

1 H.493

2 An act relating to making appropriations for the support of the government

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

4 * * * Purpose, Definitions, Legend * * *

5 Sec. A.100 SHORT TITLE

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

8 Sec. A.101 PURPOSE; LEGISLATIVE INTENT

9 (a) The purpose of this act is to provide appropriations for the operations of
10 State government during fiscal year 2026. It is the express intent of the
11 General Assembly that activities of the various agencies, departments,
12 divisions, boards, offices, and commissions be limited to those that can be
13 supported by funds appropriated in this act or other acts passed prior to June
14 30, 2025. Agency and department heads are directed to implement staffing
15 and service levels at the beginning of fiscal year 2026 so as to meet this
16 condition unless otherwise directed by specific language in this act or other
17 acts of the General Assembly.

18 (b) It is the intent of the General Assembly that any interim budget and
19 appropriation adjustments made in accordance with 32 V.S.A. §§ 133 and 704
20 prioritize supporting the health, safety, and well-being of Vermonters; a robust
21 education system; and a strong economy.

1 Sec. A.102 APPROPRIATIONS

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

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

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

14 Sec. A.103 DEFINITIONS

15 (a) As used in this act:

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

20 (2) “Grants” means subsidies, aid, or payments to local governments, to
21 community and quasi-public agencies for providing local services, and to

1 persons who are not wards of the State for services or supplies and means cash
2 or other direct assistance, including pension contributions.

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

8 (4) “Personal services” means wages and salaries, fringe benefits, per
9 diems, contracted third-party services, and similar items.

10 Sec. A.104 RELATIONSHIP TO EXISTING LAWS

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

13 Sec. A.105 OFFSETTING APPROPRIATIONS

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

17 Sec. A.106 FEDERAL FUNDS

18 (a) In fiscal year 2026, the Governor, with the approval of the General
19 Assembly or the Joint Fiscal Committee if the General Assembly is not in
20 session, may accept federal funds available to the State of Vermont, including
21 block grants in lieu of, or in addition to, funds herein designated as federal.

1 The Governor, with the approval of the General Assembly or the Joint Fiscal
2 Committee if the General Assembly is not in session, may allocate all or any
3 portion of such federal funds for any purpose consistent with the purposes for
4 which the basic appropriations in this act have been made.

5 (b) If, during fiscal year 2026, federal funds available to the State of
6 Vermont and designated as federal in this and other acts of the 2025 session of
7 the Vermont General Assembly are converted into block grants or are
8 abolished under their current title in federal law and reestablished under a new
9 title in federal law, the Governor may continue to accept such federal funds for
10 any purpose consistent with the purposes for which the federal funds were
11 appropriated. The Governor may spend such funds for such purposes for not
12 more than 45 days prior to General Assembly or Joint Fiscal Committee
13 approval. Notice shall be given to the Joint Fiscal Committee without delay if
14 the Governor intends to use the authority granted by this section, and the Joint
15 Fiscal Committee shall meet in an expedited manner to review the Governor's
16 request for approval.

17 Sec. A.107 NEW POSITIONS

18 (a) Notwithstanding any other provision of law, the total number of
19 authorized State positions, both classified and exempt, excluding temporary
20 positions as defined in 3 V.S.A. § 311(a)(11), shall not be increased during
21 fiscal year 2026 except for new positions authorized by the General Assembly

1 during the 2025 session. Limited service positions approved pursuant to 32
2 V.S.A. § 5 shall not be subject to this restriction.

3 Sec. A.108 LEGEND

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

9	<u>B.100–B.199 and E.100–E.199</u>	<u>General Government</u>
10	<u>B.200–B.299 and E.200–E.299</u>	<u>Protection to Persons</u>
11		<u>and Property</u>
12	<u>B.300–B.399 and E.300–E.399</u>	<u>Human Services</u>
13	<u>B.400–B.499 and E.400–E.499</u>	<u>Labor</u>
14	<u>B.500–B.599 and E.500–E.599</u>	<u>General Education</u>
15	<u>B.600–B.699 and E.600–E.699</u>	<u>Higher Education</u>
16	<u>B.700–B.799 and E.700–E.799</u>	<u>Natural Resources</u>
17	<u>B.800–B.899 and E.800–E.899</u>	<u>Commerce and</u>
18		<u>Community Development</u>
19	<u>B.900–B.999 and E.900–E.999</u>	<u>Transportation</u>
20	<u>B.1000–B.1099 and E.1000–E.1099</u>	<u>Debt Service</u>
21	<u>B.1100–B.1199 and E.1100–E.1199</u>	<u>One-time and other</u>

1 appropriation actions

2 (b) The C sections contain any amendments to the current fiscal year; the D
3 sections contain fund allocations, transfers, reversions, and reservations for the
4 upcoming fiscal year; and the F section contains effective dates.

5 * * * Fiscal Year 2026 Base Appropriations * * *

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

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

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

11 (1) \$1,100,000 General Fund for the Truth and Reconciliation
12 Commission.

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

15 (1) \$1,575,000 General Fund for the Classification Modernization
16 project.

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

19 (1) \$1,000,000 PILOT Special Fund for the Municipal Grand List
20 Stabilization Program as established per Sec. E.142.2 of this act. These funds
21 shall carry forward each fiscal year until fully expended or reverted.

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

3 (1) \$600,000 General Fund for State match for federal cybersecurity
4 grant funds;

5 (2) \$800,000 General Fund for the purchase of mobile and portable
6 radio equipment; and

7 (3) \$475,000 General Fund for the Urban Search and Rescue Team.

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

10 (1) \$4,448,520 General Fund and \$6,351,480 federal funds for the
11 Department of Vermont Health Access' Global Commitment appropriation for
12 the Support and Services at Home program and the Primary Care Medical
13 Home, and Community Health Team services under the Blueprint for Health.

14 (f) Department of Forests, Parks and Recreation. In fiscal year 2026, funds
15 are appropriated for the following:

16 (1) \$275,000 General Fund for the purchase of a fire apparatus.

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

19 (1) \$240,000 General Fund for Polychlorinated Biphenyl testing;

20 (2) \$40,000 General Fund for a grant to Empty Arms Vermont; and

1 (3) \$300,000 General Fund for recovery residencies certified by the
2 Vermont Alliance for Recovery Residences.

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

5 (1) \$2,000,000 General Fund for shelter capacity expansion; and

6 (2) \$30,500,000 General Fund for the General Assistance Emergency
7 Housing Program.

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

10 (1) \$200,000 General Fund to retain a consultant and develop an
11 implementation plan to transition the Northeast Correctional Complex or the
12 Caledonia County Work Camp or parts of either or of both to a treatment-
13 focused facility for incarcerated Vermonters.

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

16 (1) \$4,000,000 General Fund to provide additional resources during the
17 State's education transformation upon approval of the Joint Fiscal Committee
18 subsequent to submission by the Agency of a detailed, unambiguous plan of
19 expenditures related to the transformation of the public education system. The
20 Joint Fiscal Committee shall consult with the chairs of the House and Senate
21 Committees on Education when reviewing the Agency's plan.

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

3 (1) \$500,000 General Fund for the Community College of Vermont
4 Tuition Advantage Program; and

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

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

9 (1) \$185,000 Fish and Wildlife Nondedicated Special Fund to sustain
10 current operations as the Department undergoes a financial restructuring.

11 These funds shall carry forward each fiscal year until fully expended or
12 reverted; and

13 (2) \$80,000 General Fund for the purchase of mobile and portable radio
14 equipment.

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

17 (1) \$50,000 General Fund for Municipal Wastewater Connections
18 database;

19 (2) \$850,000 General Fund for the Confined Animals Feeding Operation
20 database project and contractor support;

1 (3) \$5,520,000 Environmental Contingency Fund For Polychlorinated
2 Biphenyl testing and remediation in schools. These funds shall carry forward
3 each fiscal year until fully expended or reverted; and

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

9 (n) Department of Housing and Community Development. In fiscal year
10 2026, funds are appropriated for the following:

11 (1) \$150,000 General Fund for one limited service position to continue
12 for an additional year;

13 (2) \$7,500,000 General Fund for the Vermont Bond Bank Vermont
14 Infrastructure Sustainability Fund;

15 (3) \$7,500,000 General Fund for the Vermont Housing Finance Agency
16 Rental Revolving Loan Fund;

17 (4) \$10,000,000 General Fund for the Vermont Housing Finance
18 Agency Middle-Income Homeownership Development Program;

19 (5) \$4,150,000 General Fund for the Vermont Housing Improvement
20 Program 2.0 and for one position to support the Program;

1 (6) \$2,000,000 General Fund for the development of housing and related
2 infrastructure; and

3 (7) \$15,000 General Fund for the Residential Universal Design Study
4 Committee.

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

7 (1) \$200,000 General Fund for the Vermont Professionals of Color
8 Network.

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

11 (1) \$5,000,000 General Fund to provide support and enhance capacity
12 for the production and preservation of affordable mixed-income rental housing
13 and homeownership units, including improvements to manufactured homes
14 and communities; permanent homes and emergency shelter for those
15 experiencing homelessness; recovery residences; and housing available to farm
16 workers, refugees, and individuals who are eligible to receive Medicaid-funded
17 home and community-based services.

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

20 (1) \$148,000 General Fund for the Volunteer Income Tax Assistance
21 Program.

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

3 (1) \$835,420 General Fund for the Payment Reform Unit;

4 (2) \$3,119,310 General Fund for the OneCare primary care model
5 transition; and

6 (3) \$10,800,000 Global Commitment for the Support and Services at
7 Home program and the Primary Care Medical Home, and Community Health
8 Team services under the Blueprint for Health.

9 (s) University of Vermont. In fiscal year 2026, funds are appropriated for
10 the following:

11 (1) \$750,000 General Fund for the Vermont Gallium Nitride Tech Hub.

12 (t) Agency of Agriculture, Food and Markets. In fiscal year 2026, funds
13 are appropriated for the following:

14 (1) \$300,000 General Fund for a grant to the Northeast Organic Farming
15 Association of Vermont for the Crop Cash Program; and

16 (2) \$500,000 General Fund for a grant to Vermont Foodbank for the
17 Vermonters Feeding Vermonters Program.

