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Adam Greshin, Commissioner

TO: Senator Andrew Perchlik
CC: Rep. Robin Scheu, Emily Byrne, Aimee Pope, Grady Nixon, Elle Oille-Stanforth, Autumn Crabtree
FROM: Adam Greshin
DATE: April 2, 2026
RE: **Technical Corrections to H.951 – *An act relating to making appropriations for the support of government***

I write to suggest the following clarifications and technical edits to H.951 - *An act relating to making appropriations for the support of government*.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government and for capital appropriations not funded with debt proceeds during fiscal year 2027. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, offices, and commissions be limited to those that can be supported by funds appropriated in this act or other acts passed prior to June 30, 2026. Agency and department heads are directed to implement staffing and service levels at the beginning of fiscal year 2027 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

EXPLANATION:

The House added capital appropriations to the operating budget.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serves as the primary source and reference for appropriations for the operations of State government and for capital appropriations not funded with bond proceeds in fiscal year 2027.



(b) The sums herein stated are appropriated for the purposes specified in the following sections of this act. When no time is expressly stated during which any of the operating appropriations are to continue, the appropriations are single-year appropriations and only for the purpose indicated and shall be paid from funds shown as the source of funds. Capital appropriations funded from the Capital Infrastructure Subaccount in the Cash Fund for Capital and Essential Investments Special Fund shall be subject to the provisions of 32 V.S.A. § 1001b(e). If in this act there is an error in either addition or subtraction, the totals shall be adjusted accordingly. Apparent errors in referring to section numbers of statutory titles within this act may be disregarded by the Commissioner of Finance and Management.

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2027.

EXPLANATION:

The House added capital appropriations to the operating budget.

Sec. A.103 DEFINITIONS

(a) As used in this act:

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

EXPLANATION:

The House added capital appropriations to the operating budget.

Sec. B.133 Vermont state retirement system

Personal services	231,345	
Operating expenses	3,422,827	3,482,452
Total	3,654,172	3,713,797
Source of funds		
Pension trust funds	3,654,172	3,713,797
Total	3,654,172	3,713,797

EXPLANATION:

The House did not include the \$59,625 update for the Other Post Employment Benefits administrative costs.



Sec. B.145 Total general government

Source of funds

General fund	148,553,175	
Transportation fund	4,710,621	
Special funds	37,506,033	
Federal funds	1,241,835	
Internal service funds	163,432,820	
Interdepartmental transfers	7,979,570	
Enterprise funds	4,427	
Pension trust funds	5,828,982	5,888,607
Private purpose trust funds	<u>1,649,304</u>	
Total	370,906,767	370,966,392

EXPLANATION:

Function total updated for the correction in Section B.133.

Sec. B.206.1 Crime victims advocates

Personal services	3,819,288	3,795,023
Operating expenses	<u>104,756</u>	
Total	3,924,044	3,899,779
Source of funds		
General fund	3,924,044	<u>3,899,779</u>
Total	3,924,044	3,899,779

EXPLANATION:

The House intended to eliminate the \$123,205 of vacancy savings but used the wrong column on the budget report, accidentally providing a \$147,470 General Fund increase, \$24,265 more than intended.

Sec. B.233.1 VT Community broadband board

Personal services	2,453,429	2,115,412
Operating expenses	816,431	
Grants	<u>43,000,000</u>	
Total	46,269,860	45,931,843



Source of funds		
Special funds	882,735	
ARPA Capital Projects Fund	338,017	
Federal funds	<u>45,049,108</u>	
Total	46,269,860	45,931,843

EXPLANATION:

ARPA Capital Projects Fund appropriations are automatically carried forward per 2021 Acts and Resolves No. 74, Sec. G.100(b). The appropriation in this section unintentionally doubles the ARPA Capital Projects Fund spending authority.

Sec. B.241 Total protection to persons and property

Source of funds		
General fund	302,825,471	302,801,206
Special funds	123,157,988	
Tobacco fund	687,523	
ARPA Capital Projects Fund	338,017	
Federal funds	252,110,852	
Interdepartmental transfers	18,844,569	
Enterprise funds	<u>16,776,865</u>	
Total	714,741,285	714,379,003

EXPLANATION:

Function total updated for the corrections in Section B.206.1 and B.233.1.

Sec. B.309 Department of Vermont health access - Medicaid program - state only

Grants	88,219,396	<u>87,719,396</u>
Total	88,219,396	87,719,396
Source of funds		
General fund	62,723,167	62,223,167
Special funds	20,025,000	
Global Commitment fund	<u>5,471,229</u>	
Total	88,219,396	87,719,396



EXPLANATION:

The \$500,000 General Fund for the Bridges to Health program, provided by the House, should be included in Section B.312 where the program is administered.

