

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

3   \* \* \*

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

6   \* \* \*

7       (5) \$156,000 General Fund for the Child Care Apprenticeship Program.

8   \* \* \*

1      Sec. B.1101 FISCAL YEAR 2025 CLOSEOUT

2            (a) As part of the fiscal year 2025 closeout, the Department of Finance and  
3            Management shall execute the requirements of 32 V.S.A. § 308. If any balance  
4            remains after meeting these requirements, then, notwithstanding 32 V.S.A. §  
5            308c, the Department of Finance and Management shall designate the first  
6            \$138,520,000 as unallocated carryforward for use in meeting the requirements  
7            of the fiscal year 2026 appropriations act as passed by the General Assembly.  
8            The Department of Finance and Management shall then, notwithstanding 32  
9            V.S.A. § 308c, calculate the maximum number of contingent transactions that  
10           can be funded, in the order provided in subsection (b) of this section, and  
11           designate that money to remain unallocated for such purpose in fiscal year  
12           2026. Any residual balance remaining after such designations shall be reserved  
13           in accordance with 32 V.S.A. § 308c.

14           (b) In fiscal year 2026, the following contingent transactions shall be  
15           executed in the following order from the designated unallocated balance as  
16           determined in subsection (a) of this section:

17           (1) \$5,000,000 is transferred to the Communications and Information  
18           Technology Special Fund to cover the costs of transitioning billable services  
19           from a service level agreement model to a core enterprise service model.

20           (2) \$45,000,000 is appropriated to the Agency of Administration to be  
21           transferred by the Emergency Board pursuant to 32 V.S.A. §133 if federal  
22           funds are reduced while the General Assembly is not in session.

1 Sec. E.127 32 V.S.A. § 704 is amended to read:

2 § 704. INTERIM BUDGET AND APPROPRIATION ADJUSTMENTS

3 (a) The General Assembly recognizes that acts of appropriations and their  
4 sources of funding reflect the priorities for expenditures of public funds  
5 enacted by the General Assembly and that major reductions or transfers, when  
6 required by reduced State revenues or other reasons, ought to be made  
7 whenever possible by an act of the General Assembly reflecting its revisions of  
8 those priorities. Nevertheless, the General Assembly also recognizes that  
9 when it is not in session, it may be necessary to reduce authorized  
10 appropriations and their sources of funding, and funds may need to be  
11 transferred, to maintain a balanced State budget. Under these limited  
12 circumstances, it is the intent of the General Assembly that appropriations may  
13 be reduced and funds transferred when the General Assembly is not in session  
14 pursuant to the provisions of this section.

15 (b)(1) Except as otherwise provided in subsection (f) of this section, in  
16 each instance that the official State revenue estimate for the General Fund, the  
17 Transportation Fund, or federal funds has been reduced by one percent or more  
18 from the estimates determined and assumed for purposes of the current fiscal  
19 year's appropriations, the Secretary of Administration shall prepare an  
20 expenditure reduction plan for consideration and approval by the Joint Fiscal  
21 Committee pursuant to subsection (e) of this section, provided that any total  
22 reductions in appropriations and transfers of funds are not greater than the  
23 reductions in the official State revenue estimate.

(2) In each instance that the official State revenue estimate for the General Fund, the Transportation Fund, or federal funds has been reduced by less than one percent from the estimates determined and assumed for purposes of the current fiscal year's appropriations, the Secretary of Administration may prepare and implement an expenditure reduction plan without the approval of the Joint Fiscal Committee, provided that any total reductions in appropriations and transfers of funds are not greater than the reductions in the official State revenue estimate. The Secretary may implement an expenditure reduction plan under this subdivision if plan reductions to the total amount appropriated in any section or subsection do not exceed five percent, the plan is designed to minimize any negative effects on the delivery of services to the public, and the plan does not have any unduly disproportionate effect on any single function, program, service, benefit, or county. Plans not requiring the approval of the Joint Fiscal Committee shall be filed with the Joint Fiscal Office prior to implementation. If the Secretary's plan consists of reductions greater than five percent to the total amount appropriated in any section or subsection, such plan shall only be implemented in the manner provided for in subdivision (1) of this subsection.