18 (u) Department of Disabilities, Aging and Independent Living. In fiscal
19 year 2026, funds are appropriated for the following:

20 (1) \$235,000 General Fund for a grant to HomeShare Vermont.

1 (v) Vermont Student Assistance Corporation. In fiscal year 2026, funds are
2 appropriated for the following:

3 (1) \$1,500,000 General Fund for Freedom and Unity grants.

4 (w) Military Department. In fiscal year 2026, funds are appropriated for
5 the following:

6 (1) \$10,000 General Fund for the USS Vermont Support Group.

7 (x) Vermont Council on the Arts. In fiscal year 2026, funds are
8 appropriated for the following:

9 (1) \$68,737 General Fund for State match for federal funds.

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

12 (1) \$1,000,000 General Fund for the Mileage-Based User Fee Program;
13 and

14 (2) \$1,400,000 Transportation Fund for distribution to the Agency of
15 Commerce and Community Development for programs to increase access to
16 level 1 and 2 Electric Vehicle Supply Equipment charging ports at workplaces
17 or multiunit dwellings, or both.

18 (z) Department of Labor. In fiscal year 2026, funds are appropriated for
19 the following:

20 (1) \$200,000 General Fund for a grant to Advance Vermont.

21 Sec. B.1101 FISCAL YEAR 2025 CLOSEOUT

1 (a) As part of the fiscal year 2025 closeout, the Department of Finance and
2 Management shall execute the requirements of 32 V.S.A. § 308 and any
3 reserve requirements pursuant to 2024 Acts and Resolves No. 113, Sec. D.103.
4 If any balance remains after meeting these requirements, then, notwithstanding
5 32 V.S.A. § 308c, the Department of Finance and Management shall reserve
6 the remaining funds for future appropriations to address potential federal
7 funding shortfalls.

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

15 Sec. B.1103 CASH FUND FOR CAPITAL AND ESSENTIAL

16 INVESTMENTS; FISCAL YEAR 2026 ONE-TIME

17 APPROPRIATIONS

18 (a) In fiscal year 2026, \$11,331,099 is appropriated from the Capital
19 Infrastructure subaccount in the Cash Fund for Capital and Essential
20 Investments for the following:

21 (1) Department of Buildings and General Services:

- 1 (A) \$861,599 for statewide major maintenance;
2 (B) \$250,000 for statewide planning, reuse, and contingency;
3 (C) \$250,000 for statewide physical security enhancements;
4 (D) \$219,500 for State House repointing;
5 (E) \$250,000 for an uninterruptable power supply system for the
6 Middlesex print and postal facility; and
7 (F) \$8,000,000 for the Judiciary for renovations at the Windsor
8 County Courthouse in White River Junction.
9 (2) Vermont Veterans' Home:
10 (A) \$1,500,000 for the design and construction of the American Unit.

11 * * * Fiscal Year 2025 Adjustments, Appropriations, and Amendments * * *

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

13 Sec. B.209 Public safety - state police

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

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

4 Sec. C.101 2024 Acts and Resolves No. 113, Sec. B.702 is amended to read:

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

6	Personal services	22,597,844 <u>22,887,844</u>
7	Operating expenses	6,843,095
8	Grants	853,066
9	Total	30,294,005 <u>30,584,005</u>

10 Source of funds

11	General fund	8,267,967 <u>8,557,967</u>
12	Special funds	365,427
13	Fish and wildlife fund	10,418,331
14	Federal funds	9,751,683
15	Interdepartmental transfers	1,490,597
16	Total	30,294,005 <u>30,584,005</u>

17 Sec. C.102 2024 Acts and Resolves No. 113, Sec. D.101 is amended to read:

18 Sec. D.101 FUND TRANSFERS

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

21 * * *

1 (2) From the Transportation Fund to the:

2 * * *

3 (E) Transportation Infrastructure Bond Fund (#20191): \$900,000

4 * * *

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

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

8 APPROPRIATIONS

9 * * *

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

12 (1) ~~\$200,000 General Fund for local economic damage grants to~~
13 ~~municipalities that were impacted by the August and December 2023 flooding~~
14 ~~events in counties that are eligible for Federal Emergency Management~~
15 ~~Agency Public Assistance funds under federal disaster declarations DR-4744-~~
16 ~~VT and DR-4762-VT. It is the intent of the General Assembly that these local~~
17 ~~economic damage grants be distributed to municipalities throughout the State~~
18 ~~to address the secondary economic impacts of the August and December 2023~~
19 ~~flooding events. Monies from these grants shall not be expended on Federal~~
20 ~~Emergency Management Agency related projects~~

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

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

11 (i) \$75,000 to each municipality that as of June 1, 2025 has at least
12 \$5,000,000 in estimated reported damages to public infrastructure relating to
13 2023 and 2024 flooding events.

14 (ii) \$50,000 to each municipality that as of June 1, 2025 has less
15 than \$5,000,000 and at least \$2,000,000 in estimated reported damages to
16 public infrastructure relating to 2023 and 2024 flooding events.

17 (iii) \$30,000 to each municipality that as of June 1, 2025 has less
18 than \$2,000,000 and at least \$1,000,000 in estimated reported damages to
19 public infrastructure relating to 2023 and 2024 flooding events.

1 (iv) \$20,000 to each municipality that as of June 1, 2025 has less
2 than \$1,000,000 and at least \$250,000 in estimated reported damages to public
3 infrastructure relating to 2023 and 2024 flooding events.

4 (v) \$10,000 to each municipality that as of June 1, 2025 has less
5 than \$250,000 and at least \$100,000 in estimated reported damages to public
6 infrastructure relating to 2023 and 2024 flooding events.

7 (B) To the extent that the funds appropriated in this subdivision
8 (v)(1) have not been granted on or before June 30, 2025, they shall revert to the
9 General Fund and be transferred to the Emergency Relief and Assistance Fund.

10 (C) To the extent that the funds appropriated in this subdivision
11 (v)(1) are insufficient to distribute grants to all eligible municipalities in their
12 full amount, the Commissioner of Finance and Management shall, pursuant to
13 32 V.S.A. § 511, utilize excess receipt authority to expend funds from the
14 PILOT Special Fund for this purpose.

15 (w) Office of the State Treasurer. In fiscal year 2025, funds are
16 appropriated for the following:

17 (1) ~~\$14,000,000~~ \$4,000,000 General Fund for redeeming State of
18 Vermont general obligation bonds prior to maturity.

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

1 REVERSION AND REALLOCATION

2 (a) The Secretary of Administration ~~shall revert~~ may reimburse up to
3 ~~\$5,000,000~~ \$14,300,000 of prior fiscal year federal funds ~~appropriated~~
4 expended through the Emergency Rental Assistance Program, as approved by
5 the Joint Fiscal Committee pursuant to Grant Request #3034. ~~An amount of~~
6 ~~spending authority equal to these reversions shall be provided, pursuant to 32~~
7 ~~V.S.A. § 511, to existing State programs that meet the eligibility criteria~~
8 ~~established by the U.S. Treasury~~ with new General Fund appropriations
9 transferred from existing State programs that meet the eligibility criteria
10 established by the U.S. Treasury. These programs shall receive an amount of
11 funds from the Emergency Rental Assistance Program equal to the amount of
12 General Fund appropriation transferred.

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

15 **Sec. D.103 RESERVES**

16 **(a) Notwithstanding any provision of law to the contrary, in fiscal year**
17 **2025, the following reserve transactions shall be implemented for the funds**
18 **provided:**

19 **(1) General Fund.**

20 *** * ***

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

7 (2) Notwithstanding 10 V.S.A. § 312, amounts in excess of \$36,964,250
8 from the property transfer tax and the surcharge established by 32 V.S.A.
9 § 9602a deposited into the Vermont Housing and Conservation Trust Fund
10 shall be transferred to the General Fund.

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

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

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

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

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

12 Sec. D.101 FUND TRANSFERS

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

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

16 (A) General Obligation Bonds Debt Service Fund (#35100):
17 \$81,155,462.

18 (B) Capital Infrastructure Fund (#21952): \$7,542,469.

19 (C) Tax Computer System Modernization Fund (#21909):
20 \$4,300,000.

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

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

2 (F) Communications and Information Technology Fund (#58100):

3 \$10,000,000.

4 (G) Environmental Contingency Fund (#21275): \$5,520,000.

5 (H) Domestic and Sexual Violence Fund (#21926): \$450,000.

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

7 (A) General Obligation Bonds Debt Service Fund (#35100):

8 \$305,825.

9 (B) Downtown Transportation and Related Capital Improvements

10 Fund (#21575): \$523,966.

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

12 (A) Tax Computer System Modernization Fund (#21909):

13 \$1,500,000.

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

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

16 (B) Lake in Crisis Response Program Special Fund (#21938):

17 \$120,000.

18 (5) From the Other Infrastructure, Essential Investments and Reserves

19 Fund (#21953) to the:

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

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

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

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

6 (7) From the Attorney General Fees and Reimbursement Court Order
7 Fund (#21638) to the:

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

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

10 (A) General Fund (#10000): 70 percent of the unencumbered and
11 unexpended balance of the fund in excess of \$4,035,000 following the close of
12 fiscal year 2025. The Commissioner of Finance and Management shall report
13 the amount of this transfer to the Joint Fiscal Committee. For purposes of
14 developing the fiscal year 2026 budget, this amount is estimated to be
15 \$5,900,000.

16 (B) Substance Misuse Prevention Special Fund (#21995): 30 percent
17 of the unencumbered and unexpended balance of the fund in excess of
18 \$4,035,000 following the close of fiscal year 2025. The Commissioner of
19 Finance and Management shall report the amount of this transfer to the Joint
20 Fiscal Committee. For purposes of developing the fiscal year 2026 budget,
21 this amount is estimated to be \$2,500,000.

1 (b) The following transfers shall be in accordance with the citations
2 provided. Transfer estimates are for purposes of developing the fiscal year
3 2026 budget and do not supersede the actual year-end transfer amounts.

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

5 (A) 8 V.S.A. § 80(d). Insurance Regulatory and Supervision Fund
6 (#21075): \$46,204,523.

7 (B) 9 V.S.A. § 5613(c). Securities Regulatory and Supervision Fund
8 (#21085): \$21,745,635.

9 (C) 27 V.S.A. § 1543. Unclaimed Property Fund (#62100):
10 \$6,541,757.

