** ;

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

(3) \$1,000,000 General Fund for ~~direct aid a grant~~ to the Vermont Foodbank. ~~Foodbank's network partner food shelves and pantries through~~ The Vermont Foodbank shall provide an equitable statewide distribution of food or subgrants or both **to its network partner food shelves and pantries**;

(4) ~~\$500,000 General Fund for the Champlain Valley Office of Economic Opportunity Community Resource Center; and~~

~~(5) \$156,000 General Fund for the Child Care Apprenticeship Program.~~

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

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

(4) \$14,500,000 ~~Other Infrastructure, Essential Investments, and Reserves Fund~~ Other Infrastructure, Essential Investments and Reserves Subaccount in the Cash Fund for Capital and Essential Investments for the State match to the Infrastructure Investment and Jobs Act Drinking Water State Revolving Fund and Clean Water State Revolving Fund, in accordance with the provisions of 2023 Acts and Resolves No. 78, Sec. C.108(b).

(q) Office of the State Treasurer. In fiscal year 2026, funds are appropriated for the following:

(1) \$148,000 General Fund for the Volunteer Income Tax Assistance Program; and

(2) \$700,000 General Fund for financial modeling. In fiscal year 2026, the Office of the State Treasurer may, through an interdepartmental transfer, transfer up to \$700,000 to the Agency of Natural Resources for the Climate Superfund Cost Recovery Program ~~Fund~~.

(dd) Land Use Review Board. In fiscal year 2026, funds are appropriated for the following:

(1) \$100,000 General Fund for development of digital infrastructure relating to ~~regional planning commission~~ the Land Use Review Board application and mapping projects.

(ee) Joint Fiscal Office. In fiscal year 2026, funds are appropriated for the following:

(1) \$250,000 for consulting services related to legislative needs identified in the 2025–2026 biennium, including analysis of legislative staff compensation and organizational structure and implementation of adjustments in accordance with policies adopted by the Joint Legislative Management Committee.

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

(1) \$500,000 General Fund for the Champlain Valley Office of Economic Opportunity Community Resource Center.

(gg) Office of the Attorney General. In fiscal year 2026, funds are appropriated for the following:

(1) \$80,000 General Fund is added to the appropriation established per 2022 Acts and Resolves No. 182, Sec. 17(b) to extend the limited-service position established in subsection (a) of that section until June 30, 2026.

EXPLANATION:

(a)(3):

2023 Acts and Resolves No. 3, Sec. 95 was an amendment to 2022 Acts and Resolves No. 185. 2022 Acts and Resolves No. 185 Sec. A.102(b) and (c) state:

(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.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2023.

In regards to 2022 Acts and Resolves No. 185 Sec. A.102(b), 2023 Acts and Resolves No. 3, Sec. 45 amended 2022 Acts and Resolves No. 185 Sec. B.1100(a) by adding a new subsection (24) that provided a one-time \$3 million general fund appropriation to the Secretary of Administration for Municipal Technical Assistance and related services. This one-time funding was for the program established in 2023 Acts and Resolves No. 3, Sec. 95 as stated in subsection (g) to that section.

2023 Acts and Resolves No. 3, Sec. 95 contained no sunset provision providing for when the program would terminate nor was the language codified, therefore, per 2022 Acts and Resolves No. 185 Sec. A.102(c) the language applied only to the fiscal year ending June 30, 2023.

Providing a program that technically no longer exists access to the PILOT Special Fund could be problematic if challenged. The Administration recommends that the enabling legislation in 2023 Acts and Resolves No. 3, Sec. 95 either be amended to establish a sunset provision, as has been the customary past practice of the General Assembly, or that the language be either repeated or codified.
[See Section E.142.2 of this bill for an example.]

Given the nature of the appropriation itself, as included in the one-time section, and the requirements of 2022 Acts and Resolves No. 185 Sec. A.102(c), no evidence exists to support the claim that the General Assembly intended for this program to exist beyond fiscal year 2023.

(g)(3) & (4)

The Substance Misuse Prevention Special Fund is for prevention focused programs and activities. Notwithstanding language would be necessary to use for recovery programs.

(h)

(3): Provides clarity that the appropriation is for a grant to the Vermont Foodbank for the purposes and means provided by the General Assembly and not for the Department for Children and Families to operationalize directly.

(4): Moves this to Department of Mental Health new one-time appropriation.

(m):

(1): Grammatical error

(3): Provide actual legal name.