Sec. B.312 Health - public health

Personal services	74,383,408	
Operating expenses	9,332,917	
Grants	<u>49,114,834</u>	<u>49,569,835</u>
Total	132,831,159	133,286,159
Source of funds		
General fund	16,592,106	17,047,106
Special funds	28,928,042	
Tobacco fund	1,022,514	
Federal funds	64,633,236	
Global Commitment fund	19,079,292	
Interdepartmental transfers	2,550,969	
Permanent trust funds	<u>25,000</u>	
Total	132,831,159	133,286,159

EXPLANATION:

The \$45,000 General Fund for the Harm Reduction Services program, provided by the House, should be included in Section B.313 where the program is administered.

The \$500,000 General Fund for the Bridges to Health program, provided by the House in Section B.309, should be included in Section B.312 where the program is administered.

Sec. B.313 Health - substance use programs

Personal services	6,228,331	
Operating expenses	1,597,360	
Grants	<u>62,950,881</u>	<u>62,995,881</u>
Total	70,776,572	70,821,572
Source of funds		
General fund	4,597,402	4,642,402
Special funds	11,594,473	



Tobacco fund	949,917	
Federal funds	16,490,182	
Global Commitment fund	<u>37,144,598</u>	
Total	70,776,572	<u>70,821,572</u>

EXPLANATION:

The \$45,000 General Fund for the Harm Reduction Services program, provided by the House in Section B.312, should be included in Section B.313 where the program is administered.

Sec. B.514.1 State teachers' retirement system administration

Personal services	379,226	
Operating expenses	3,692,485	<u>3,745,029</u>
Total	4,071,711	4,124,255
Source of funds		
Pension trust funds	4,071,711	<u>4,124,255</u>
Total	4,071,711	4,124,255

EXPLANATION:

The House did not include the \$52,544 update for the Other Post Employment Benefits administrative costs.

Sec. B.516 Total general education

Source of funds		
General fund	273,926,860	
Special funds	12,211,117	
Tobacco fund	750,388	
Education fund	2,534,192,459	
Federal funds	201,606,051	
Global Commitment fund	260,000	
Interdepartmental transfers	1,313,766	
Pension trust funds	4,071,711	<u>4,124,255</u>
Total	3,028,332,352	3,028,384,896



EXPLANATION:

Function total updated for the correction in Section B.514.1.

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2027 ONE-TIME APPROPRIATIONS

(c) Department for Children and Families. In fiscal year 2027, funds are appropriated for the following:

~~(1) \$21,183,809 General Fund for the provision of services, implementation of the Vermont Homelessness Response Continuum, shelter development and operation, and supportive services, including case management to be allocated as follows:~~

~~(A) \$3,000,000 for shelter development.~~

~~(B) \$14,118,880 for emergency housing in hotels and motels.~~

~~(C) \$500,000 for grants to municipalities.~~

~~(D) \$1,500,000 for emergency cold weather shelters.~~

~~(E) \$2,064,929 for staffing, grants, and contracts.~~

\$3,000,000 General Fund for shelter development.

(2) \$14,118,880 General Fund for emergency housing in hotels and motels.

(3) \$500,000 General Fund for grants to municipalities.

(4) \$1,500,000 General Fund for emergency cold weather shelters.

(5) \$2,064,929 General Fund for staffing, grants, and contracts.

~~(2) (6) \$164,500 General Fund and \$29,873 Global Commitment for a grant to Prevent Child Abuse Vermont for nurturing parenting programs.~~

~~(3) (7) \$180,000 General Fund for a grant to the Vermont Parent Child Center Network for concrete supports programs.~~

~~(4)(8) \$200,000 General Fund for a grant to End Homelessness Vermont.~~

~~(5) (9) \$130,000 General Fund for distribution to supervised visitation programs pursuant to Sec. E.317 of this act.~~

~~(6) (10) \$4,000,000 General Fund for a temporary secure treatment facility for youth.~~

(11) The appropriations in B.1100(c)(1) – (5) shall be for the provision of services, implementation of the Vermont Homelessness Response Continuum, shelter development and operation, and supportive services, including case management.

(d) Agency of Human Services Secretary's Office. In fiscal year 2027, funds are appropriated for the following:



(1) \$56,000 General Fund, and \$44,000 federal funds, and \$100,000 Global Commitment for a grant to Vermont Legal Aid for the Vermont Legal Aid Helpline.