11 (2) To the Captive Insurance Regulatory and Supervision Fund (#21085)
12 from the:

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

14 (c) Transfers from the following enterprise funds to the General Fund
15 (#10000) shall not exceed the actual fiscal year end profits earned by the
16 enterprise net of any amount necessary to absolve the fund of a deficit. The
17 following estimated transfers are for purposes of developing the fiscal year
18 2026 budget only.

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

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

21 Sec. D.102 REVERSIONS

1 (a) Notwithstanding any provision of law to the contrary, in fiscal year
2 2025, the following amounts shall revert to the General Fund from the
3 accounts indicated:

4	<u>1100892208 AOA-VHFA</u>	<u>\$2,000,000.00</u>
5	<u>1210892201 LEG-Pension Benefit Consul</u>	<u>\$8,821.25</u>
6	<u>1220891803 VT Tax Structure Comm</u>	<u>\$59,673.09</u>
7	<u>1220891901 Contract Services for Research</u>	<u>\$25,000.00</u>
8	<u>1220892201 JFO-AAHC Task Force Consult</u>	<u>\$7,155.00</u>
9	<u>1220892301 JFO-Studies and Reports</u>	<u>\$21,125.50</u>
10	<u>1230891301 Security</u>	<u>\$39.10</u>
11	<u>1230892301 SAA-Capitol Police</u>	<u>\$0.99</u>

12 Sec. D.103 RESERVES

13 (a) Notwithstanding any provision of law to the contrary, in fiscal year
14 2026, the following reserve transactions shall be implemented for the funds
15 provided:

16 (1) General Fund.

17 (A) The General Fund Budget Stabilization Reserve shall be adjusted
18 in accordance with 32 V.S.A. § 308. For purposes of developing this budget,
19 \$1,675,385 is expected to be unreserved in fiscal year 2026.

1 (B) The General Fund Human Services Caseload Reserve shall be
2 adjusted in accordance with 32 V.S.A. § 308b. For purposes of developing
3 this budget, \$2,721,375 is expected to be unreserved in fiscal year 2026.

4 (C) The General Fund 27/53 Reserve shall be adjusted in accordance
5 with 32 V.S.A. § 308e. For purposes of developing this budget, \$5,700,000 is
6 expected to be reserved in fiscal year 2026.

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

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

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

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

21 (3) Transportation Fund.

1 (c) The extension of nine limited services positions is authorized until June
2 30, 2026:

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

4 (A) six Deputy State's Attorneys;

5 (B) two Legal Assistants; and

6 (C) one Victim Advocate.

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

8 (a) The Secretary of Administration shall conduct a comprehensive
9 analysis of the current funding structure for Vermont community-based
10 organizations.

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

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

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

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

20 Sec. E 100.2 SECRETARY OF ADMINISTRATION; REPORT ON

21 STATUS OF FEDERAL FUNDS

1 (a) The Secretary of Administration shall report to the Joint Fiscal
2 Committee at its July, September, and November 2025 meetings, and at other
3 meetings as requested, on any reductions to federal revenues to the State and
4 the status of any appropriations impacted by such reductions.

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

8 (a) In fiscal year 2026, the Secretary of Administration shall report to the
9 Joint Fiscal Committee on a quarterly basis, and upon the request of the
10 Committee, on the status of appropriations made from the American Rescue
11 Plan Act – Coronavirus State Fiscal Recovery Fund.

12 (1) Reports shall include information on:

13 (A) the original amounts appropriated;

14 (B) outstanding obligations against appropriations; and

15 (C) any remaining spending authority.

16 (b) In fiscal year 2026, the Secretary of Administration shall report to the
17 Joint Fiscal Committee on a quarterly basis, and upon the request of the
18 Committee, on the status of any new spending authority established pursuant to
19 2023 Acts and Resolves No. 113, Sec. E.106.

20 (1) Reports shall include information on:

21 (A) the original amounts appropriated;

1 (B) outstanding obligations against appropriations; and

2 (C) any remaining spending authority.

3 (c) Any spending authority established pursuant to 2024 Acts and Resolves
4 No. 113, Sec. E.106(a) and (c) that remains unexpended and unencumbered on
5 July 1, 2027 shall revert to the General Fund Balance Reserve.

6 (d) The Secretary of Administration shall report to the Joint Fiscal
7 Committee at its July 2027 meeting on the amount reverted to the General
8 Fund pursuant to subsection (c) of this section.

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

11 (a) In fiscal year 2026, the Agency of Digital Services shall utilize the
12 funds transferred from the General Fund to the Communications and
13 Information Technology Fund in Sec. D.101(a)(1)(F) of this act to cover the
14 costs of transitioning billable services from a service level agreement model to
15 a core enterprise services model. To the extent to which these funds are
16 insufficient to complete this transition the Agency shall, as part of its fiscal
17 year 2026 budget adjustment presentation, request an additional appropriation
18 or transfer of funds and shall not bill other agencies or departments to cover
19 the costs of the transition.

20 Sec. E.111 32 V.S.A. § 5824 is amended to read:

21 § 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

1 under the laws of the United States, unless the Commissioner allows a different
2 filing status.

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

4 § 704. INTERIM BUDGET AND APPROPRIATION ADJUSTMENTS

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

17 (b)(1) Except as otherwise provided in subsection (f) of this section, in
18 each instance that the official State revenue estimate for the General Fund, the
19 Transportation Fund, or federal funds has been reduced by one percent or more
20 from the estimates determined and assumed for purposes of the current fiscal
21 year's appropriations, the Secretary of Administration shall prepare an

1 expenditure reduction plan for consideration and approval by the Joint Fiscal
2 Committee pursuant to subsection (e) of this section, provided that any total
3 reductions in appropriations and transfers of funds are not greater than the
4 reductions in the official State revenue estimate.

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

1 shall only be implemented in the manner provided for in subdivision (1) of this
2 subsection.

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

6 (A) the Secretary of Administration shall prepare an expenditure
7 reduction and transfer plan for consideration and approval by the Joint Fiscal
8 Committee pursuant to subsection (e) of this section, provided that any total
9 reductions in appropriations and transfers of funds are not greater than the
10 reductions in federal funds; and

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

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

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

20 (iii) make such reductions or transfers in appropriations necessary
21 to support the priorities of the General Assembly, and the recommended

1 reduction is limited to not more than 10 percent of any fund or 10 percent of
2 any appropriation.

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

7 * * *

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

9 § 133. DUTIES

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

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

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

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

20 § 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE
21 RESERVES

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

9 (1), (2) [Repealed.]

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

13 (A) 25 percent to the Vermont State Retirement Fund established by
14 3 V.S.A. § 473; and

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

17 (b)(1) The General Assembly may ~~specifically unreserve and appropriate~~
18 ~~the use of up to 50 percent of the amounts added in the prior fiscal year from or~~
19 ~~transfer an amount not to exceed 10 percent of the General Fund Balance~~
20 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.

1 (c) There is hereby created within the Transportation Fund a Transportation
2 Fund Balance Reserve. After satisfying the requirements of section 308a of
3 this title, and after other reserve requirements have been met, any remaining
4 unreserved and undesignated end of fiscal year Transportation Fund surplus
5 shall be reserved in the Transportation Fund Balance Reserve. Monies from
6 this Reserve shall be available for appropriation by the General Assembly.

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

12 Sec. E.131 3 V.S.A. chapter 18 is amended to read:

13 CHAPTER 18. ~~VT~~ VERMONT SAVES

14 § 531. DEFINITIONS

15 As used in this chapter:

16 * * *

17 (3) "Covered employer" means a person, entity, or subsidiary engaged
18 in a business, industry, profession, trade, or other enterprise in the State,
19 whether for profit or not for profit, that ~~has~~ does not offered currently offer to
20 an employee, or is within a control group that maintains or contributes to,
21 ~~effective in form or operation at any time within the current calendar year or~~

1 ~~two preceding calendar years~~, a specified tax-favored retirement plan. If an
2 employer does not maintain a specified tax-favored retirement plan for a
3 portion of a calendar year ending on or after the effective date of this chapter
4 but does adopt such a plan for the remainder of that calendar year, the
5 employer is not a covered employer for the remainder of the year. A covered
6 employer does not include:

7 (A) the federal government, the State or any other state, any county
8 or municipal corporation, or any of the State's or any other state's units or
9 instrumentalities;

10 (B) any employer that has ~~not~~ only been in business during ~~both the~~
11 ~~current calendar year and the preceding calendar year.~~

12 (4) "ERISA" means the federal Employee Retirement Income Security
13 Act of 1974, as amended, 29 U.S.C § 1001 et seq.

14 (5) "Internal Revenue Code" means the U.S. Internal Revenue Code of
15 1986, as amended.

16 (6) "IRA" means a traditional IRA or a Roth IRA.

17 (7) "Participant" means an individual who has an IRA under the
18 Program.

19 (8) "Payroll deduction IRA or payroll deduction IRA arrangement"
20 means an arrangement by which an employer allows employees to contribute
21 to an IRA by means of payroll deduction.

1 (1) Unless otherwise specified by the covered employee, a covered
2 employee shall automatically initially contribute five percent of the covered
3 employee's salary or wages to the Program. A covered employee may elect to
4 opt out of the Program at any time or contribute at any higher or lower rate,
5 expressed as a percentage of salary or wages, or, as permitted by the Treasurer,
6 expressed as a flat dollar amount, subject in all cases to the IRA contribution
7 and eligibility limits applicable under the Internal Revenue Code at no
8 additional charge.

9 (2) The Treasurer shall provide for, on a uniform basis, an annual
10 increase of each active participant's contribution rate, by not less than one
11 percent, but not more than eight percent, of salary or wages each year. Any
12 such increases shall apply to active participants, including participants by
13 default with an option to opt out or participants who are initiated by affirmative
14 participant election, provided that any increase is subject to the IRA
15 contribution and eligibility limits applicable under the Internal Revenue Code.