(q)(2):

The intent is to allow the Treasurer to transfer General Fund spending authority to the Agency of Natural Resources, not to move cash between the General Fund and the Climate Superfund Cost Recovery Program Fund.

(dd)(1)

Technical language correction added at request of Land Use Review Board

(ee)

Net neutral addition, when combined with additional reversion in D section of the bill; needed to correct a technical error in Section C.104.

(gg)

\$80,000 was provided to extend a limited-service position that had only been authorized for two years. The original appropriation was established as a one-time and the funding is being added to the appropriation the General Assembly established for this position.

[AGO confirmed the extension is through June 30, 2026.]

Sec. B.1101 FISCAL YEAR ~~2025 CLOSEOUT~~ 2026 CONTINGENT TRANSACTIONS

~~(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. If any balance remains after meeting these requirements, then, notwithstanding 32 V.S.A. § 308c, the Department of Finance and Management shall designate the first \$138,520,000 as unallocated carryforward for use in meeting the requirements of the fiscal year 2026~~

~~appropriations act as passed by the General Assembly. The Department of Finance and Management shall then, notwithstanding 32 V.S.A. § 308e, calculate the maximum number of contingent transactions that can be funded, in the order provided in subsection (b) of this section, and designate that money to remain unallocated for such purpose in fiscal year 2026. Any residual balance remaining after such designations shall be reserved in accordance with 32 V.S.A. § 308e.~~

~~(ba)~~ In fiscal year 2026, the following contingent transactions shall be executed in the following order from the designated unallocated balance as determined in ~~subsection (a) of this~~ section C.108 of this act:

(1) \$5,000,000 is transferred to the Communications and Information Technology Special Fund to cover the costs of transitioning billable services from a service level agreement model to a core enterprise services model.

(2) \$45,000,000 is appropriated to the Agency of Administration to be transferred by the Emergency Board pursuant to 32 V.S.A. §133 if federal funds are reduced while the General Assembly is not in session.

(b) Any subdivision 2024 Acts and Resolves No. 113, Sec. B.1100(v)(1) appropriations, as amended by this act, that have not been encumbered or expended on or before September 30, 2025 shall revert to the General Fund and an equivalent amount shall be transferred from the General Fund to the Emergency Relief and Assistance Fund.

EXPLANATION:

(a) Directives impacting prior year accounting procedures are contained in the C Section of the bill. Section C.108, below, incorporates the subsection (a) requirements put forth in this section. FY26 contingent transactions must remain in B Section of the bill.

(b) Moves a fiscal year 2026 contingent reversion and transfer from the fiscal year 2025 one-time appropriation section to the fiscal year 2026 contingent transactions section.

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

(a) In fiscal year 2026, \$14,061,099 is appropriated from the Capital Infrastructure subaccount in the Cash Fund for Capital and Essential Investments for the following:

(1) Department of Buildings and General Services:

(D) \$219,500 for State House ~~repainting~~ repainting;

EXPLANATION:

The appropriations in this section are capital appropriations, not one-time operating appropriations.

Misspelled “repainting”.

Several appropriations in this section may not meet the codified requirements under 32 V.S.A. § 1001b(c)(1). Including a notwithstanding for this provision of statute is recommended.

\$100,000 CVRPC Site Study Grant?
\$275,000 FPR Fire Apparatus?
\$35,000 DPS Dry Hydrant?
\$45,000 Bennington Veterans' Incubator Farm?

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

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

~~(B) To the extent that the funds appropriated in this subdivision (v)(1) have not been granted on or before September 30, 2025, they shall revert to the General Fund and 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 establish spending authority from the PILOT Special Fund for this purpose.~~

(w) Vermont Housing and Conservation Board. In fiscal year 2025, funds are appropriated for the following:

(1) \$2,800,000 General Fund to complete pilot projects identified pursuant to 2022 Acts and Resolves No. 186.

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

(1) \$68,407 Education Fund for a grant to the Essex North Supervisory Union to eliminate the shortfall in their fiscal year 2025 Transportation Grant due to a data submission error.

(2) \$149,666 Education Fund for a grant to the Windham Southwest Supervisory Union to eliminate the shortfall in their fiscal year 2025 Transportation Grant due to a data submission error.

EXPLANATION:

(v)

Contingent transactions removed from the one-time appropriations section to the Fiscal Year 2026 Contingent Transactions in section B.1101.