(h) Agency of Transportation. In fiscal year 2027, funds are appropriated for the following:

(1) ~~\$1,360,036~~ \$1,360,069 Transportation Fund for the FEMA 428 project relocating the Central Garage to Paine Turnpike in Berlin.

EXPLANATION:

(c) Itemizes each House priority as its own appropriation instead of one large \$21,183,809 appropriation with five specified allocations, providing accounting controls to implement the House intent.

(d) AHS believes the \$100,000 appropriated as Global Commitment should be removed. This is not likely to be eligible for Global Commitment. The funding split of 56% General Fund and 44% Federal Fund aligns with the current split of the VLA Legal Services contract.

(h) The amount of the appropriation should match the \$1,360,069 transfer in Section D.101(a)(7)(A).

Sec. C.103 2025 Acts and Resolves No. 73, Sec. 32 is amended to read:

(c) The appropriation contained in subdivision (a)(3) of this section shall be subject to the following restrictions:

(3) This appropriation may be used to support the special education strategic plan required pursuant to Sec. 30 of this act. It is the intent of the General Assembly that the strategic plan addresses the supports and processes needed to be in place for the transition to the weighted funding model for special education as such funding model is contemplated in this act and as may be further amended by an act of the General Assembly after consideration of the report required pursuant to Sec. 45a of this act. Any work or analysis done by the Agency regarding alternatives to the base amount or weights contained in this act shall not be funded from the appropriation contained in this ~~section-subdivision~~.



EXPLANATION:

The subsection (c)(3) adjustment ensures uniform reference to the subdivision (a)(3) appropriation for all of subsection (c) instead of all appropriations in 2025 Acts and Resolve No. 73, Sec. 32.

Sec. C.106 2025 Acts and Resolves No. 27, Sec. B.338 as amended by 2026 Acts and Resolves No. 74, Sec. 41 is further amended to read:

Sec. B.338 Corrections - correctional services

Personal services	184,910,113	<u>184,260,113</u>
Operating expenses	26,227,109	
Grants	<u>801,823</u>	
Total	211,939,045	<u>211,289,045</u>
Source of funds		
General fund	203,987,089	<u>203,337,089</u>
Special funds	990,963	
Federal funds	516,600	
Global Commitment fund	6,048,078	
Interdepartmental transfers	<u>396,315</u>	
Total	211,939,045	<u>211,289,045</u>

EXPLANATION:

The House proposed a \$650,000 General Fund reversion from an FY 2026 DOC base appropriation, to occur in FY27 pursuant to Section D.102(a). The only means to revert spending authority from a current year base appropriation is to amend the current year budget during the current year of operations. There is otherwise no guarantee that a \$650,000 General Fund balance will be available to revert after the close of the current fiscal year, since it cannot be assumed that this amount will remain available after fiscal year end 2026, or that any amount available will be authorized for carry forward into FY2027. This transaction replaces the House reversion.

Sec. C.107 2025 Acts and Resolves No. 27, Sec. B.347 as amended by 2026 Acts and Resolves No. 74, Sec. 44 is further amended to read:

Sec. B.347 Total human services

Source of funds

General fund	1,461,126,849	<u>1,460,476,849</u>
Special funds	232,655,939	



Tobacco fund	23,088,208
State health care resources fund	31,074,772
Federal funds	1,993,089,108
Global Commitment fund	2,213,122,801
Internal service funds	403,853
Interdepartmental transfers	32,694,090
Permanent trust funds	25,000
Total	5,987,280,620 <u>5,986,630,620</u>

EXPLANATION:

Human Services function total adjusted to align with Section C.106.

Sec. C.108 2023 Acts and Resolves No. 78, Sec. B.1103 is amended to read:

Sec. B.1103 CLIMATE AND ENVIRONMENT – FISCAL YEAR 2024 ONE-TIME APPROPRIATIONS

(i) In fiscal year 2024, the amount of ~~\$600,000~~ \$300,000 General Fund is appropriated to the Department of Environmental Conservation for the Emissions Repair Program. Funds shall be used for the Emissions Repair Program established by 2021 Acts and Resolves No. 55, Sec. 25 for fiscal years 2024 through 2026.