16 * * *

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

18 CHAPTER 61. MUNICIPAL EQUIPMENT AND VEHICLE LOAN FUND

19 § 1601. MUNICIPAL EQUIPMENT AND VEHICLE LOAN FUND

20 (a) There is hereby created the Municipal Equipment and Vehicle Loan
21 Fund for the purpose of providing loans on favorable terms to municipalities

1 ~~for the purchase of construction, fire, emergency, or heavy equipment or~~
2 ~~motorized highway building and maintenance equipment, heavy equipment,~~
3 ~~and authorized emergency vehicles as set forth in 23 V.S.A. § 4.~~

4 (b) The Municipal Equipment and Vehicle Loan Fund shall be
5 administered by a committee composed of the State Treasurer and the State
6 Traffic Committee established by 19 V.S.A. § 1(24), pursuant to policies and
7 procedures approved by the Traffic this Committee established by 19 V.S.A.
8 § 1(24) with administrative support from the Office of the State Treasurer.
9 The Committee shall establish criteria for distribution of available loan funds
10 among municipalities considering at least financial need, equitable geographic
11 distribution, and ability to repay. The Fund shall be a revolving fund and all
12 principal and interest earned on loans and the fund balance remaining in the
13 Fund at the end of any fiscal year shall not revert but be carried over in the
14 Fund for use in the succeeding fiscal year. The Committee shall meet upon
15 request of the Treasurer to consider applications.

16 § 1602. APPLICATION; LOANS; CONDITIONS

17 (a) Application forms shall be furnished by the Committee on request.
18 Upon Committee approval of an application of a municipality or two or more
19 municipalities applying jointly for purchases as set forth in subsection 1601(a)
20 of this title, the State Treasurer may loan money from the Fund to ~~that~~
21 municipality or municipalities for the purchase of equipment. Purchases of

1 ~~equipment eligible for loans~~ the applicant(s). Loans from the Fund shall be
2 used on equipment and vehicles with ~~have~~ a useful life of at least five years
3 and a purchase price of at least \$20,000.00 ~~but shall not be eligible for loans in~~
4 excess of \$150,000.00 from this Fund.

5 (b) The State Treasurer is authorized to establish terms and conditions,
6 including repayment schedules of up to five years for loans from the Fund to
7 ensure repayment of loans to the Fund. The amount of any loan shall be not
8 more than 75 percent of the purchase price or \$150,000, whichever is lower.
9 Before a municipality may receive a loan from the Fund, it shall give to the
10 State Treasurer security for the repayment of the funds. The security shall be
11 in such form and amount as the Treasurer may determine and may include a
12 lien on the equipment or emergency vehicle financed by the loan.

13 (c) The rates of interest shall be as established by this section to assist
14 municipalities in purchasing equipment upon terms more favorable than in the
15 commercial market. Such rates shall be not more than two percent per annum
16 for a loan to a single municipality, and loans shall bear no interest charge if
17 made to two or more municipalities purchasing equipment jointly.

18 (d) In any fiscal year, new loans from the Municipal Equipment Loan Fund
19 shall not exceed an aggregate of \$1,500,000.00. The Treasurer shall put forth
20 recommendations to the General Assembly on maximum loan amount every

1 ~~five years, commencing January 15, 2028, based on requests received and~~
2 ~~loans granted pursuant to this chapter.~~

3 (e) When a municipality suffers the destruction of more than one piece of
4 equipment or a vehicle at or near the same time or suffers some unanticipated
5 hardship relating to the equipment or vehicle and the Committee finds that
6 replacement would place an undue financial hardship on the municipality, the
7 Committee may waive one or both of the loan limiting factors in subsection (b)
8 of this section:

9 (1) the \$ 150,000.00 annual limitation on each municipality; or

10 (2) the 75 percent of the purchase price limitation.

11 (f) The State Treasurer shall put forth recommendations to the General
12 Assembly on the maximum individual loan amount from the Fund every five
13 years, commencing January 15, 2028, based on requests received and loans
14 granted pursuant to this chapter in the five preceding years.

15 * * *

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

17 § 1001. CAPITAL DEBT AFFORDABILITY ADVISORY COMMITTEE

18 (a) Committee established. A Capital Debt Affordability Advisory
19 Committee is hereby created with the duties and composition provided by this
20 section.

21 (b) Committee duties.

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

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

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

11 (2) The Committee shall conduct ongoing reviews of the amount and
12 condition of bonds, notes, and other obligations of instrumentalities of the
13 State for which the State has a contingent or limited liability or for which the
14 General Assembly is permitted to replenish reserve funds, and, when deemed
15 appropriate, recommend limits on the occurrence of such additional obligations
16 to the Governor and to the General Assembly.

17 (3) The Committee shall conduct ongoing reviews of the amount and
18 condition of the Transportation Infrastructure Bond Fund established in 19
19 V.S.A. § 11f and of bonds and notes issued against the Fund for which the
20 State has a contingent or limited liability.

1 (c) Committee estimate of a prudent amount of net State tax-supported
2 debt; affordability considerations. On or before September 30 ~~of each year in~~
3 ~~alternating years~~, the Committee shall submit to the Governor and the General
4 Assembly the Committee's estimate of net State tax-supported debt that
5 prudently may be authorized for the next ~~two~~ fiscal ~~year~~ ~~years~~, together with a
6 report explaining the basis for the estimate. The Committee's estimate shall
7 not take into consideration the balance remaining at the end of each fiscal year
8 in the subaccounts of the Cash Fund for Capital and Essential Investments,
9 established pursuant to section 1001b of this title. The provisions of 2 V.S.A.
10 § 20(d) (expiration of required reports) shall not apply to the report to be made
11 under this subsection. In developing its ~~annual~~ biennial estimate, and in
12 preparing its ~~annual~~ biennial report, the Committee shall consider:

13 (1) The amount of net State tax-supported indebtedness that during the
14 next fiscal year and annually for the following nine fiscal years:

15 (A) will be outstanding; and
16 (B) has been authorized but not yet issued.

17 (2) A projected schedule of affordable net State tax-supported bond
18 authorizations for the next fiscal year and annually for the following nine fiscal
19 years. The assessment of the affordability of the projected authorizations shall
20 be based on all of the remaining considerations specified in this section.

1 (3) Projected debt service requirements during the next fiscal year, and
2 annually for the following nine fiscal years, based upon:

3 (A) existing outstanding debt;

4 (B) previously authorized but unissued debt; and

5 (C) projected bond authorizations.

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

8 (A) existing and projected total debt service on net tax-supported
9 debt as a percentage of combined General and Transportation Fund revenues,
10 excluding surpluses in these revenues that may occur in an individual fiscal
11 year; and

12 (B) existing and projected total net tax-supported debt outstanding as
13 a percentage of total State personal income;

14 (C) existing and projected pension and other postemployment benefit
15 liability metrics; and

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

18 (4).

19 (5) The principal amounts currently outstanding, and balances for the
20 next fiscal year, and annually for the following nine fiscal years, of existing:

1 (A) obligations of instrumentalities of the State for which the State
2 has a contingent or limited liability;

3 (B) any other long-term debt of instrumentalities of the State not
4 secured by the full faith and credit of the State, or for which the General
5 Assembly is permitted to replenish reserve funds; and

6 (C) to the maximum extent obtainable, all long-term debt of
7 municipal governments in Vermont that is secured by general tax or user fee
8 revenues.

9 (6) The impact of capital spending upon the economic conditions and
10 outlook for the State.

11 (7) The cost-benefit of various levels of debt financing, types of debt,
12 and maturity schedules.

13 (8) Any projections of capital needs authorized or prepared by the
14 Agency of Transportation, the Joint Fiscal Office, or other agencies or
15 departments.

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

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

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

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

3 ~~(10)~~(11) The effect of authorizations of new State debt on each of the
4 considerations of this section.

5 * * *

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

9 (a) Of the \$3,390,593 appropriated in Sec. B.133 of this act, \$2,247,471
10 constitutes the Vermont State Employees' Retirement System operating
11 budget, and \$1,143,122 constitutes the portion of the Vermont Pension
12 Investment Commission's budget attributable to the Vermont State
13 Employees' Retirement System.

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

17 (a) Of the \$1,941,020 appropriated in Sec. B.134 of this act, \$1,494,924
18 constitutes the Vermont Municipal Employees' Retirement System operating
19 budget, and \$446,096 constitutes the portion of the Vermont Pension
20 Investment Commission's budget attributable to the Vermont Municipal
21 Employees' Retirement System.

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

2 § 523. VERMONT PENSION INVESTMENT COMMISSION; DUTIES

3 * * *

4 (i) Professional staff and salaries.

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

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

14 Sec. E.134.2 VERMONT PENSION INVESTMENT COMMISSION;
15 COMPENSATION REPORT

16 (a) The Vermont Pension Investment Commission shall hire an
17 independent compensation consultant to complete a compensation report,
18 which shall include the following:

19 (1) in coordination with the Commission, a compensation philosophy
20 for Commission staff; and

1 (2) a compensation structure for Commission staff that sets initial
2 compensation levels and is benchmarked against other public pension funds.

3 (b) On or before November 15, 2025, the Commission shall submit a copy
4 of the report described in subsection (a) of this section and a proposed budget
5 to the Joint Public Pension Oversight Committee and the House and Senate
6 Committees on Appropriations.

7 Sec. E.139 GRAND LIST LITIGATION ASSISTANCE

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

15 Sec. E.142 PAYMENTS IN LIEU OF TAXES

16 (a) This appropriation is for State payments in lieu of property taxes under
17 32 V.S.A. chapter 123, subchapter 4, and the payments shall be calculated in
18 addition to and without regard to the appropriations for correctional facilities
19 elsewhere in this act. Payments in lieu of taxes under this section shall be paid
20 from the PILOT Special Fund under 32 V.S.A. § 3709.

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

1 § 3709. PILOT SPECIAL FUND

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

12 * * *

13 Sec. E.142.2 32 V.S.A. chapter 123, subchapter 4C is added to read:

14 Subchapter 4C. Municipal Grand List Stabilization Program

15 § 3710. MUNICIPAL GRAND LIST STABILIZATION PROGRAM

16 (a) There is established the Municipal Grand List Stabilization Program
17 within the Department of Taxes to reimburse municipalities for municipal
18 property taxes assessed under chapter 133 of this title for flood-prone
19 properties acquired by a municipality pursuant to 20 V.S.A. § 51 or a prior
20 voluntary buyout program operated by the Division of Emergency
21 Management.