(w)

2022 Acts and Resolves No. 186, *An act relating to the system of care for individuals with developmental disabilities*, makes no reference to the Vermont Housing and Conservation Board and the only two appropriations are directed to the Department for Aging and Independent Living (DAIL). The Administration questions whether the appropriate public administrative entity has been named and/or whether the correct citation has been provided.

(x)

Data submitted by the supervisory unions was incorrect causing a shortfall in their fiscal year 2025 Transportation Aid grants.

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

~~(ee) Joint Fiscal Office. In fiscal year 2024, funds are appropriated for the following:~~

~~(1) \$250,000 for per diem compensation and reimbursement of expenses for members of the Task Force on Economic Development Incentives and for consulting services approved by the Task Force consulting services related to legislative needs identified in the 2025-2026 biennium, including analysis of legislative staff compensation and organizational structure and implementation of adjustments in accordance with policies adopted by the Joint Legislative Management Committee.~~

~~***~~

EXPLANATION:

2024 Acts and Resolves No. 87, Sec. 103(b) requires all legislative branch general fund appropriations to carry forward, therefore, the spending authority must be reverted and appropriated for a new purpose. Furthermore, the appropriation cannot simply be retitled within the state accounting system without compromising prior year audit evidence. The \$250,000 for this appropriation has been added to the reversions provided by the Joint Fiscal Office for inclusion in the D Section of this bill, and a new onetime appropriation is established in Section B.1100. The impact to the General Fund is net neutral.

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 spending authority 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. Technical change recognizing that programs receive spending authority.

Sec. C.107 BUSINESS EMERGENCY GAP ASSISTANCE PROGRAM; VERMONT ECONOMIC DEVELOPMENT AUTHORITY GRANT

(a) Of the \$7,000,000 General Fund ~~authorized provided to the Department of Housing and Community Development~~ by unanimous vote of the Emergency Board on August ~~12~~08, 2024 for the Business Emergency Gap Assistance Program, \$2,000,000 shall be used for a grant to the Vermont Economic Development Authority to establish a disaster relief fund for use by businesses following a natural disaster.

EXPLANATION:

Technical corrections / clarifying language. The date of the Emergency Board meeting, and the action taken, was August 08, 2024 not August 12.

Sec. C.108 FISCAL YEAR 2025 CLOSEOUT

(a) As part of the fiscal year 2025 closeout, the Commissioner of Finance and Management shall execute the requirements of 32 V.S.A. § 308. If any balance remains after meeting these requirements, then, notwithstanding 32 V.S.A. § 308c, the Department of Finance and Management shall designate the first \$138,970,000 as unallocated carryforward for use in meeting the requirements of the fiscal year 2026 appropriations act as passed by the General Assembly. The Department of Finance and Management shall then, notwithstanding 32 V.S.A. § 308c, calculate the maximum number of contingent transactions that can be funded, in the order provided in Section B.1101 of this Act, and designate that money to remain unallocated for such purpose in fiscal year 2026. Any residual balance remaining after such designations shall be reserved in accordance with 32 V.S.A. § 308c.

EXPLANATION:

The prior year directives from B.1100 were transferred to the C section of this bill.

Sec. C.109 2024 Acts and Resolves No. 113, Sec. D.103 is amended to read:

Sec. D.103 RESERVES

(b) In fiscal year 2025, \$5,000,000 shall be reserved within the Child Care Contribution Special Fund. If in fiscal year 2026 the Child Care Contribution Special Fund is found to have an undesignated fund deficit, these funds shall be unreserved and used to the extent necessary to offset the deficit as determined by Generally Accepted Accounting Principles. If these funds are used in fiscal year 2026, the Commissioner of Finance and Management shall report to the House and Senate Committees on Appropriations, or the Joint Fiscal Committee when the General Assembly is not in session, on the amount used.

EXPLANATION:

Fiscal year 2025 reserve requirements have been moved to the C Section from fiscal year 2026 D Section.

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(e), 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 pursuant to 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 and 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 and 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); and~~

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

EXPLANATION:

The adjustment moves the D.100 appropriation designations to E sections corresponding to the B section appropriations. Transfer language is added into the D.101 transfer section and the language applicable to the affordable housing bonds is transferred to a new E section for the Vermont Housing Conservation Board. Change eliminates D.100 and creates new annual language in line with other appropriations.