EXPLANATION:

In Section D.102(a), the House proposes a \$598,269.10 reversion in FY2027 from a current appropriation. This amount represents the amount of spending authority that was carried forward to FY2026 pursuant to 2025 Acts and Resolves No. 27, Sec. F.182(a). However, of this amount, \$198,269.10 is encumbered by a contractual obligation with a program provider through 8/14/2029. Moreover, DEC estimates its internal costs to administer the program through its contracted end date to be approximately \$94,000. The program is currently operational with an online portal accepting applications. It is not possible to assume that a specific amount will remain available for reversion in FY 2027. Based on the current contractual obligation, if the Senate wishes to reduce the current appropriation amount in the current fiscal year, DEC estimates that the original appropriation amount could be reduced by \$300,000.



Sec. C.109 2025 Acts and Resolves No. 73, Sec. 3 is amended to read:

Sec. 3. SCHOOL DISTRICT REDISTRICTING TASK FORCE; REPORT

(i) Appropriations.

(2) The sum of ~~\$100,000.00~~ \$28,310.70 is appropriated to the Agency of Digital Services from the General Fund in fiscal year 2026 to cover costs associated with supporting the Task Force, or, if necessary, for the purposes of hiring one or more consultants to provide support to the Task Force.

EXPLANATION:

The House proposes a \$80,173.30 General Fund reversion in Section D.102(a) for a current year appropriation. However, the current available balance remaining in this appropriation is only \$71,689.30 as of March 29, 2026, so the amount assumed by the House to be remaining for reversion in FY2027 is already technically impossible. Moreover, it cannot be assumed that a specific amount will remain available after fiscal year end 2026, or that a specific amount remaining available will be authorized for carry forward into FY2027. The appropriate means to revert spending authority from a current appropriation is to amend the current appropriation during the current year of operations. This transaction replaces the House's proposed FY2027 reversion with a current year appropriation reduction that is equal to the balance remaining as of March 29, 2026. However, the administration does *not* recommend reducing this appropriation as provided above, since additional transactions may still be pending.

Sec. D.101 FUND TRANSFERS

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

(8) From the Technology Modernization Special Fund (#21951) to the:

(A) General Fund (#10000): \$9,547,596.39.

(c) Transfers from the following enterprise funds to the General Fund (#10000), shall not exceed the actual fiscal year-end profits earned by the enterprise net of any amount necessary to absolve



the fund of a deficit. The following estimated transfers are for purposes of developing the fiscal year 2027 budget only.

(1) From the Sports Wagering Enterprise Fund (#50250): \$6,700,000.

(2) From the Liquor Control Fund (#50300): ~~\$20,871,297~~ \$18,982,585.

~~(d)(1) Notwithstanding 3 V.S.A. § 3306, an amount equal to all interest earned on the Technology Modernization Fund (#21951) in fiscal years 2023, 2024, and 2025, estimated to be \$9,547,596, shall be transferred to the General Fund.~~

~~(2) The Department of Finance and Management shall report to the Joint Fiscal Committee at its July 2026 meeting on the amount transferred pursuant to subdivision (1) of this subsection and on the balances of the Technology Modernization Fund and the Information Technology Internal Service Fund after the transfers in subdivisions (a)(1)(G) and (a)(8)(A) of this section and (1) of this subsection have been made.~~

EXPLANATION:

The amount of interest earned on the Technology Modernization Special Fund for fiscal years 2023 – 2025 has been known since the close of fiscal year 2025. There is no need to estimate the amount or report on the amount transferred. It is a known quantity, the exact amount of which can be transferred by this act.

The Liquor Control Fund transfer amount was never updated for the amount provided to the House Appropriations Committee by Commissioner Knight on February 06, 2026. Note that the update of this estimate may affect whether the FY2027 budget proposal of H.951 is in balance.

Sec. D.102 REVERSIONS

(a) Notwithstanding any provision of law to the contrary, in fiscal year 2027, the following amounts shall revert to the General Fund from the accounts indicated:

1100892208 AOA-VT Housing Finance Agency	1,000,000.00
1100892310 AOA-FEMA COVID Match	890,937.34
1100892402 AOA-High-Risk FEMA Denial Resv	5,184,452.41
1105892601 ADS Redistricting Task Force	80,173.30
2200892301 AAFM-Ecosystems Services	100,000.00
2200892307 AAFM-Conservation Districts	16,513.42
2200892408 AAFM-Dairy Risk Mgmt	35,496.73
2240892204 PSD-Affordable Comm Scale Ren	200,000.00
2240892404 PSD-SHARE	195,000.00
3150892302 DMH-Howard Center	790.68