\* \* \*

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

2 § 133. DUTIES

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

6 (b) Pursuant to section 706 of this title, the Board shall also have authority  
7 to transfer appropriations made to other agencies and to use the transferred  
8 amounts to make expenditures necessitated by unforeseen emergencies.

9 (c) In a fiscal year, the sum of the Board's expenditures under subsections  
10 (a) and (b) of this section shall not exceed two percent of the total General  
11 Fund appropriation for the year of the expenditures.

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

2 § 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE

3 RESERVES

4 (a) There is hereby created within the General Fund a General Fund  
5 Balance Reserve, also known as the “Rainy Day Reserve.” After satisfying the  
6 requirements of section 308 of this title, and after other reserve requirements  
7 have been met, any remaining unreserved and undesignated end of fiscal year  
8 General Fund surplus shall be reserved in the General Fund Balance Reserve.  
9 The General Fund Balance Reserve shall not exceed ~~five~~ 10 percent of the  
10 appropriations from the General Fund for the prior fiscal year without  
11 legislative authorization.

12 (1), (2) [Repealed.]

13 (3) Of the funds that would otherwise be reserved in the General Fund  
14 Balance Reserve under this subsection, the following amounts shall be  
15 reserved as necessary and transferred from the General Fund as follows:

16 (A) 25 percent to the Vermont State Retirement Fund established by  
17 3 V.S.A. § 473; and

18 (B) 25 percent to the Postretirement Adjustment Allowance Account  
19 established in 16 V.S.A. § 1949a.

20 (b)(1) The General Assembly may ~~specifically unreserve and~~ appropriate  
21 ~~the use of up to 50 percent of the amounts added in the prior fiscal year from or~~  
22 transfer an amount not to exceed 10 percent of the General Fund Balance  
23 Reserve to fund unforeseen or emergency needs. It is the intent of the General

1 Assembly that any General Fund Balance Reserve funds utilized in accordance  
2 with this section be replenished.

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

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

21 (c) There is hereby created within the Transportation Fund a Transportation  
22 Fund Balance Reserve. After satisfying the requirements of section 308a of  
23 this title, and after other reserve requirements have been met, any remaining

1       unreserved and undesignated end of fiscal year Transportation Fund surplus  
2       shall be reserved in the Transportation Fund Balance Reserve. Monies from  
3       this Reserve shall be available for appropriation by the General Assembly.

4       (d) Determination of the amounts of the General Fund and Transportation  
5       Fund Balance Reserves shall be made by the Commissioner of Finance and  
6       Management and reported, along with the amounts appropriated pursuant to  
7       subsection (a) of this section, to the legislative Joint Fiscal Committee at its  
8       first meeting following September 1 of each year.

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

4       (a) As used in this section:

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

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

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

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

16              (2) the unduplicated appropriation for any governmental function unit to  
17       decrease by one half to one percent:

18              (A) the Secretary of Administration shall prepare an expenditure  
19       reduction and transfer plan for consideration and approval by the Joint Fiscal  
20       Committee pursuant to 32 V.S.A. § 704(e), provided that any total reductions  
21       in appropriations and transfers of funds are not greater than the reductions in  
22       federal funds; and

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

5                   (i) pursuant to subdivision 308c(b)(3) of this title, utilize the  
6           General Fund Balance Reserve or the appropriation set forth in Sec.  
7           B.1101(b)(2) of this act, or both, to support impacted programs at not more  
8           than the current fiscal year funding level until the General Assembly is in  
9           session;

10                   (ii) revert any unexpended and unobligated funds; and

11                   (iii) make such reductions or transfers in appropriations necessary  
12           to support the priorities of the General Assembly, and the recommended  
13           reduction is limited to not more than 10 percent of any fund or 10 percent of  
14           any appropriation.

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

1 Sec. E.208.2 VERMONT COMMUNITY RADIO GRANT PROGRAM

2 (a) Findings. The General Assembly finds that:

3 (1) Vermont's seven active community radio stations currently serve  
4 over 200,000 Vermonters, many in rural and underserved areas.