Sec. D.101 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) Cash Fund for Capital and Essential Investments Capital Infrastructure Fund Subaccount (#21952): \$10,272,469.

(9) From the Current Use Administration Special Fund (#21594) to the:

(A) General Fund (#10000): Notwithstanding 32 V.S.A. § 9610(c), any balance in excess of \$591,137, for purposes of developing the fiscal year 2026 budget the estimated amount is \$580,363

(10) From the Housing and Conservation Trust Fund (#90610) to the:

(A) General Fund (#10000): Notwithstanding 10 V.S.A. § 312, an amount equal to the property transfer tax receipts received by the fund in excess of \$36,964,240; for purposes of developing the fiscal year 2026 budget the estimated amount is \$2,500,000

(10) From the Municipal and Regional Planning and Resilience Fund (#21330) to the:

(A) General Fund (#10000): Notwithstanding 24 V.S.A. § 4306(a)(2), any balance in excess of \$10,000,705; for purposes of developing the fiscal year 2026 budget the estimated amount is \$0

EXPLANATION:

Moves the section D.100 transfer into the D.101 section with all other transfers.

Sec. D.102 REVERSIONS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2026, the following amounts shall revert to the General Fund from the accounts indicated:

1100892208 AOA – VHFA	\$2,000,000.00
1210892201 LEG – Pension Benefit Consul	\$8,821.25
1220891803 VT Tax Structure Comm	\$59,673.09
1220891901 Contract Services for Research	\$25,000.00
1220892201 JFO – AAHC Task Force Consult	\$7,155.00
1220892301 JFO – Studies and Reports \$	\$21,125.50
1230891301 Security	\$39.10
1230892301 SAA – Capitol Police	\$0.99
1260892201 TRE – Bond Redemption	\$6,000,000.00
<u>1220892401 JFO – Task Force on Econ Dev</u>	<u>\$250,000.00</u>

EXPLANATION:

This is the reversion discussed in the technical correction to Section C.104. It is net neutral to the General Fund given the additional one-time appropriation made for the same amount in Section B.1100 to 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, ~~\$1,875,385~~ \$1,876,986.40 is expected to be unreserved in fiscal year 2026.

~~(b) In fiscal year 2025, \$5,000,000 shall be reserved within the Child Care Contribution Special Fund. If in fiscal year 2026 the Child Care Contribution Special Fund is found to have an undesignated fund deficit, these funds shall be unreserved and used to the extent necessary to offset the deficit as determined by Generally Accepted Accounting Principles. If these funds are used in fiscal year 2026, the Commissioner of Finance and Management shall report to the House and Senate Committees on Appropriations, or the Joint Fiscal Committee when the General Assembly is not in session, on the amount used.~~

EXPLANATION:

The expected transfer varies due to the administration not rounding numbers in its General Fund operating statement.

Fiscal year 2025 reserve requirements have been moved to C.109.

Sec. E.100 POSITIONS

(a) The establishment of 12 permanent positions is authorized in fiscal year 2026 for the following:

(E) State Labor Relations Board:

(i) one Labor Relations IT Staff.

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

(i) one Financial and IT Specialist; and

(2) Permanent exempt positions:

(A) State Labor Relations Board:

(i) one Staff Attorney; and

~~(ii) one Labor Relations IT Staff.~~

(B) Office of the Attorney General:

(i) one Assistant Attorney General.

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

~~(i) one Financial and IT Specialist; and~~

~~(ii) two Transport Deputies.~~

~~(b) The establishment of four 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.~~

~~(B) Cannabis Control Board:~~

~~(i) one Compliance and Enforcement Attorney.~~

~~(2) Permanent exempt positions:~~

~~(A) Human Rights Commission:~~

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

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

~~(e)~~ The establishment of one classified limited service position is authorized in fiscal year 2026:

(1) Office of the State Treasurer:

(A) one Climate Superfund Specialist.

~~(dc)~~ The conversion of 11 limited-service positions to permanent exempt status is authorized in fiscal year 2026 as follows:

(1) Land Use Review Board:

(A) two District Coordinators.

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

(A) six Deputy State's Attorneys;

(B) two Legal Assistants; and

(C) one Victim Advocate.

~~(d)~~ The limited-service position established pursuant 2022 Act and Resolves No. 182, Sec. 17, in the Office of the Attorney General shall be extended until June 30, 2026.

EXPLANATION:

In accordance with 3 V.S.A. § 311, financial and information technology staff are properly considered classified positions. State's Attorneys already has existing staff in both financial and information technology roles and these positions are classified.