3400892204 AHSCO-Workforce Retention	300,000.00
3400892304 AHS-Nurse Preceptor Grants	189,984.00
3410892502 DVHA-Technical Analysis	21,601.25
3440891905 Child Dev Assoc Credential	29,752.09
3440892401 DCF-Reach Ahead 2 Year Pilot	498.63
3480004000 DOC-Correctional Services	650,000.00
3480892501 DOC-Data Contract	300,000.00
5100892308 AOE-Universal Income Dec.	99,990.00
6140892402 DEC Emissions Repair Program	598,269.10
7110892406 HCD-Mobile Home Condemnation	831,043.50
7110892106 HCD - Tech Serv Local Gov	1,056.73
7110892306 HCD-Designated Area Report	5,342.36
7120892204 ACCD-Technology Related Grants	100,000.00

EXPLANATION:

The items struck from the above list have been replaced with reductions of current year appropriations in Sections C.106 – C.109 of this memo.

Sec. E.100 POSITIONS

(a) The establishment of six permanent positions is authorized in fiscal year 2027 for the following:

(1) Permanent classified positions:

(A) Office of the State Treasurer:

(i) one Program Technician III.

(B) Vermont Pension Investment Commission:

(i) one Financial Director III.

~~(C) Vermont Labor Relations Board:~~

~~(i) one Mediator.~~

~~(D) Office of the Secretary of State:~~

(i) one RIM Specialist; and

(ii) one Business Services Administrator.

(2) Permanent exempt positions:



(A) State Ethics Commission:

(i) one Staff Attorney.

(B) Vermont Labor Relations Board:

(i) one Mediator.

EXPLANATION:

The Vermont Labor Relations Board position is currently listed as classified. The mediator needs to be independent, impartial and not have an affiliation with union or management. The Vermont Labor Relations Board believes the position should be exempt.

Sec. E.105 3 V.S.A. § 3306 is amended to read:

(2) In the event that the Information Technology Internal Service Fund pursuant to section 3304 of this chapter has a negative fund balance at the end of a fiscal year, the portion of the balance of the Technology Modernization Special Fund that is composed solely of interest, if any, shall be transferred by the Commissioner of Finance & Management to the Information Technology Internal Service Fund by January 15 of the following fiscal year.

EXPLANATION:

Internal Service Funds are proprietary funds reported on a full accrual balance. It should be clear that the transfer occurs only if the deficit is on a full accrual fund basis and not on a cash basis. Transfers occurring on a negative cash basis while the fund has significant outstanding receivables would unduly deprive the Technology Modernization Special Fund of its assets.

E.105 as passed by the House does not specify the entity responsible for making the transfer or by when the action shall be taken. The January 15 date is recommended since full accrual fund balances are not available at the time of year end cash closing, and the audited fund balance of the Technology Modernization Fund will be published in the ACFR due December 31. It is assumed that the House intends for the Executive Branch to be responsible for making the transfer; if so, the Commissioner of Finance & Management is the appropriate responsible party to specify. Alternatively, the language could specify “shall be transferred by the General Assembly in the Budget Adjustment Act of the following fiscal year.”

Sec. E.105.1 AGENCY OF DIGITAL SERVICES; INFORMATION TECHNOLOGY INTERNAL SERVICE FUND; DEFICIT MITIGATION PLAN

(a) On or before January 15, 2027, the Agency of Digital Services shall, in consultation with the Department of Finance and Management, provide a written plan to the House Committees on Appropriations and on Energy and Digital Infrastructure and the Senate Committees on



Appropriations and on Institutions on how to reduce the **fund** deficit in the Information Technology Internal Service Fund established by 3 V.S.A. § 3304, including any recommended changes to revenue sources to and expenditures from the Fund. The report shall include information on revenues to and expenditures from the Fund and the Fund's balance at fiscal year closeout for the previous 10 fiscal years. The report shall also include the most current available information on revenues to and expenditures from the Fund and the estimated Fund balance at fiscal year 2027 closeout.

EXPLANATION:

Internal Service Funds are proprietary funds reported on a full accrual balance. It should be clear that the deficit being addressed is the full accrual fund deficit and not a cash deficit.