1 **(b) On or before September 1 of each year, the Commissioner of Public**
2 **Safety shall certify to the Commissioner of Taxes the properties eligible for the**
3 **Municipal Grand List Stabilization Program and shall submit any other**
4 **information required by the Commissioner of Taxes. To be eligible for the**
5 **Program under this subchapter, a municipality must have acquired an eligible**
6 **property on or after July 1, 2023 and preserved the property as open space with**
7 **a deed restriction or covenant prohibiting development of the property. The**
8 **Commissioner of Public Safety shall first certify properties to the**
9 **Commissioner of Taxes pursuant to this subsection on or before September 1,**
10 **2025.**

11 **(c) Upon notification by the Commissioner of Public Safety, the**
12 **Commissioner of Taxes shall certify the payment amounts and make an annual**
13 **payment to each municipality for each eligible property to compensate for the**
14 **loss of municipal property tax. The payment shall be calculated using the**
15 **grand list value of the acquired property for the year during which the property**
16 **was either damaged by flooding or identified as flood-prone by the**
17 **Commissioner of Public Safety, multiplied by the municipal tax rate, including**
18 **any submunicipal tax rates, in effect each year. This payment shall be made on**
19 **or before January 1 of each year for five years.**

20 **(d) A property shall not be eligible for reimbursement payments for more**
21 **than 10 years. The Commissioner shall make an annual payment for the full**

1 amount calculated under subsection (c) of this section for five years. After a
2 municipality has received payments for an eligible property for five
3 consecutive years, the Commissioner shall make an annual payment to the
4 municipality for any subsequent year of eligibility in an amount equal to one-
5 half of the amount calculated under subsection (c) of this section.

6 (e) Payment under this section shall be calculated and issued from the
7 PILOT Special Fund under section 3709 of this title only after all other grants
8 under subchapter 4 of this chapter are calculated and issued. If the PILOT
9 Special Fund balance is insufficient to pay the full amount of all payments
10 authorized under this subchapter, then payments calculated under this section
11 and due to each municipality for each property shall be reduced
12 proportionately.

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

14 § 51. FLOOD-PRONE PROPERTIES; ASSISTANCE PROGRAMS

15 The Division of Emergency Management and the Agency of Commerce and
16 Community Development shall establish and maintain the Voluntary Buyout
17 Program for flood-prone properties. The Program shall allow a municipality,
18 at the request of the owner of a flood-prone property, to apply for funding to
19 cover the purchase price of the property. The purchase price shall be the full
20 fair market value of the flood-prone property. The municipality shall maintain

1 the acquired property as open space with a deed restriction or covenant
2 prohibiting development of the property.

3 Sec. E.144 PAYMENTS IN LIEU OF TAXES; CORRECTIONAL
4 FACILITIES

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

7 Sec. E.200 ATTORNEY GENERAL

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

15 (b) Of the revenue available to the Attorney General under 9 V.S.A.
16 § 2458(b)(4), \$1,802,200 is appropriated in Sec. B.200 of this act.

17 Sec. E.208 PUBLIC SAFETY; ADMINISTRATION

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

1 Sec. E.209 PUBLIC SAFETY; STATE POLICE

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

7 (b) Of the General Fund appropriation in Sec. B.209 of this act, \$405,000 is
8 allocated for grants in support of the Drug Task Force. Of this amount,
9 \$190,000 shall be used by the Vermont Drug Task Force to fund three town
10 task force officers. These town task force officers shall be dedicated to
11 enforcement efforts with respect to both regulated drugs as defined in 18
12 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any
13 unobligated funds may be allocated by the Commissioner to fund the work of
14 the Drug Task Force or be carried forward.

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

18 Sec. E.212 PUBLIC SAFETY; FIRE SAFETY

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

1 Sec. E.215 MILITARY; ADMINISTRATION

2 (a) The amount of \$1,219,834 shall be disbursed to the Vermont Student
3 Assistance Corporation for the National Guard Tuition Benefit Program
4 established in 16 V.S.A. § 2857.

5 Sec. E.219 MILITARY; VETERANS' AFFAIRS

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

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

12 BUDGET

13 (a) The Secretary of State shall grant the \$1,350,000 General Fund
14 appropriation, provided in Section B.232 of this act, to the Vermont Access
15 Network to maintain current operations and programming.

16 Sec. E.236.1 LIQUOR AND LOTTERY; APPROPRIATION; BUSINESS

17 -TO-BUSINESS WEBSITE

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

21 Sec. E.300 FUNDING FOR THE OFFICE OF THE HEALTH CARE

1 ADVOCATE, VERMONT LEGAL AID

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

3 (1) \$2,000,406 shall be used for the contract with the Office of the
4 Health Care Advocate;

5 (2) \$1,717,994 for Vermont Legal Aid services, including the Poverty
6 Law Project and mental health services; and

7 (3) \$650,000 is for the purposes of maintaining current Vermont Legal
8 Aid program capacity and addressing increased requests for services, including
9 eviction prevention and protection from foreclosure and consumer debt.

10 **Sec. E.300.1 REPORT; RESIDENTIAL BEDS FOR YOUTH**

11 (a) As part of their fiscal year 2027 budget presentations to the General
12 Assembly, the Agency of Human Services and departments within the Agency
13 of Human Services shall provide coordinated information regarding:

14 (1) the basis for the projected number of beds per facility to create 41
15 new beds for youth in high-end facilities under the Departments for Children
16 and Families, of Mental Health, and of Disabilities, Aging, and Independent
17 Living for inpatient, psychiatric residential, stabilization, and treatment
18 services, including projected reductions in out-of-state placements;

19 (2) the status of capacity at lower level residential and crisis facilities
20 and their capabilities in preventing higher level needs if investments would
21 enable full capacity use; and

1 (3) a projected five-year operating budget across the Agency and
2 departments for full utilization of the new high-end system components as
3 currently planned, including:

4 (A) costs to the Department of Vermont Health Access' budget; and
5 (B) how these costs will impact the overall budgets for lower-level,
6 community-based, prevention, and other services needed to prevent escalation
7 to higher levels of care.

8 Sec. E.301 SECRETARY'S OFFICE; GLOBAL COMMITMENT

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

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

18 (1) \$24,714,000 certified State match available from local education
19 agencies for eligible special education school-based Medicaid services under
20 Global Commitment. This amount, combined with \$35,286,000 of federal
21 funds appropriated in Sec. B.301 of this act, equals a total estimated

1 expenditure of \$60,000,000. An amount equal to the amount of the federal
2 matching funds for eligible special education school-based Medicaid services
3 under Global Commitment shall be transferred from the Global Commitment
4 Fund to the Medicaid Reimbursement Special Fund established by 16 V.S.A.
5 § 2959a.

6 (2) \$3,173,533 certified State match available from local designated
7 mental health and developmental services agencies for eligible mental health
8 services provided under Global Commitment.

9 (c) Up to \$4,997,210 is transferred from the Agency of Human Services
10 Federal Receipts Holding Account to the Interdepartmental Transfer Fund
11 consistent with the amount appropriated in Sec. B.301 of this act.

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

13 REPORT

14 (a) To facilitate fiscal year 2026 closeout, the Secretary of Human Services,
15 with the approval of the Secretary of Administration, may make transfers
16 among the appropriations authorized for Medicaid and Medicaid waiver
17 program expenses, including Global Commitment appropriations outside the
18 Agency of Human Services. At least three business days prior to any transfer,
19 the Agency of Human Services shall submit to the Joint Fiscal Office a
20 proposal of transfers to be made pursuant to this section. A final report on all
21 transfers made under this section shall be made to the Joint Fiscal Committee

1 for review at the Committee’s September 2026 meeting. The purpose of this
2 section is to provide the Agency with limited authority to modify the
3 appropriations to comply with the terms and conditions of the Global
4 Commitment section 1115 demonstration approved by the Centers for
5 Medicare and Medicaid Services under section 1115 of the Social Security
6 Act.

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

11 Sec. 72a. MEDICAID HOME- AND COMMUNITY-BASED SERVICES
12 (HCBS) PLAN

13 * * *

14 (f) The Global Commitment Fund appropriated in subsection (e) of this
15 section obligated in fiscal years 2023, 2024, ~~and 2025~~, and 2026 for the
16 purposes of bringing HCBS plan spending authority forward into fiscal ~~year~~
17 years 2024, ~~and fiscal year 2025~~, and 2026, respectively. The funds
18 appropriated in subsections (b), (c), and (e) of this section may be transferred
19 on a net-neutral basis in fiscal years 2023, 2024, ~~and 2025~~, and 2026 in the
20 same manner as the Global Commitment appropriations in 2022 Acts and
21 Resolves No. 185, Sec. E.301. The Agency shall report to the Joint Fiscal

1 Committee in September 2023, September 2024, ~~and~~ September 2025, and
2 September 2026, respectively, on transfers of appropriations made and final
3 amounts expended by each department in fiscal years 2023, 2024, ~~and~~ 2025,
4 and 2026, respectively, and any obligated funds carried forward to be
5 expended in fiscal ~~year~~ years 2024, ~~and fiscal year~~ 2025, and 2026,
6 respectively.

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

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

17 (b) If the Centers for Medicare and Medicaid Services approves a Vermont
18 Hospital Directed Payment program within the State's Global Commitment to
19 Health Section 1115 Demonstration Waiver in fiscal year 2026 while the
20 General Assembly is not in session, then, pursuant to 32 V.S.A. § 511 and
21 notwithstanding any other provision of law to the contrary, the Department of

1 Finance and Management is authorized to approve the Agency of Human
2 Services' allocation and expenditure of excess receipts for Global Commitment
3 Fund spending up to the amount approved by the Centers for Medicare and
4 Medicaid Services for the Vermont Hospital Directed Payment program.

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

11 (d) The Agency of Human Services shall report on the status of the
12 Vermont Hospital Directed Payment program, the expenditure of excess
13 receipts, and the status of the program's potential impacts on Disproportionate
14 Share Hospital payments at the September and November 2025 meetings of the
15 Joint Fiscal Committee.

16 **Sec. E.306 NURSING HOMES; SKILLED NURSING FACILITIES;**
17 **EXTRAORDINARY FINANCIAL RELIEF**

18 (a) Extraordinary financial relief shall be used in rare occasions or as a last
19 resort to prevent nursing homes that are in good standing and in compliance
20 with State rules and federal regulations from closing. On or before December
21 15, 2025, the Department of Vermont Health Access' Division of Rate Setting

1 shall submit a report to the House Committee on Human Services and to the
2 Senate Committee on Health and Welfare containing proactive measures and
3 targeted interventions that may be used to reduce the use and amount of future
4 extraordinary financial relief for nursing homes.