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, E.236 and E.240 sections for the Criminal Justice Council, Human Rights Commission, and Cannabis Control Board respectively.

Subsection d extends a limited service position whose termination date was set in statute by the General Assembly. The Senate provided \$80,000 General Fund in Section B.200 for this purpose. This funding has been moved to the one-time section to be added to the existing appropriation the General Assembly intended to fund this position.

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

~~(b) In fiscal year 2026, the Secretary of Administration shall report to the Joint Fiscal Committee on a quarterly basis, and upon the request of the Committee, on the status of any new spending authority established pursuant to 2023 Acts and Resolves No. 113, Sec. E.106:~~

~~(1) Reports shall include information on:~~

~~(A) the original amounts appropriated;~~

~~(B) outstanding obligations against appropriations; and~~

~~(C) any remaining spending authority.~~

(e) Any spending authority established pursuant to 2024 Acts and Resolves No. 113, Sec. E.106(a) and (c) that remains unexpended and unencumbered on December 31, 2027 shall revert to the General Fund. Any unallocated balance resulting from this reversion shall be reserved in the General Fund Balance Reserve.

(dc) The Secretary of Administration shall report to the House and Senate Committees on Appropriations on or before January 15, 2028 on the amount reverted to the General Fund and reserved in the General Fund Balance Reserve pursuant to subsection (c) of this section.

EXPLANATION:

Per 2023 Act and Resolves No. 113, Sec. A.102(c), no new spending authority can be established under this provision past June 30, 2025. If the intent of the General Assembly is to continue this practice in fiscal year 2026 then it must either codify the provisions of 2023 Act and Resolves No. 113, Sec. E.106; amend the enabling legislation to provide a sunset date beyond June 30, 2025 or repeat the language in a new section of this bill.

E.105 Housing and community development

The \$1,000,071 of Municipal & Regional Planning and Resilience funds appropriated to the Agency of Digital Services shall be for the operations of the Vermont Center for Geographic Information.

EXPLANATION:

Moves the designation of appropriated funds to the Agency of Digital Services to its corresponding E section instead of the current D.100 section.

Sec. E.105.1 AGENCY OF DIGITAL SERVICES; COMMUNICATIONS AND INFORMATION TECHNOLOGY FUND TRANSFER

EXPLANATION:

Changes E.105 to E.105.1

Sec. E.111 Tax – administration/collection

The \$591,137 of Current Use Administration Special Fund appropriated to the Department of Taxes in Section B.111 of this Act is for the administration of the Use Tax Reimbursement Program.

EXPLANATION:

New annual language moving the restriction placed on the Tax Department's special fund appropriation to the E Section corresponding to the Department's appropriation instead of the current D.100 Section.

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

§ 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE RESERVES

(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.

EXPLANATION:

The language does not specify who is permitted to take the action provided in the language.

Sec. E.127.3 FEDERAL FUNDING; CALCULATION OF APPROPRIATION REDUCTION;
SECRETARY OF ADMINISTRATION; JOINT FISCAL COMMITTEE

(a) As used in this section:

(1) “Unduplicated ~~function total appropriation~~” means the ~~individual function totals total appropriation~~ set forth in this act ~~for a governmental function~~ excluding Global Commitment funds, Interdepartmental Transfer funds, and Internal Service funds. For purposes of this section, the determination of ~~an unduplicated function total appropriations~~ shall not include Education ~~Funds Fund~~.

(2) “Governmental function unit” refers to the governmental function areas set forth in Sec. A.108 of this act.

(b) In each instance that a reduction in federal ~~revenues funds~~ to the State results in:

(1) the unduplicated ~~function total appropriation~~ for each governmental function unit ~~to decrease decreasing~~ by less than one half of one percent, the Secretary of Administration shall notify the Joint Fiscal Committee.

