

(a) Of the above appropriation, \$2,000,000 is designated for Early and Periodic Screening, Diagnosis and Treatment (EPSDT) services for children and adolescents between the ages of 0-22 who have been diagnosed with developmental disabilities and who are Medicaid eligible. The services to be provided under this appropriation are those required under federal Medicaid law and include case management, and rehabilitative and behavioral therapies.

(b) In accordance with 33 V.S.A. § 1984, and subject to expedited rules, the agency of human services is authorized to implement income disregards under the terms and conditions under the Global Commitment for the Health Waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act, when determining premium contributions for Catamount Health under 8 V.S.A. § 4080f or Employer-sponsored insurance with premium assistance under 33 V.S.A. § 1974.

Sec. 5.204. [DELETED]

Sec. 5.205. [DELETED]

Sec. 5.206. MEDICAID FISCAL YEAR 2009 CONTINGENT FUNDING

(a) It is estimated that at least \$11,960,000 of state funds or \$19,736,500 total Medicaid funds will be carried forward from fiscal year 2008 to fund the Medicaid program, including the Global Commitment waiver program, the choices for care waiver program, and other Medicaid programs.

(b) As of March 25, 2008, Medicaid expenditures for fiscal year 2008 are below budgeted level by \$25,000,000. In addition to subsection (a) of this section, and to the extent that fiscal year 2008 Medicaid expenditures in the Global Commitment waiver, the choices for care waiver program and other Medicaid programs fall below the amount funded in fiscal year 2008, up to \$11,960,000 of total Medicaid funds in addition to the funds in (a) shall be carried forward and used to fund increases for program reimbursement rates to providers as follows:

- (1) \$8,000,000 for Vermont hospitals
- (2) \$1,000,000 for home health care providers
- (3) \$1,300,000 for Dartmouth Medical Center
- (4) \$1,000,000 for Boston Children's Hospital

(5) \$660,000 to provide a \$2 a day rate increase for assisted community care service providers.

(c) Funding to the providers listed in subsection (b) of this section shall be pro-rated if less than \$11,960,000 is available.

(d) If greater than \$11,960,000 is available, then those funds shall be reserved for the Global Commitment waiver.

Sec. 5.207. Sec. 1 of No. 56 of the Acts of 2005 as amended by Sec. 112a of No. 65 of the Acts of 2007 is further amended to read:

Sec. 1. LONG-TERM CARE MEDICAID 1115 WAIVER; CHOICES FOR CARE

* * *

(g)(1) Any savings realized due to the implementation of the long-term care Medicaid 1115 waiver shall be retained by the department and reinvested into providing home and community-based services under the waiver. If at any time the agency reapplies for a Medicaid waiver to provide these services, it shall include a provision in the waiver that any savings shall be reinvested.

(2) In its annual budget presentation, the department of disabilities, aging, and independent living shall include the amount of savings generated from individuals receiving home and community-based care services instead of services in a nursing home through the Choices for Care waiver and a plan with details on the recommended use of the appropriation. The plan shall include the base appropriation; the method for determining savings; how the savings will be reinvested in home and community-based services, including the allocation between increases in caseloads and increases in provider reimbursements; and a breakdown of how many individuals are receiving services by type of service. The Department shall convene a working group from its advisory council for the purpose of providing input on the advisability of seeking renewal of the waiver and how any new waiver can timely report to providers and consumers on reinvested savings.

* * *

Sec. 5.207.1. Sec. 70(g)(7) of No. 93 of the Acts of 2006, as amended by Sec. 272 No. 215 of the Acts of 2006, is further amended to read:

(7) \$576,520 and \$823,480 federal funds to the office of Vermont health access for costs under the long-term care portion of Medicaid. Effective ~~for fiscal year 2007 only~~ July 1, 2006, the division of rate setting shall amend the rules effective for establishing Medicaid rates for nursing home services to lower the minimum occupancy used in setting the Medicaid rate to 90 percent, excluding nursing costs.