5 (b) On or before January 15, 2026, the Departments of Vermont Health
6 Access and of Disabilities, Aging, and Independent Living shall present to the
7 House Committees on Appropriations and on Human Services and to the
8 Senate Committees on Appropriations and on Health and Welfare on the
9 following:

10 (1) the number and name of all nursing homes in the State, including:

11 (A) whether a nursing home is a for-profit or nonprofit organization
12 and the owner's contact information;

13 (B) the payer mix of each nursing home;

14 (C) the ratio of employees versus contracted traveler positions at each
15 nursing home and the specific job titles of the contracted traveler positions;

16 and

17 (D) the average length of patient stay at each nursing home;

18 (2) the number of skilled nursing facilities seeking extraordinary
19 financial relief in fiscal years 2023, 2024, and 2025; and

20 (3) the number of skilled nursing facilities receiving extraordinary
21 financial relief in fiscal years 2023, 2024, and 2025, including:

- 1 (A) the name of each skilled nursing facility;
2 (B) whether a skilled nursing facility receiving extraordinary
3 financial relief is a for-profit or nonprofit organization;
4 (C) the amount of extraordinary financial relief received by each
5 skilled nursing facility;
6 (D) the reason extraordinary financial relief was sought by each
7 skilled nursing facility; and
8 (E) the reason extraordinary financial relief was awarded to each
9 skilled nursing facility.

10 Sec. E.311 2022 Acts and Resolves No. 109, Sec. 4 is amended to read:

11 Sec. 4. SUNSET OF STATE YOUTH COUNCIL

12 3 V.S.A. § 3097 (State Youth Council) is repealed on February 1, 2026.

13 [Repealed.]

14 Sec. E.312 HEALTH; PUBLIC HEALTH

15 (a) HIV/AIDS funding:

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

1 Group with current information and data relating to service initiatives. The
2 funds shall be allocated according to a Request for Proposal process.

3 (2) In fiscal year 2026, and as provided by this section, the Department
4 of Health shall provide grants in the amount of \$295,000 from the General
5 Fund for HIV and Harm Reduction Services to the following organizations:

6 (A) Vermont CARES: \$140,000;

7 (B) AIDS Project of Southern Vermont: \$100,000; and

8 (C) HIV/HCV Resource Center: \$55,000.

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

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

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

1 members who are living with HIV/AIDS. If a modification to the program's
2 eligibility requirements or benefit coverage is considered, the Committee shall
3 make recommendations regarding the program's formulary of approved
4 medication, related laboratory testing, nutritional supplements, and eligibility
5 for the program.

6 (4) In fiscal year 2026, the Department of Health shall provide grants in
7 the amount of \$400,000 General Fund for HIV and Harm Reduction Services
8 not later than September 1, 2025. The method by which these prevention
9 funds are distributed shall be determined by mutual agreement of the
10 Department of Health and the Vermont AIDS service organizations and other
11 Vermont HIV/AIDS prevention providers.

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

17 Sec. E.312.1 2023 Acts and Resolves No. 78, Sec. E.100, as amended by 2024
18 Acts and Resolves No. 87, Sec. 56, is further amended to read:

19 Sec. E.100 EXECUTIVE BRANCH POSITIONS

20 * * *

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

3 * * *

4 (2) ~~Agency of Administration~~ Department of Health – Health Equity
5 Advisory Commission:

6 (A) one Private Secretary.

7 Sec. E.312.2 3 V.S.A. § 5003 is amended to read:

8 § 5003. DUTIES OF EXECUTIVE DIRECTOR OF RACIAL EQUITY

9 (a) The Executive Director of Racial Equity (Director) shall work with the
10 agencies and departments to implement a program of continuing coordination
11 and improvement of activities in State government in order to combat systemic
12 racial disparities and measure progress toward fair and impartial governance,
13 including:

14 (1) overseeing a comprehensive organizational review to identify
15 systemic racism in each of the three branches of State government and
16 inventory systems in place that engender racial disparities;

17 (2) managing and overseeing the statewide collection of race-based data
18 to determine the nature and scope of racial discrimination within all systems of
19 State government; and

1 (3) developing a model fairness and diversity policy and reviewing and
2 making recommendations regarding the fairness and diversity policies held by
3 all State government systems; ~~and~~

4 (4) temporarily overseeing the establishment of the Health Equity
5 Advisory Commission established pursuant to 18 V.S.A. § 252 until the Office
6 of Health Equity is established.

7 * * *

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

9 § 252. HEALTH EQUITY ADVISORY COMMISSION

10 * * *

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

12 (1) provide guidance on the development of the Office of Health Equity,
13 ~~which shall be established based on the Advisory Commission's~~
14 ~~recommendations not later than January 1, 2023~~, including on:

15 (A) the structure, responsibilities, and jurisdiction of the Office;

16 (B) whether the Office shall be independent and, if not, in which
17 State agency or department it shall be situated;

18 (C) how the Office shall be staffed;

19 (D) the populations served and specific issues addressed by the
20 Office; and

1 (E) the duties of the Office, including how grant funds shall be
2 managed and distributed; ~~and~~

3 ~~(F) the time frame and necessary steps to establish the Office;~~

4 (2) provide advice and make recommendations to the Office of Health
5 Equity, Commissioner, and General Assembly once established, including
6 input on:

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

9 (B) the awarding of grants and the development of programs and
10 services;

11 (C) the needs, priorities, programs, and policies relating to the health
12 of individuals who are Black, Indigenous, and Persons of Color; individuals
13 who are LGBTQ; and individuals with disabilities; and

14 (D) any other issue on which the Office of Health Equity,
15 Department of Health, or General Assembly requests assistance from the
16 Advisory Commission;

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

1 (f) Meetings.

2 (1) ~~The Executive Director of Racial Equity or designee shall call the~~
3 ~~first meeting of the Advisory Commission to occur on or before September 1,~~
4 ~~2021.~~

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

7 ~~(3)~~(2) The Advisory Commission shall adopt procedures to govern its
8 proceedings, including voting procedures and how the staggered terms shall be
9 apportioned among members.

10 ~~(4)~~(3) All meetings of the Advisory Commission and any
11 subcommittees of the Advisory Commission shall be open to the public with
12 opportunities for public comment provided on a regular basis.

13 * * *

14 (h) Compensation and reimbursement. Appointed members of the
15 Advisory Commission shall be entitled to per diem compensation and
16 reimbursement of expenses as permitted under 32 V.S.A. § 1010 for meetings
17 ~~as deemed appropriate by the Advisory Commission within the appropriation~~
18 ~~provided.~~ These payments shall be made from monies appropriated to the
19 ~~Agency of Administration~~ Department of Health.

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

21 **§ 254. OFFICE OF HEALTH EQUITY**

1 (a) There is established the Office of Health Equity within the Department
2 of Health for the purpose of eliminating avoidable and unjust disparities in
3 health among Vermonters. The Office shall use a systemic and comprehensive
4 approach that addresses those social, economic, and environmental factors that
5 influence health outcomes.

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

11 Sec. E.312.5 18 V.S.A. § 4812 is added to read:

12 § 4812. SUBSTANCE MISUSE PREVENTION SPECIAL FUND

13 (a) The Substance Misuse Prevention Special Fund is established and
14 managed by the Vermont Department of Health in accordance with 32 V.S.A.
15 chapter 7, subchapter 5.

16 (b) Thirty percent of the revenues raised by the cannabis excise tax
17 imposed pursuant to 32 V.S.A. § 7902, not to exceed \$10,000,000 per fiscal
18 year, shall be deposited into this fund for substance misuse prevention costs.

19 (c) Any unencumbered and unexpended spending authority reverted in
20 accordance with 32 V.S.A. § 703 may be immediately re-established the
21 following fiscal year in accordance with 32 V.S.A. § 511.

1 (d) Notwithstanding any provisions of 32 V.S.A. chapter 7, subchapter 5 to
2 the contrary, all interest earned by this fund shall be retained by this fund.

3 Sec. E.312.6 SUBSTANCE MISUSE PREVENTION FUNDING; REPEAL

4 (a) 32 V.S.A. § 7909 (substance misuse prevention funding) is repealed.

5 Sec. E.316 2023 Acts and Resolves No. 78, Sec. E.316 is amended to read:

6 Sec. E.316 STAKEHOLDER WORKING GROUP; FACILITY

7 PLANNING FOR JUSTICE-INVOLVED YOUTH

8 (a) The Department for Children and Families, in consultation with the
9 Department of Buildings and General Services, shall assemble a stakeholder
10 working group to provide regular input on the planning, design, development,
11 and implementation of the temporary stabilization facility for youth and on the
12 development of a long-term plan for the high-end system of care.

13 * * *

14 (f) The stakeholder working group shall cease to exist on June 30, 2025
15 2027.

16 Sec. E.316.1 33 V.S.A. § 125 is added to read:

17 § 125. BUDGETARY INFLATION; DIRECT SERVICE PROVIDERS

18 Annually, as part of its budget presentation, the Department shall inform the
19 House Committees on Appropriations and on Human Services and the Senate
20 Committees on Appropriations and on Health and Welfare the cost of adding a

1 one percent increase over the previous fiscal year's funding for community-
2 contracted direct service providers.