(2) the unduplicated ~~function total appropriation~~ for any governmental function unit ~~to decrease decreasing~~ by one half to one percent:

(A) the Secretary of Administration shall prepare ~~an expenditure a spending authority reduction and transfer~~ plan for consideration and approval by the Joint Fiscal Committee, pursuant to ~~the same process established in 32 V.S.A. § 704(e) notwithstanding the reference to subdivision (b)(1) of this section, provided that any the total reductions to in appropriations federal spending authority and transfers of funds are not greater than not exceed~~ the reductions in federal ~~revenues funds~~; and

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

(i) ~~pursuant to Sec. E.127.4 of this act, u~~Utilize the ~~General Fund Balance Reserve or~~ the appropriation set forth in Sec. B.1101(b)(2) ~~or Sec. B.1101(c)~~ of this act, or both, 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 ~~pursuant to subsection (b)(2) of this section~~; 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 any fund or 10 percent of any appropriation.~~

(c) Notwithstanding any other provision of law to the contrary, for the purpose of calculating any appropriation reduction that triggers the actions set forth in this section, the baseline federal funding amounts shall be the federal funding set forth in this act. The Secretary of Administration shall monitor any changes in federal funding as the difference between the baseline federal funding amount for use in fiscal year 2026 and any updated State federal funds revenue forecast adopted by the Emergency Board and shall calculate the percent reduction of the unduplicated ~~function totals appropriations~~ for each governmental function unit.

EXPLANATION:

Function totals in the bill are not appropriations.

A loss of federal revenues to the state is the issue triggering the need for federal spending authority reductions.

As explained below, the construct proposed by Sec. E.127.4 is not a technically viable option, so the reference to Sec. E.127.4 is deleted; however, the intent of Sec. E.127.4 could instead be implemented by a contingent appropriation in Sec. B.1101(c).

In the case of federal losses in revenue, transfers are not an option since we cannot transfer state funds into funds established for the purpose of accounting for and reporting on federal expenditures and revenues.

Sec. E.127.4 EMERGENCY BOARD; REPLENISH REDUCED SPENDING AUTHORITY

~~(a) 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 32 V.S.A. § 704(b) 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 section exceed the original amount appropriated by the General Assembly.~~

EXPLANATION:

The apparent intent of this section is not technically actionable. While the language of subsection 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. However, the power to access and expend funds reserved in the State Treasury is exclusively vested with the Legislature, in accordance with the Vermont Constitution and with supporting statutory law.

The Administration notes that Sec. B.1101(b)(2) makes a contingent appropriation of \$45,000,000 to be transferred by the Emergency Board pursuant to 32 V.S.A. §133 if federal funds are reduced while the General Assembly is not in session. Consequently, for fiscal year 2026, the Emergency Board will most likely have available for this purpose an amount that is over four times greater than the amount that would be made available by unreserving 10% of the General Fund Balance Reserve. However, should the

Legislature still desire to unreserve and appropriate 10% of the General Fund Balance Reserve for use by the Emergency Board in fiscal year 2026, the intent of Sec. E.127.4 could be accomplished by inserting the following language in Secs. D.103 and B.1101:

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, \$1,875,385 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 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 is expected to be reserved in fiscal year 2026.

(D) In the event of 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 32 V.S.A. § 704(b) occurring while the General Assembly is not in session, an amount equal to 10% of the General Fund Balance Reserve shall be unreserved.

Sec. B.1101 FISCAL YEAR ~~2025 CLOSEOUT~~ 2026 CONTINGENT TRANSACTIONS

* * *

(c) In the event of 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 32 V.S.A. § 704(b) occurring while the General Assembly is not in session, the amount unreserved pursuant to Sec. D.103(D) of this act shall be appropriated to the Agency of Administration to be transferred by the Emergency Board pursuant to 32 V.S.A. §133.

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.

Sec. E.208.2 VERMONT COMMUNITY RADIO GRANT PROGRAM

EXPLANATION:

A.102(c) of this bill states:

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

If the General Assembly’s intent is to create a new program that will extend beyond June 30, 2026 then it should either include a program termination date beyond the end of fiscal year 2026 or codify the language to make the program permanent.

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.)

E.240 CANNABIS CONTROL BOARD

The Cannabis Control Board shall use its appropriation in Section B.236 is to fund one permanent exempt position from the position pool. The position shall be used to establish a Compliance and Enforcement Attorney at the Cannabis Control Board.

EXPLANATION:

Directs the Cannabis Control Board to seek a permanent exempt position from the position pool for an attorney to be focused upon compliance and enforcement using the appropriation provided in Section B.240. (Removed from E.100 Section).

Sec. E.301.3 GLOBAL COMMITMENT FUND; 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 Commissioner~~ of Finance and Management 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 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:

Technical change, the Commissioner approves. A portion of a previous edit was not removed.

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-Department of Health, and General Assembly ~~once established~~, including input on:

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

(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.