Sec. 5.207.2. LONG-TERM CARE; RATE SETTING

(a) The division of rate setting shall amend the rules for Medicaid payments to nursing homes as necessary to maximize the amount of federal

matching funds available for the implementation of certain recommendations of the Nursing Home Reimbursement Methodology Task Force established pursuant to Sec. 1a(c) of No. 56 of the Acts of 2005, as amended by Sec. 149a of No. 215 of the Acts of 2006. Changes necessary to achieve the purpose of this provision may be applied retroactively and shall be exempt from the procedural requirements of 3 V.S.A. Chapter 25, except that the agency of human services shall make reasonable efforts to ensure that such changes are made known to persons who may be affected by them. The required rule changes shall stay in effect until such time as they are amended pursuant to 3 V.S.A. Chapter 25.

Sec. 5.207.3. FISCAL YEAR 2009 NURSING HOME INFLATION

(a) For the purposes of calculating inflation under 33 V.S.A. §904(a), for fiscal year 2009 the annual inflation factor shall be 50% of what would otherwise be developed in accordance with this section and section 5.8 of the regulations promulgated by the division of rate setting.

Sec. 5.208. EXPEDITED RULEMAKING FOR PREMIUM INCREASES

(a) In order to administer the provisions of Sec. 5.204, relating to VHAP premium increases, and Sec. 5.205, relating to Dr. Dynasaur and SCHIP premium increases, of this act in a timely fashion, notwithstanding the provisions of 3 V.S.A. chapter 25, the department for children and families shall adopt rules pursuant to the following:

(1) The commissioner shall file final proposed rules with the secretary of state and the legislative committee on administrative rules under 3 V.S.A. § 841, after publication, in three daily newspapers with the highest average circulation in the state, of a notice that lists the rules to be adopted pursuant to this process and a seven-day public comment period following publication.

(2) The commissioner shall file final proposed rules with the legislative committee on administrative rules no later than 28 days after the effective date of this act.

(3) The legislative committee on administrative rules shall review, and may approve or object to, the final proposed rules under 3 V.S.A. § 842, except that its action shall be completed no later than 14 days after the final proposed rules are filed with the committee.

(4) The commissioner may adopt a properly filed final proposed rule after the passage of 14 days from the date of filing final proposed rules with the legislative committee on administrative rules or after receiving notice of approval from the committee, provided the secretary:

(A) has not received a notice of objection from the legislative committee on administrative rules; or

(B) after having received a notice of objection from the committee, has responded pursuant to 3 V.S.A. § 842.

(5) Rules adopted under this section shall be effective upon being filed with the secretary of state and shall have the full force and effect of rules adopted pursuant to 3 V.S.A. chapter 25. Rules filed by the commissioner for families and children with the secretary of state pursuant to this section shall be deemed to be in full compliance with 3 V.S.A. § 843, and shall be accepted by the secretary of state if filed with a certification by the commissioner for families and children that the rule is required to meet the purposes of this section.

Sec. 5.208.1. Health - administration and support (Sec. 2.211, #3420010000)

(a) The commissioner of health and the director of the office of Vermont health access shall review existing programs that provide health services and coverage to Vermonters and determine if any programs could be eliminated and the Vermonters currently served by these programs could be enrolled in Catamount Health to continue to receive said health services. The commissioner and director shall update the legislature on any recommendations in this regard in the fiscal year 2010 budget presentation process.

Sec. 5.209. Health - Blueprint for Health (Sec. 2.212, #3420015000)

(a) From this appropriation, the department of health shall provide incentive grants and stipends to physician practices participating in the pilot projects developed under the Vermont Blueprint for Health established in section 702 of Title 18.