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

4 (a) To the extent emergency housing is available and within the funds
5 appropriated, the Commissioner for Children and Families shall ensure that
6 General Assistance Emergency Housing is provided in fiscal year 2026 to
7 households that attest to lack of a fixed, regular, and adequate nighttime
8 residence and have a member who:

9 (1) is 65 years of age or older;

10 (2) has a disability that can be documented by:

11 (A) receipt of Supplemental Security Income or Social Security
12 Disability Insurance; or

13 (B) a form developed by the Department as a means of documenting
14 a qualifying disability or health condition that requires:

15 (i) the applicant's name, date of birth, and the last four digits of
16 the applicant's Social Security number or other identifying number;

17 (ii) a description of the applicant's disability or health condition;

18 (iii) a description of the risk posed to the applicant's health, safety,
19 or welfare if temporary emergency housing is not authorized pursuant to this
20 section; and

1 (iv) a certification of a health care provider, as defined in 18
2 V.S.A. § 9481, that includes the provider’s credentials, credential number,
3 address, and phone number;
4 (3) is a child 19 years of age or under;
5 (4) is pregnant;
6 (5) has experienced the death of a spouse, domestic partner, or minor
7 child that caused the household to lose its housing;
8 (6) has experienced a natural disaster, such as a flood, fire, or hurricane;
9 (7) is under a court-ordered eviction or constructive eviction due to
10 circumstances over which the household has no control; or
11 (8) is experiencing domestic violence, dating violence, sexual assault,
12 stalking, human trafficking, hate violence, or other dangerous or life-
13 threatening conditions that relate to violence against the individual or a
14 household member that caused the household to lose its housing.
15 (b)(1) General Assistance Emergency Housing shall be provided in a
16 community-based shelter whenever possible. If there is inadequate
17 community-based shelter space available within the Agency of Human
18 Services district in which the household presents itself, the household shall be
19 provided emergency housing in a hotel or motel within the district, if available,
20 until adequate community-based shelter space becomes available in the
21 district. The utilization of hotel and motel rooms pursuant to this subdivision

1 shall be capped at 1,100 rooms per night between July 1, 2025 through
2 November 30, 2025 and between April 1, 2026 through June 30, 2026.

3 (2) The maximum number of days that an eligible household receives
4 emergency housing in a hotel or motel under this section, per 12-month period,
5 shall not exceed 80 days.

6 (3) The Department shall provide emergency winter housing to
7 households meeting the eligibility criteria in subsection (a) of this section
8 between December 1, 2025 and March 31, 2026. Emergency housing in a
9 hotel or motel provided pursuant to this subdivision shall not count toward the
10 maximum days of eligibility per 12-month period provided in subdivision (2)
11 of this subsection.

12 (4)(A) Notwithstanding any rule or law to the contrary, the Department
13 shall require all households applying for or receiving General Assistance
14 Emergency Housing to engage in their own search for and accept any available
15 alternative housing placements. All applicants and eligible households shall
16 regularly provide information to the Department, not less frequently than
17 monthly, about their efforts to secure an alternative housing placement. If the
18 Department determines that a household, at the time of application or during
19 the term of the household's authorization, has not made efforts to secure an
20 alternative housing placement, or has access to an alternative housing

1 placement, the Department shall deny the application or terminate the
2 authorization at the end of the current authorization period.

3 (B) For purposes of this subdivision (4), “alternative housing
4 placements” may include shelter beds and pods; placements with family or
5 friends; permanent housing solutions, including tiny homes, manufactured
6 homes, and apartments; residential treatment beds for physical health, long-
7 term care, substance use, or mental health; nursing home beds; and recovery
8 homes.

9 (c) Emergency housing provided pursuant to this section shall replace the
10 catastrophic and noncatastrophic categories previously adopted by the
11 Department in rule.

12 (d) Emergency housing required pursuant to this section may be provided
13 through approved community-based shelters, new unit generation, open units,
14 licensed hotels or motels, or other appropriate shelter space. The Department
15 shall, when available, prioritize emergency housing at housing or shelter
16 placements other than hotels or motels.

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

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

5 (g) On or before the last day of each month from July 2025 through June
6 2026, the Department for Children and Families, or other relevant agency or
7 department, shall continue submitting a similar report to that due pursuant to
8 2023 Acts and Resolves No. 81, Sec. 6(b) to the Joint Fiscal Committee,
9 House Committee on Human Services, and Senate Committee on Health and
10 Welfare. Additionally, this report shall include the Department's monthly
11 expenditure on General Assistance Emergency Housing.

12 (h) For emergency housing provided in a hotel or motel beginning on July
13 1, 2024 and thereafter, the Department for Children and Families shall not pay
14 a hotel or motel establishment more than the hotel's lowest advertised room
15 rate and not more than \$80 a day per room to shelter a household experiencing
16 homelessness. The Department for Children and Families may shelter a
17 household in more than one hotel or motel room depending on the household's
18 size and composition.

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

1 (1) Section 2650.1 of the Department for Children and Families'

2 General Assistance (CVR 13-170-260);

3 (2) Department of Health, Licensed Lodging Establishment Rule (CVR
4 13-140-023); and

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

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

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

1 (k) Of the amount appropriated to implement this section, not more than
2 \$500,000 shall be used for security costs.

3 (l) As used in this section:

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

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

10 **Sec. E.321.1 CONTRACTING FOR EMERGENCY SHELTER**

11 **OPERATIONS AND SERVICES**

12 (a) In contracting with emergency shelter organizations for operations and
13 services, the Department for Children and Families shall prioritize contracts
14 with organizations that are in close proximity to the community served to
15 ensure that an organization familiar with the specific needs of a community
16 serve its population of unhoused residents.

17 **Sec. E.324 EXPEDITED CRISIS FUEL ASSISTANCE**

18 (a) The Commissioner for Children and Families or designee may authorize
19 crisis fuel assistance to those income-eligible households that have applied for
20 an expedited seasonal fuel benefit but have not yet received it if the benefit
21 cannot be executed in time to prevent them from running out of fuel. The

1 crisis fuel grants authorized pursuant to this section count toward the one crisis
2 fuel grant allowed per household for the winter heating season pursuant to
3 33 V.S.A. § 2609(b).

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

6 (a) Of the General Fund appropriation in Sec. B.325 of this act,
7 \$26,343,655 shall be used by the Department for Children and Families' Office
8 of Economic Opportunity to issue grants to community agencies to assist
9 individuals experiencing homelessness by preserving existing services,
10 increasing services, or increasing resources available statewide. These funds
11 may be granted alone or in conjunction with federal Emergency Solutions
12 Grants funds. Grant decisions and the administration of funds shall be done in
13 consultation with the two U.S. Department of Housing and Urban
14 Development-recognized continuum of care programs.

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

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

20 Sec. E.329 33 V.S.A. § 506 is added to read:

21 § 506. BUDGETARY INFLATION; DIRECT SERVICE PROVIDERS

1 Annually, as part of its budget presentation, the Department shall inform the
2 House Committees on Appropriations and on Human Services and the Senate
3 Committees on Appropriations and on Health and Welfare the cost of adding a
4 one percent increase over the previous fiscal year's funding for community-
5 contracted direct service providers.

6 **Sec. E.333 DEVELOPMENTAL DISABILITY SERVICES; PAYMENT**

7 **REFORM**

8 (a) The Department of Disabilities, Aging and Independent Living's
9 payment reform process for developmental disability services shall not be
10 implemented prior to July 1, 2026.

11 (b) Between July 1, 2025 and implementation of the payment reform
12 process for developmental disability services, the Department shall align
13 conflict-free case management with the existing payment model.

14 **Sec. E.338 CORRECTIONS; CORRECTIONAL SERVICES**

15 (a) Notwithstanding 32 V.S.A. § 3709(a), the special fund appropriation of
16 \$152,000 for the supplemental facility payments to Newport and Springfield
17 shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

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

19 (a) At or before the Joint Fiscal Committee's November 2025 meeting, the
20 Department of Corrections shall report to the Committee on the status of

1 federal funds that may affect the provision of recovery coaching for
2 incarcerated individuals at the State's correctional facilities.

3 **Sec. E.338.2 CORRECTIONS; TREATMENT-FOCUSED FACILITY**

4 (a) The \$200,000 General Fund appropriated to the Department of
5 Corrections in Sec. B.1100(i)(1) of this act shall be used to retain a consultant
6 and develop an implementation plan to transition the Northeast Correctional
7 Complex or the Caledonia County Work Camp, or parts of either or of both, to
8 a treatment-focused facility for incarcerated Vermonters.

9 (b) On or before December 1, 2025, the Department of Corrections shall
10 submit a written report to the Joint Legislative Justice Oversight Committee
11 concerning the consultant's findings and recommendations related to
12 transitioning either the Northeast Correctional Complex or the Work Camp, or
13 parts of either or of both, to a treatment-focused facility. The report shall
14 contain the following:

15 (1) a detailed transition plan;

16 (2) expected outcomes and measures of success;

17 (3) an assessment of how transitioning either the Northeast Correctional
18 Complex or Caledonia County Work Camp, or parts of either or of both, to a
19 treatment-focused facility aligns with best practices for residential treatment
20 programs; and

1 (4) input from the Department's current medical providers, including an
2 analysis of how the program developed would impact any contract with the
3 Department's third-party medical provider.

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

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

7 (i) 40.0 percent by the State from State monies;

8 (ii) ~~28.8~~ 36.0 percent by the hospitals;

9 (iii) ~~23.2~~ 24.0 percent by nonprofit hospital and medical service
10 corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance
11 companies licensed under 8 V.S.A. chapter 101, and health maintenance
12 organizations licensed under 8 V.S.A. chapter 139; ~~and~~

13 ~~(iv) 8.0 percent by accountable care organizations.~~

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

1 Sec. E.502 EDUCATION; SPECIAL EDUCATION: FORMULA GRANTS

2 (a) Of the appropriation authorized in Sec. B.502 of this act, and
3 notwithstanding any other provision of law, an amount not to exceed
4 \$5,236,200 shall be used by the Agency of Education in fiscal year 2026 as
5 funding for 16 V.S.A. § 2967(b)(2)-(6). In distributing such funds, the
6 Secretary shall not be limited by the restrictions contained within 16 V.S.A.
7 § 2969(c) and (d).

8 (b) Of the appropriation authorized in Sec. B.502 of this act, and
9 notwithstanding any other provision of law, an amount not to exceed
10 \$2,000,000 shall be used by the Agency of Education in fiscal year 2026 as
11 funding for 16 V.S.A. § 2975. In distributing such funds, the Secretary shall
12 not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d).

13 Sec. E.503 EDUCATION; STATE-PLACED STUDENTS

14 (a) The Independence Place Program of ANEW Place shall be considered a
15 24-hour residential program for the purposes of reimbursement of education
16 costs.

17 Sec. E.504 ADULT EDUCATION AND LITERACY

18 (a) Of the appropriation in Sec. B.504 of this act, \$3,958,345 General Fund
19 shall be granted to adult education and literacy providers, pursuant to the Adult
20 Education and Secondary Credential Program established in 16 V.S.A. § 945.