Sec. E.106 32 V.S.A. § 307(b) is amended to read:

(b) The budget shall also include in detail definite recommendations of the Governor relative to the amounts that should be appropriated to each of the activities referred to under this section. It shall also include definite recommendations of the Governor relative to the financing of the expenditures recommended and the appropriate amounts to be raised from ordinary revenue, direct taxes, bonds, or loans. The financing of the expenditures recommended, as proposed by the Governor, shall not include the funds from the Budget Stabilization Reserve as established in section 308 of this title. With the budget, the Governor shall submit to the General Assembly such messages, statements, or supplemental data with reference to the same, as the Governor may deem expedient; however, budget documentation shall include to the extent possible the following:

* * *

(5) A document outlining reversions and approved carryforward by appropriation **for those funds subject to the Secretary of Administration's carryforward authority as designated by the General Assembly.**

EXPLANATION:

32 V.S.A. § 703 requires all spending authority from all unique appropriations (totaling approximately 40,000 in number) to revert at fiscal year-end, unless otherwise specified by law. The recommended edit narrows the scope of the report to only those appropriations with spending authority from the funds designated by the General Assembly as being subject to the Secretary of Administration's authorization.

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

(a) Of the \$3,654,172 appropriated in Sec. B.133 of this act, \$2,472,609 constitutes the Vermont State Employees' Retirement System operating budget, and ~~\$1,181,563~~ **\$1,241,188** constitutes the portion of the Vermont Pension Investment Commission's budget attributable to the Vermont State Employees' Retirement System.



EXPLANATION:

The House did not include the \$59,625 update for the Other Post Employment Benefits administrative costs.

Sec. E.136.2 2024 Acts and Resolves No. 171 (2024 Ethics Act), Sec. 24, as amended by 2025 Acts and Resolves No. 44, Sec. 4, is further amended to read:

Sec. 24. EFFECTIVE DATES

This act shall take effect on passage, except that:

(1) All components of Sec. 13 (adding 3 V.S.A. § 1230, Commission procedure, rulemaking) except 3 V.S.A. § 1230(b) shall take effect on July 1, ~~2027~~ 2028, ~~except that the Commission may adopt rules under 3 V.S.A. § 1230(b) upon passage of this act prior to July 1, 2028;~~

EXPLANATION:

The language, as written, cannot be executed since the Commission cannot adopt rules under 3 V.S.A. § 1230(b) when 3 V.S.A. § 1230(b) does not actually exist until July 1, 2028.

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

(b) In addition to the State funds appropriated in Sec. B.301 of this act, a total estimated sum of \$28,368,715 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) \$25,158,000 certified State match available from local education agencies for eligible special education school-based Medicaid services under Global Commitment. This amount, combined with \$34,842,000 of federal funds appropriated in Sec. B.301 of this act, equals a total estimated expenditure of \$60,000,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the ~~Medicaid Reimbursement Special Fund~~ School-Based Medicaid Reimbursement Fund created in ~~16 V.S.A. § 2959a~~ 33 V.S.A. 1904a.



EXPLANATION:

Transfers are done on a quarterly basis with the first transfer occurring after the October 1, 2026 effective date for establishment of the School-Based Medicaid Reimbursement Fund per Section E.307.3 of this bill.

Sec. E.307.3 33 V.S.A. § 1904a is added to read:

(3) The Secretaries of Education and of Human Services shall expend monies from the Fund only as appropriated by the General Assembly; ~~the provisions of 32 V.S.A. § 511 shall not apply to this fund.~~

(d) At the close of each fiscal year, the Commissioner of Finance and Management shall transfer to and deposit any ~~unencumbered available cash~~ balance remaining in the School-Based Medicaid Reimbursement Fund, ~~net of accounts payable,~~ into the Education Fund.

EXPLANATION:

Subsection (3) language was ambiguous as to whether codified law regarding excess receipts applied. The amendment clarifies that excess receipts cannot be used on this fund

Subsection (d) was ambiguous as to whether the cash balance or the fund balance was to be transferred. The adjustment ensures the unencumbered available cash balance, net of any claims against that cash, be transferred.

Sec. E.307.7 SPECIAL FUND BALANCE TRANSFER

(a) Any outstanding fund balances, assets, or liabilities remaining in the Medicaid Reimbursement Special Fund established pursuant to 16 V.S.A. § 2959a shall be transferred ~~and added~~ to the ~~fund balances, assets, and liabilities of the~~ School-Based Medicaid Reimbursement Fund established pursuant to 33 V.S.A. § 1904a prior to the elimination of the Medicaid Reimbursement Special Fund by Sec. E.307.5 of this act.

EXPLANATION:

The School-Based Medicaid Reimbursement Fund will be established; the Medicaid Reimbursement Special Fund temporary accounts will then be closed and all balance sheet account balances transferred to the School-Based Medicaid Reimbursement Fund.