Sec. 5.210. Health - health surveillance (Sec. 2.214, #3420030000)

(a) The amount of \$335,000 of the general fund/Global Commitment fund appropriation shall be appropriated to the following Vermont AIDS service organizations and peer-support organizations for client-based support services. It is the intent of the general assembly that if Global Commitment fund monies in this subsection are unavailable, the total funding for Vermont AIDS service organizations and peer-support organizations for client-based support services shall be maintained through the general fund or other state-funding sources. The department of health AIDS program shall meet at least quarterly with the HIV/AIDS service advisory committee (HASAC) with current information and data relating to service initiatives. The funds shall be allocated as follows:

(1) AIDS Project of Southern Vermont, \$71,931;

- (2) ACORN, \$25,019;
- (3) IMANI, \$37,529;
- (4) VT CARES, \$135,521;
- (5) Twin States Network, \$30,000;
- (6) People with AIDS Coalition, \$35,000.

(b) Of the federal funds, Ryan White Title II funds for AIDS services and the AIDS Medication Assistance Program shall be distributed in accordance with federal guidelines. These guidelines shall not apply to programming funded by state general funds.

(c) The amount of \$140,000 of this general fund appropriation shall be used for assistance to individuals in the HIV/AIDS medication assistance program (AMAP), including the costs of prescribed medications, related laboratory testing, and nutritional supplements. These funds may not be used for any administrative purposes by the department of health or by any other state agency or department. Any remaining AMAP general funds at the end of the fiscal year shall be distributed to Vermont AIDS service organizations in the same proportions as those outlined under subsection (a) of this section.

(d) The amount of \$100,000 of this general fund appropriation shall be appropriated to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programming which is currently not supported by federal funds due to federal restrictions. These funds shall be used for HIV/AIDS prevention purposes, including, but not limited to, improving the availability of confidential and anonymous HIV testing; prevention work with at-risk groups such as women, intravenous drug users, and people of color; anti-stigma campaigns; and promotion of needle exchange programs. No more than 15 percent of the funds may be used for the administration of such services by the recipients of these funds. The method by which these prevention funds shall be distributed shall be determined by mutual agreement of the department of health, AIDS service organizations, HASAC, and the community planning group (CPG). The department of health AIDS program shall be guided and advised by HASAC and CPG on an ongoing basis in prioritizing prevention service needs in the disbursement of these funds

(e) The secretary of human services shall immediately notify the joint fiscal committee if, at any time, there are insufficient funds in AMAP to assist all eligible individuals. The secretary shall work in cooperation with persons living with HIV/AIDS to develop a plan to continue access to AMAP medications until such time as the general assembly can take action.

(f) The secretary of human services shall work in conjunction with the AMAP advisory committee, which shall be composed of no less than 50 percent of members who are living with HIV/AIDS. The committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

Sec. 5.211. Health - health improvement (Sec. 2.215, #3420040000)

(a) The department of health may carry forward any unspent portion of funds designated for health professional loan repayment. These funds may be used either alone or to match federal National Health Service Corps loan repayment funds, local funds, or private funds and shall be deposited into the loan repayment fund established under 18 V.S.A. § 10a or for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program, the nursing incentive loan program, and the dental student incentive loan program.

(b) The tobacco fund appropriation in this section and \$1,059,409 in Global Commitment funds in this section shall be utilized according to the provisions of 18 V.S.A. chapter 225 as follows:

(1) community-based programs - \$1,023,624;

(2) media and public education - \$1,007,799;

(3) tobacco cessation programs - \$1,400,211; these funds may also be used to provide tobacco cessation counseling services to persons incarcerated in Vermont correctional facilities, and \$80,000 shall be used to make nicotine replacement therapies available to all persons enrolled in tobacco cessation counseling; and \$15,000 shall be granted to the Washington County Mental Health Agency, Inc. for a special cessation program;

(4) surveillance and evaluation activities - \$333,000;

(5) statewide provider education - \$75,000.