1 Sec. E.504.1 EDUCATION; FLEXIBLE PATHWAYS

2 (a) Notwithstanding 16 V.S.A. § 4025, of the Education Fund appropriation
3 in Sec. B.504.1 of this act, the amount of:

4 (1) \$921,500 is available for dual enrollment programs notwithstanding
5 16 V.S.A. § 944(f)(2);

6 (2) \$2,400,000 is available to support the Vermont Virtual High School;

7 (3) \$400,000 is available for secondary school reform grants;

8 (4) \$4,200,000 is available for Early College pursuant to 16 V.S.A.
9 § 947(b); and

10 (5) \$2,638,896 is available for the Adult Education and Secondary
11 Credential Program.

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

14 Sec. E.504.2 16 V.S.A. § 4011 is amended to read:

15 § 4011. EDUCATION PAYMENTS

16 (a) Annually, the General Assembly shall appropriate funds to pay for
17 statewide education spending and a portion of a base education amount for
18 each adult education and secondary credential program student.

19 (b) For each fiscal year, the base education amount shall be \$6,800.00,
20 increased by the most recent New England Economic Project Cumulative Price
21 Index, as of November 15, for state and local government purchases of goods

1 and services from fiscal year 2005 through the fiscal year for which the amount
2 is being determined, plus an additional one-tenth of one percent.

3 * * *

4 (f) Annually, ~~the Secretary shall pay to a local adult education and literacy~~
5 ~~provider, as defined in section 942 of this title, that provides an adult education~~
6 ~~and secondary credential program from funds appropriated for this subsection~~
7 ~~to the Agency in an amount equal to 26 percent of the base education amount~~
8 ~~for each student who completes the diagnostic portions of ~~the~~ an adult~~
9 ~~education and secondary credential program, based on an average of the~~
10 ~~previous two years;~~ 40, the Secretary shall pay to a local adult education and
11 literacy provider, as defined in section 942 of this title, that provides an adult
12 education and secondary credential program an amount that shall be calculated
13 pursuant to the funding formula contained in the State Board of Education
14 adult education rules. Forty percent of the payment required under this
15 subsection shall be from State funds appropriated from the Education Fund and
16 60 percent of the payment required under this subsection shall be from State
17 funds appropriated from the General Fund.

18 * * *

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

20 (a) On or before December 1, 2025, the Agency of Education, in
21 consultation with local adult education and literacy providers, shall submit a

1 written report to the House Committee on Commerce and Economic
2 Development, the Senate Committee on Economic Development, Housing and
3 General Affairs, and the House and Senate Committees on Education with
4 recommendations to modernize adult education funding to ensure funds are
5 distributed equitably across all regions of the State.

6 (b) For fiscal year 2026, the Agency of Education shall negotiate in good
7 faith to extend the existing contracts with local adult education and literacy
8 providers for a term of one year. The Agency shall endeavor to maintain the
9 terms of the existing contracts to the greatest extent possible.

10 Sec. E.507.1 ENGLISH LEARNER; CATEGORICAL AID

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

14 Sec. E.511 EDUCATION; TECHNICAL EDUCATION

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

19 Sec. E.514 STATE TEACHERS' RETIREMENT SYSTEM

20 (a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to
21 the Vermont State Teachers' Retirement System shall be \$212,752,627, of

1 which \$199,377,627 shall be the State's contribution and \$13,375,000 shall be
2 contributed from local school systems or educational entities pursuant to
3 16 V.S.A. § 1944c.

4 (b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution,
5 \$41,414,649 is the "normal contribution" and \$171,337,978 is the "accrued
6 liability contribution."

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

10 (a) Of the \$3,918,155 appropriated in Sec. B.514.1 of this act, \$2,719,271
11 constitutes the Vermont State Teachers' Retirement System operating budget,
12 and \$1,198,884 constitutes the portion of the Vermont Pension Investment
13 Commission's budget attributable to the Vermont State Teachers' Retirement
14 System.

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

17 (a) In accordance with 16 V.S.A. § 1944b(b)(2) and 16 V.S.A.
18 § 1944b(h)(1), the annual contribution to the Retired Teachers' Health and
19 Medical Benefits plan shall be \$79,952,589, of which \$71,052,589 shall be the
20 State's contribution and \$8,900,000 shall be from the annual charge for teacher
21 health care contributed by employers pursuant to 16 V.S.A. §1944d. Of the

1 annual contribution, \$24,712,382 is the “normal contribution” and \$55,240,207
2 is the “accrued liability contribution.”

3 Sec. E.600 UNIVERSITY OF VERMONT

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

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

11 Sec. E.602 VERMONT STATE COLLEGES

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

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

1 Sec. E.603 VERMONT STATE COLLEGES; ALLIED HEALTH

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

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

11 Sec. E.605 VERMONT STUDENT ASSISTANCE CORPORATION

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

14 (1) \$25,000 shall be deposited into the Trust Fund established in 16
15 V.S.A. § 2845;

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

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

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

8 (b) On or before January 15, 2026, the Vermont Student Assistance
9 Corporation shall report on the program to the House Committees on
10 Appropriations and on Commerce and Economic Development and to the
11 Senate Committees on Appropriations and on Economic Development,
12 Housing and General Affairs.

13 **Sec. E.715 REPEALS; SUNSET OF PROPERTY TRANSFER TAX**

14 **CLEAN WATER SURCHARGE**

15 (a) 2017 Acts and Resolves No. 85, Sec. I.10 (sunset of clean water
16 surcharge), as amended by 2024 Acts and Resolves No. 181, is repealed.

17 (b) 2017 Acts and Resolves No. 85, Sec. I.11(a)(5) (effective date of sunset
18 of clean water surcharge) is repealed.

19 **Sec. E.715.1 2017 Acts and Resolves No. 85, Sec. I.1(b) is amended to read:**

20 **(b) Purpose and intent.**

1 (1) The purpose of Secs. I.1–I.12 of this act is to promote the
2 development and improvement of housing for Vermonters.

3 (2) It is the intent of the General Assembly:

4 (A) to extend the clean water surcharge to provide ~~an interim a~~
5 source of revenue for addressing water quality issues throughout the State; and

6 (B) to continue its work on identifying a long-term funding source or
7 sources that are sufficient in scope and targeted in design to address these
8 water quality issues; ~~and~~

9 ~~(C) once one or more long-term funding sources are identified and~~
10 ~~enacted, but not later than July 1, 2027, to reduce the amount of the clean~~
11 ~~water surcharge to 0.04 percent.~~

12 Sec. E.715.2 2017 Acts and Resolves No. 85, Sec. I.12 is amended to read:

13 Sec. I.12. EFFECTIVE DATES

14 (a) Secs. I.1–I.12 shall take effect on July 1, 2017, ~~except that Sec. I.10~~
15 ~~(allocating clean water surcharge revenue to Vermont Housing and~~
16 ~~Conservation Trust Fund) shall take effect on July 1, 2027.~~

17 Sec. E.715.3 2017 Acts and Resolves No. 85, Sec. I.7(d) is amended to read:

18 (d) To compensate for this reduction of available property transfer tax
19 revenue, it is the intent of the General Assembly through this act to provide for
20 the transfer of \$2,500,000.00 to the Vermont Housing and Conservation Trust
21 Fund, as follows:

1 (1) Sec. D.100 of this act appropriates \$11,304,840.00 in fiscal year
2 2018 from the Vermont Housing and Conservation Trust Fund to the Vermont
3 Housing and Conservation Board. Upon the effective date of this act,
4 \$1,500,000.00 shall revert to the Fund, resulting in a fiscal year 2018 total
5 appropriation to the Board of \$9,804,840.00. In fiscal year 2018 only, the
6 amount of \$1,500,000.00 from the Vermont Housing and Conservation Trust
7 Fund shall be transferred to the General Fund.

8 (2) As provided in Sec. I.9 of this act, ~~from July 1, 2017 until~~
9 ~~July 1, 2027~~, pursuant to 32 V.S.A. § 9602a, the first \$1,000,000.00 in revenue
10 generated by the clean water surcharge of ~~0.2~~ 0.22 percent shall be transferred
11 to the Vermont Housing and Conservation Trust Fund. In fiscal year 2018
12 only, the Commissioner shall transfer the amount of \$1,000,000.00 from the
13 Vermont Housing and Conservation Trust Fund to the General Fund.

14 (3) ~~After July 1, 2027, pursuant to 32 V.S.A. § 9602a as amended in~~
15 ~~Sec. I.10 of this act, \$1,000,000.00 in total revenue generated by the clean~~
16 ~~water surcharge of 0.04 percent shall be transferred to the Vermont Housing~~
17 ~~and Conservation Trust Fund. [Repealed.]~~

18 (4) ~~As provided in Sec. I.11 of this act, the clean water surcharge will be~~
19 ~~repealed in its entirety on July 1, 2039. [Repealed.]~~

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

2 § 11a. ~~TRANSPORTATION FUNDS APPROPRIATED FOR THE~~
3 ~~DEPARTMENT OF PUBLIC SAFETY FUND APPROPRIATIONS~~

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

11 (1) ~~\$25,250,000.00 in fiscal year 2014;~~

12 (2) ~~\$22,750,000.00 in fiscal years 2015 and 2016;~~

13 (3) ~~\$21,150,000.00 in fiscal year 2017; and~~

14 (4) ~~\$20,250,000.00 in fiscal year 2018 and in succeeding fiscal years.~~

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

1 ~~allocation be adjusted to reflect market conditions for the vehicles and~~
2 ~~equipment.~~

3 * * * Effective Dates * * *

4 **Sec. F.100 EFFECTIVE DATES**

5 (a) This section and Secs. C.100, C.101, C.102, C.103, C.104, C.105,
6 C.106, C.107, E.142.1, and E.142.2 shall take effect on passage.

7 (b) Notwithstanding 1 V.S.A. § 214, Secs. E.111 and E.111.1 shall take
8 effect retroactively on January 1, 2025 and shall apply to taxable years
9 beginning on and after January 1, 2024.

10 (c) Notwithstanding 1 V.S.A. § 214, Sec. E.111.2 shall take effect
11 retroactively on January 1, 2025 and shall apply to taxable years beginning on
12 and after January 1, 2025.

13 (d) All remaining sections shall take effect on July 1, 2025.