Sec. E.329.1 CHOICES FOR CARE; FISCAL YEAR 2028 BUDGET

(a) For the fiscal year 2028 budget, the Department of Disabilities, Aging and Independent Living shall present as separate ~~line items for appropriations in the Choices for Care Program:~~ home- and community-based services; and skilled nursing facility services.



EXPLANATION:

The language does not define what is meant by “line items”. If the House would like separate appropriations for Home and Community-Based Services, and Skilled Nursing Facility Services it should use the term “appropriations”.

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

(a) Of the \$4,071,711 appropriated in Sec. B.514.1 of this act, \$2,824,955 constitutes the Vermont State Teachers’ Retirement System operating budget, and ~~\$1,246,756~~–~~\$1,299,300~~ constitutes the portion of the Vermont Pension Investment Commission’s budget attributable to the Vermont State Teachers’ Retirement System.

EXPLANATION:

The House did not include the \$52,544 update for the Other Post Employment Benefits administrative costs.

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

(a) In accordance with 16 V.S.A. § 1944b(b)(2) and 16 V.S.A. § 1944b(h)(1), the annual contribution to the Retired Teachers’ Health and Medical Benefits plan shall be ~~\$90,834,595~~ ~~\$99,834,595~~, of which ~~\$81,834,595~~–~~\$90,834,595~~ shall be the State’s contribution and \$9,000,000 shall be from the annual charge for teacher health care contributed by employers pursuant to 16 V.S.A. § 1944d. Of the annual contribution, ~~\$28,193,691~~–~~\$30,987,156~~ is the “normal contribution,” and ~~\$62,640,904~~–~~\$68,847,439~~ is the “accrued liability contribution.”

EXPLANATION:

The \$9 million for new teacher healthcare was unintentionally deducted twice.

GOV REC Sec. E.501.3 16 V.S.A. § 3444 is amended to read:

§ 3444. School Construction Aid Special Fund

- (b) Funds. The Fund shall consist of:
 - (1) any amounts transferred ~~or appropriated~~ to it by the General Assembly; ~~and~~
 - (2) any interest earned by the Fund;
 - (3) funds raised by the estate tax levied under 32 V.S.A. chapter 190 that are more than 125 percent of the amount projected by the Emergency Board in the July annual forecast made pursuant to 32 V.S.A. § 305a provided the requirements of 32 V.S.A. §§ 308, 308b and 308e have all been fulfilled and prior to the execution of 32 V.S.A. § 308c.



EXPLANATION:

(b)(1): Technical correction. Appropriations provide spending authority for expenditures. They are never sources to a fund.

(b)(3): Redirects estate tax receipts in excess of 125% of the July consensus revenue forecast from the Higher Education Endowment Trust Fund to the School Construction Aid Special Fund provided the General Fund Budget Stabilization Reserve, Human Services Caseload Reserve and 27/53 Reserve requirements have all been met and prior to the execution of the Balance Reserve requirements.

The House eliminated this section of the Governor’s proposed budget. Even if the Senate agrees with the House’s decision to eliminate the policy change proposed in subsection (b)(3), the technical change in (b)(1) should still be enacted.

Sec. E.700.3 AGENCY OF NATURAL RESOURCES; POSITION POOL; FUNDING

(a) Of the funds appropriated in Sec. B.700-B.711 of this act, \$300,000 General Fund shall be for two permanent, classified positions to be taken from the position pool: two Environmental Engineers.

EXPLANATION:

The \$300,000 was added to Section B.711 not B.700.

Sec. F.100 COLLECTIVE BARGAINING AGREEMENTS; FISCAL YEARS 2027 AND 2028

(a) Fiscal year 2027. This act fully funds the first year of the collective bargaining agreements between the State and the Vermont State Employees’ Association and the State and the Vermont Troopers’ Association for the period of July 1, 2026, through June 30, 2027. The collective bargaining agreements for most classified employees provide in fiscal year 2027 an average 1.9 percent step increase and a 2 percent across-the-board increase on July 12, 2026, and a 2 percent across-the-board increase on January 10, 2027, for a total average increase of a 5.9 percent increase for those employees receiving step increases during the fiscal year.

(b) Fiscal year 2028. This act fully funds the second year of the collective bargaining agreements between the State and the Vermont State Employees’ Association and the State and the Vermont Troopers’ Association for the period of July 1, 2027, through June 30, 2028. The collective bargaining agreements for most classified employees provide in fiscal year 2028 an average 1.9 percent step increase and a 3.0 percent across-the-board increase for a total average increase of a 4.9 percent increase for those employees receiving step increases during the fiscal year.