5 (2) Community radio stations have consistently provided critical  
6 information during emergencies, including Tropical Storm Irene, recent severe  
7 flooding, and other natural disasters.

8 (3) These stations operate with small budgets, primarily relying on  
9 volunteer staff and listener donations, and are ineligible for federal funding  
10 through the Corporation for Public Broadcasting due to their size.

11 (4) Upcoming FCC-approved stations in Bristol, Richmond-Underhill-  
12 Jericho, and Ludlow will expand coverage to nearly all Vermont counties,  
13 increasing statewide accessibility to vital community radio services.

14 (5) Investment in these stations strengthens Vermont's public safety  
15 network and promotes civic engagement by providing local, hyper-focused  
16 content that commercial and statewide media cannot replicate.

17 (b) Intent. The intent of this section is to ensure Vermont's community  
18 radio stations remain resilient and prepared to serve as lifelines during  
19 emergencies while fostering local engagement and preserving Vermont's  
20 unique community fabric.

21 (c) Grant program.

22 (1) The Vermont Community Radio Grant Program is established to  
23 provide one-time funding to community radio stations for the purpose of:

1           (A) upgrading equipment and infrastructure necessary for reliable  
2 emergency broadcasting;

3           (B) procuring and installing backup generators; and

4           (C) enhancing operational sustainability through software  
5 improvements and technical training.

6           (2) The Program shall be administered by the Commissioner of Public  
7 Safety or designee in collaboration with the Vermont Association of  
8 Broadcasters.

9           (3) Grants shall be allocated as follows:

10           (A) up to \$25,000.00 per station for seven active community radio  
11 stations; and

12           (B) up to \$10,000.00 per station for three upcoming stations currently  
13 under construction.

14           (4) To be eligible for a grant under the Program, an applicant shall:

15           (A) be a nonprofit, noncommercial community radio station licensed  
16 in Vermont;

17           (B) demonstrate a history of providing emergency broadcasting  
18 services or show the capacity to provide those services upon funding; and

19           (C) submit a detailed implementation plan for the proposed use of  
20 grant funding.

21           (d) Report. On or before June 30, 2026, a community radio station that  
22 receives a grant under the Program shall provide to the Commissioner of  
23 Public Safety a report detailing the:

- 1                   (1) use of grant funds, including itemized expenses;
- 2                   (2) improvements achieved in emergency readiness and operational
- 3 capacity; and
- 4                   (3) impact on community service and engagement.

1 Sec. E.300.3 SETTLEMENT FUNDS; PRIMARY CARE; LEGISLATIVE  
2 INTENT; REPORT

3 (a) On or before January 15, 2026, the Agency of Human Services shall  
4 report to the House Committees on Health Care and on Appropriations and the  
5 Senate Committees on Health and Welfare and on Appropriations regarding  
6 the funding mechanism used to distribute \$11,000,000 from the University of  
7 Vermont Medical Center to non-hospital primary care providers pursuant to  
8 the Settlement Agreement entered into by the University of Vermont Medical  
9 Center, Inc., University of Vermont Health Network, Inc., and the Green  
10 Mountain Care Board in April 2025 and regarding the timing of the fund  
11 distribution.

12 (b) Following receipt of the report set forth in subsection (a) of this section,  
13 it is the intent of the General Assembly to identify funds appropriated by this  
14 act to address shortfalls in primary care investments in fiscal year 2026 that  
15 may be duplicated by the distribution of settlement funds described in  
16 subsection (a) of this section and that can be redirected through the fiscal year  
17 2026 budget adjustment act to provide additional supports to providers of  
18 primary care, mental health, substance use disorder treatment, and other health  
19 care services in this State.

1       Sec. E.301.4 FISCAL YEAR 2026 RATE INCREASES; EFFECTIVE  
2                               DATES

3               (a) The appropriations made in Secs. B.301, B.307, B.313, B.314, B.330,  
4               B.333, B.334, and B.334.1 of this act for rate increases for community  
5               providers shall take effect on November 1, 2025.