E.313 SUBSTANCE USE DISORDER RESIDENTIAL TREATMENT PROVIDERS

\$184,370 of the General Fund appropriation provided in Section B.313 shall be used to provide Substance Use Disorder (SUD) Residential Treatment Providers with a 2% rate increase in fiscal year 2026.

EXPLANATION:

Designates the funding added by the House for its intended purpose.

Sec. E.318 33 V.S.A. § 3505 is amended to read:

§ 3505. SUPPLEMENTAL CHILD CARE GRANTS

(a)(1) The Commissioner for Children and Families may ~~reserve~~ utilize up to one-half of one percent of ~~the child care family assistance program~~ funds appropriated for the Child Care Financial Assistance Program in a fiscal year for extraordinary financial relief to assist child care programs that are at risk of closing due to or experiencing financial hardship. The Commissioner may provide extraordinary financial relief to both licensed or registered child care programs and child care programs that are in the process of becoming licensed or registered. The Commissioner shall develop guidelines for providing assistance and shall prioritize extraordinary financial relief to child care programs in areas of the State with high poverty and low access to high quality child care. If the Commissioner determines a child care program is at risk of closure because its operations are not fiscally sustainable or a child care program has closed, ~~he or she~~ they may provide assistance to transition children served by the child care operator in an orderly fashion and to help secure other child care opportunities for children served by the program in an effort to minimize the disruption of services. The Commissioner has the authority to request tax returns and other financial documents to verify the financial hardship and ability to sustain operations.

* * *

EXPLANATION:

Technical adjustments.

Sec. E.321 GENERAL ASSISTANCE EMERGENCY HOUSING

(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).

~~(ij)~~ (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.

~~(jk)~~ 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.345.1

\$300,000 of the General Fund appropriated in Section B.345 is to fund three new permanent classified positions 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 included in the Governor's original recommended budget.

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

EXPLANATION:

The language needs to reference the existing appropriation in B.605.1, not appropriate the same amounts a second time.

E.802 Housing and community development

The \$9,000,635 of Municipal & Regional Planning and Resilience funds appropriated to the Department of Housing and Community Development shall be distributed 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).

EXPLANATION:

Moves the designations of appropriated funds to the Department of Housing and Community Development to its corresponding E section instead of the current D.100 section.

E.811 Vermont Housing and Conservation Board

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 pursuant to 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 and 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 and Conservation Board shall be restored.

EXPLANATION:

Moves the Housing and Conservation Board from D.100 to its corresponding E section instead.

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

§ 361 Pleasure cars

(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.

(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.

EXPLANATION:

The first correction applies to the period beginning January 01, 2025, prior to the contingency being met and the second correction applies to the period beginning January 01, 2025, once the contingency is met.

Language is modified to accurately accomplish the General Assembly's intent but does so in accordance with Generally Accepted Accounting Principles. It is also administratively simpler and presents less risk. The Agency of Commerce and Community Development is directly appropriated spending authority and no need for a transfer exists. This also 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);

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.

Sec. F.168 32 V.S.A. § 902 is amended to read:

§ 902. AUTHORIZATION TO BORROW MONEY

* * *

(b) The State Treasurer shall pay the interest on, and principal of ~~and expenses of preparing, issuing, and marketing of~~ such notes as the same fall due without further order or authority from the ~~General Fund or from the Transportation or other applicable funds or from the proceeds of bonds or notes~~ governmental debt service funds established in section 951a of this chapter. The authority hereby granted is in addition to and not in limitation of any other authority. Such notes shall be sold at public or private sale with or without published notice, as the State Treasurer may determine to be in the best interests of the State.

EXPLANATION:

The costs of preparing, issuing and marketing are paid from the B.1000 Debt Service appropriation.

Sec. F.170 32 V.S.A. § 954 is amended to read:

§ 954. PROCEEDS

(a) The proceeds arising from the sale of bonds, inclusive of any premiums, shall be applied to the purposes for which they were authorized, and the purposes ~~shall~~ may be considered to include ~~the expenses of preparing, issuing, and marketing the bonds and any notes issued under section 955 of this title, and underwriters' fees and~~ amounts for reserves, but no purchasers of the bonds shall be in any way bound to see to the proper application of the proceeds. The State Treasurer shall pay the interest on, principal of, investment return on, and maturity value of the bonds and notes as the same fall due or accrue without further order or authority. The State Treasurer, with the approval of the Governor, may establish sinking funds, reserve funds, or other special funds of the State as the State Treasurer may deem for the best interests of the State. To the extent not otherwise provided, the amount necessary each year to fulfill the maturing principal and interest of, investment return and maturity value of, and sinking fund installments on all the bonds then outstanding shall be included in and made a part of the annual appropriation bill for the expense of State government, and the principal and interest on, investment return and maturity value of, and sinking fund installments on the bonds as may come due before appropriations for their fulfillment have been made shall be fulfilled from the applicable debt service fund.