EXPLANATION:

Clarifies that only classified employees receiving a step increase during the fiscal year receive the total average increases described in the Sec. F.100.



Sec. F.109 PAY ACT APPROPRIATIONS; FISCAL YEARS 2027 AND 2028

(a) Executive Branch. The first and second years of the two-year agreements between the State of Vermont and the Vermont State Employees' Association for the Defender General, Non-Management, Supervisory, and Corrections bargaining units, and, for the purpose of appropriation, the State's Attorneys' offices bargaining unit, for the period of July 1, 2026, through June 30, 2028; the collective bargaining agreement with the Vermont Troopers' Association for the period of July 1, 2026, through June 30, 2028; and salary increases for employees in the Executive Branch not covered by the bargaining agreements shall be funded as follows:

(1) Fiscal year 2027.

(A) General Fund. The amount of \$23,918,820.00 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2027 collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of \$3,000,000.00 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation ~~and the Department of Public Safety~~ to fund the fiscal year 2027 collective bargaining agreements and the requirements of this act.

(2) Fiscal year 2028.

(A) General Fund. The amount of \$24,974,632.00 is appropriated from the General Fund to the Secretary of Administration for distribution to departments to fund the fiscal year 2028 collective bargaining agreements and the requirements of this act.

(B) Transportation Fund. The amount of \$3,000,000.00 is appropriated from the Transportation Fund to the Secretary of Administration for distribution to the Agency of Transportation ~~and the Department of Public Safety~~ to fund the fiscal year 2028 collective bargaining agreements and the requirements of this act.

EXPLANATION:

The Department of Public Safety no longer receives Transportation Fund spending authority.

The following language is presented for the Committee's consideration. While it does not correct a technical error in the strict sense of the term, it does provide a more technically expedient method to implement the House's intent to provide aid to municipalities affected by the July 2025 flood damage for which FEMA funding was not granted.

Sec. B.1100 MISCELLANEOUS FISCAL YEAR 2027 ONE-TIME APPROPRIATIONS

(a) Agency of Administration Secretary's Office. In fiscal year 2027, funds are appropriated for the following:



(1) \$110,000 General Fund for the Office of Racial Equity to continue for an additional year the Inclusion, Diversity, Equity, Action, Leadership Vermont program.

(2) \$900,000 General Fund to complete the work of the Truth and Reconciliation Commission.

(3) Notwithstanding 20 V.S.A. § 49, \$1,347,107 Community Resilience and Disaster Mitigation Fund for disaster relief assistance to communities impacted by severe flooding in calendar year 2025.

(h) Agency of Transportation. In fiscal year 2027, funds are appropriated for the following:

(1) \$1,360,036 Transportation Fund for the FEMA 428 project relocating the Central Garage to Paine Turnpike in Berlin.

(2) \$1,347,107 General Fund for grants to municipalities that would have otherwise been eligible for federal aid if a presidential disaster declaration had been approved for damage incurred in Caledonia County during July of 2025. Grants shall be provided on a reimbursement basis for actual costs incurred under the following conditions:

(A) Awards shall be for repairs made to infrastructure included in damage estimates conducted by the Agency of Transportation in March of 2026 for the July 2025 disaster.

(B) Awards shall be for up to 50% of the repair costs estimated by the Agency of Transportation in March of 2026.

(C) The repair conducted is compliant with all applicable Vermont statutes and regulations.

(D) The recipient agrees to maintain documentation as required by the Agency of Transportation

(E) The recipient accepts other award terms and conditions as determined by the Agency of Transportation and required by Agency of Administration bulletin 5 to ensure the funds are spent appropriately and effectively

EXPLANATION:

The Administration proposes replacing the appropriation from the Community Resilience and Disaster Mitigation Fund to the Secretary of Administration to provide relief to municipalities sustaining transportation infrastructure damage during the July 2025 flooding event, with a General Fund appropriation to the Agency of Transportation for the same purpose. The Agency of Transportation, through its Town Highway State Aid for Non-Federal Disasters program, is better positioned than the Agency of Administration to administer the grants to affected municipalities.



Sec. D.101 FUND TRANSFERS

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

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

~~(H) Community Resilience and Disaster Mitigation Fund (#21098): \$1,347,107.~~

EXPLANATION:

Eliminate General Fund transfer to Fund #21098, to align with the elimination of the appropriation made from this fund in B.1100(a)(3), and provide the capacity for the General Fund appropriation of the same amount in B.1100(h)(2).