6               (b) The appropriation made in Sec. B.307 of this act for rate increases for  
7               Federally Qualified Health Centers and Rural Health Clinics shall take effect  
8               on November 1, 2025.

1 Sec. E.316.2 SUPERVISED VISITATION PROGRAMS; REPORT

2 (a) On or before January 15, 2026, the Commissioner for Children and  
3 Families and the Chief Superior Judge shall jointly submit a report to the  
4 House Committees on Human Services and on Judiciary and the Senate  
5 Committees on Health and Welfare and on Judiciary containing a proposal for  
6 funding supervised visitation programs. The proposal shall address and  
7 recommend sustainable funding for statewide coordination, equitable funding  
8 among supervised visitation locations, and access for residents of counties that  
9 do not currently provide supervised visitation services. The Commissioner and  
10 Chief Superior Judge shall consult the Center for Crime Victim Services, the  
11 Vermont Network Against Domestic and Sexual Violence, and supervised  
12 visitation providers in the preparation of the report.

1 Sec. E.317 33 V.S.A. § 4922 is amended to read:

2 § 4922. RULEMAKING

3 (a) On or before September 1, ~~2025~~ 2026, the Commissioner shall file  
4 proposed rules pursuant to 3 V.S.A. chapter 25 implementing the provisions of  
5 this subchapter to become effective on April 1, ~~2026~~ 2027. These shall include:

6 (1) rules setting forth criteria for determining whether to conduct an  
7 assessment or an investigation;

8 (2) rules setting out procedures for assessment and service delivery;

9 (3) rules outlining procedures for investigations;

10 (4) rules for conducting the administrative review conference;

11 (5) rules regarding access to and maintenance of Department records of  
12 investigations, assessments, reviews, and responses;

13 (6) rules regarding the tiered Registry as required by section 4916 of this  
14 title;

15 (7) rules requiring notice and appeal procedures for alternatives to  
16 substantiation; and

17 (8) rules implementing subsections 4916(c) and (e) of this title.

18 (b) The rules shall strike an appropriate balance between protecting  
19 children and respecting the rights of a parent or guardian, including a parent or  
20 guardian with disabilities, and shall recognize that persons with a disability can  
21 be successful parents. The rules shall include the possible use of adaptive  
22 equipment and supports.

23 ~~(c) These rules shall be adopted no later than July 1, 2009.~~

1 Sec. E.504.3 ADULT EDUCATION; FUNDING; REPORT

2 (a) On or before December 1, 2025, the Agency of Administration and  
3 Agency of Education, in consultation with local adult education and literacy  
4 providers, shall jointly submit a written report to the House Committee on  
5 Commerce and Economic Development, the Senate Committee on Economic  
6 Development, Housing and General Affairs, and the House and Senate  
7 Committees on Education and on Appropriations with recommendations to  
8 modernize adult education funding to ensure funds are distributed equitably  
9 across all regions of the State.

10 (b) On or before January 15, 2026, the Secretary of Administration shall  
11 make a recommendation to the House Committee on Commerce and Economic  
12 Development, the Senate Committee on Economic Development, Housing and  
13 General Affairs, and the House and Senate Committees on Education and on  
14 Appropriations on any updates to the adult education funding formula pursuant  
15 to the recommendations made in the report in subsection (a) of this section.  
16 The Secretary of Administration shall also make a recommendation on any  
17 administrative changes to adult education, including which agency or  
18 department outside of the Agency of Education is best suited to manage adult  
19 education grants.

20 (c) For fiscal year 2026, the Agency of Education shall negotiate in good  
21 faith to extend the existing contracts with local adult education and literacy  
22 providers for a term of one year. The Agency of Education shall endeavor to  
23 maintain the terms of the existing contracts to the greatest extent possible.

- 1        (d) For fiscal year 2026, the Agency of Education shall consult with local
- 2        adult education and literacy providers prior to distributing funding and shall,
- 3        notwithstanding any law to the contrary, distribute any funds according to a
- 4        per-head basis formula.