(b) ~~The State Treasurer is authorized to allocate the estimated cost of bond issuance or issuances, including the costs of preparing, issuing and marketing such bonds or notes, to the entities to which funds are appropriated by a capital construction act and for which bonding is required as the source of funds. If estimated receipts are insufficient, the State Treasurer shall allocate additional costs to the entities. Any remaining receipts shall not be expended, but carried forward to be available for future capital construction acts. If the source of funds appropriated by a capital construction act is other than by issuance of bonds, the State Treasurer is authorized to allocate the estimated cost of ongoing debt management services to the entities to which those funds are appropriated shall be appropriated annually from the funds from which transfers are made to fund debt service costs.~~

* * *

EXPLANATION:

The costs of preparing, issuing and marketing are paid from the B.1000 Debt Service appropriation.

Sec. F.174 CHILD CARE CONTRIBUTION SPECIAL FUND; UNALLOCATED AND UNRESERVED BALANCE

(a) In fiscal year 2025, the ~~Secretary of Administration~~ Commissioner of Finance and Management shall unreserve ~~and transfer General Funds funds~~ from the Human Services Caseload Reserve ~~and transfer an equivalent amount of General Funds~~ to the Child Care Contribution Special Fund established in 32 V.S.A. § 10554 as necessary to maintain a balance that appropriately supports the State's statutory obligations under the Child Care Financial Assistance Program established in 33 V.S.A. §§ 3512 and 3513.

(b) It is the intent of the General Assembly that any unreserved and unallocated balance in the Child Care Contribution Special Fund shall remain in the Fund to support the future establishment of a reserve for the Child Care Financial Assistance Program.

EXPLANATION:

The Commissioner of Finance and Management executes fund accounting requirements. Specifies the applicable fund and order of operations.

Sec. F.177 ADULT DIPLOMA PROGRAM AND HIGH SCHOOL COMPLETION PROGRAM TRANSITIONAL STUDENTS

(a) Notwithstanding 16 V.S.A. § 945 and any other provision of law to the contrary, a high school may award a high school diploma to any student who meets the following criteria:

(b) This section is repealed on July 01, 2025

EXPLANATION:

The Agency of Education requested this addition to ensure the language will cease to be in effect beyond fiscal year 2025.

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. ~~B.1101~~, C.100, C.101, C.102, C.103, C.104, C.105, ~~C.106~~, C.107, C.108, C.109, E.127.3, ~~E.142.1~~, ~~E.142.2~~, E.306.1, E.312.1, F.100, F.101, F.102, F.103, F.104, F.105, F.106, F.107, F.108, F.109, F.110, F.111, F.112, F.113, F.114, F.115, F.116, F.117, F.118, F.119, F.120, F.121, F.122, F.123, F.124, F.125, F.126, F.127, F.128, F.129, F.130, F.131, F.132, F.133, F.134, F.135, F.136, F.137, F.138, F.139, F.140, F.141, F.142, F.143, F.144, F.145, F.146, F.147, F.148, F.149, F.150, F.151, F.152, F.153, F.156, F.157, F.158, F.159, F.160, F.162, F.163, F.164, F.165, F.166, F.167, F.168, F.169, F.170, F.171, F.172, F.173, F.174, F.175, F.176, F.177, F.178, F.179, F.181, and F.182 shall take effect on passage.

EXPLANATION:

B.1101 was amended to include only FY26 contingent transactions applicable on July 01, 2025.

C.106 was deleted by the Senate and does not need to be referenced.

C.108 was added to account for directives impacting fiscal year 2025 accounting closure procedures.

C.109 Child Care Contribution Fund reserve is applicable to fiscal year 2025 and was moved to the C Section.

E.142.1 should be effective July 01, 2025. Act 113 Section B.143 still has a \$184,000 PILOT payment specific to Montpelier.

E.142.2 does not need to be effective upon passage as no payments will be made before the end of this fiscal year.