(c) Of this appropriation, \$500,000 shall be granted to the area health education center (AHEC) to support the work and infrastructure of the statewide AHEC network to ensure an adequate and appropriate health care workforce, to bring quality improvement programs to health care professionals, and to create partnerships across community-based health care services to improve health care access and integration. Any funds not expended shall be carried forward to be available for use in subsequent fiscal years. The AHEC will provide the department of health with a final progress report and financial report detailing the unexpended funds to be carried forward at the close of the fiscal year.

(d) Of this Global Commitment fund appropriation, \$1,420,000 shall be used for the purposes of loan repayment for health care providers and health care educators pursuant to 18 V.S.A. § 10a to be allocated pursuant to Sec. 37 of H. 887 of 2008 (Health Care Reform). This amount shall be reduced by \$123,000 or a pro-rated lesser amount if the contingent funding in Sec. 5.803 (a) (4) (B) and allocated in Sec. 5.801(b)(2) is unavailable or available at a pro-rated lesser amount.

(e) Of this appropriation, \$100,000 is allocated for the Vermont student assistance corporation for loan forgiveness programs for health care providers through the dental hygienist incentive loan program, the nurse incentive loan program, and the dental student incentive loan program.

(f) Of this appropriation, \$1,090,000, which includes \$500,000 of federal substance abuse grant funds, is for the coordinated healthy activity, motivation, and prevention programs to be used for community wellness grants awarded pursuant to 18 V.S.A. § 104b.

(g) Of these Global Commitment funds, \$640,000 shall be used to support the Vermont coalition of clinics for the uninsured health care and dental services provided by clinics for uninsured individuals and families and for federally qualified health center (FQHC) look-alike uncompensated care pool funds.

Sec. 5.211.1. Sec. 120(i) of Act 65 of 2008 is amended to read:

Sec. 120. Health – health improvement

(i) In the event payment of strategic tobacco payments made to the state under the master tobacco settlement exceed \$13,000,000 in fiscal year 2008, then, up to \$500,000 ~~\$100,000~~ of the excess amount shall be appropriated from the tobacco litigation settlement fund to the department of health to be spent based on the recommendation of the Vermont tobacco control board. These funds shall be in addition to funds appropriated above.

Sec. 5.211.2. Health – Community public health (Sec. 2.216, #3420050000)

(a) Of this appropriation, the amount of \$50,000 shall be expended by the department for lead abatement education. The department is also authorized to solicit and accept grants and donations to be used to supplement the expenditure directed by this subsection.

Sec. 5.212. Health - alcohol and drug abuse programs (Sec. 2.217, #3420060000)

(a) For the purpose of meeting the need for outpatient substance abuse services when the preferred provider system has a waiting list of five days or more or there is a lack of qualified clinicians to provide services in a region of the

state, a state-qualified alcohol and drug abuse counselor may apply to the department of health, division of alcohol and drug abuse programs, for time-limited authorization to participate as a Medicaid provider to deliver clinical and case coordination services, as authorized.

(b)(1) In accordance with federal law, the division of alcohol and drug abuse programs may use the following interim criteria to determine whether to enroll a state-supported Medicaid and uninsured population substance abuse program in the division's network of designated providers, as described in the state plan:

(A) The program is able to provide the quality, quantity, and levels of care required under the division's standards, licensure standards, and accreditation standards established by the commission of accreditation of rehabilitation facilities, the joint commission on accreditation of health care organizations, or the commission on accreditation for family services.

(B) Any program that is currently being funded in the existing network shall continue to be a designated program until further standards are developed, provided the standards identified in this subdivision (b)(1) are satisfied.

(C) All programs shall continue to fulfill grant or contract agreements.

(2) The provisions of subdivision (1) of this subsection shall not preclude the division's "request for bids" process.

(c) Of the interdepartmental transfer in this section, \$150,000 shall be used to support the gambling addiction program.

(d) Of this appropriation, \$35,000 shall be used to support the drug court program in Chittenden County, \$25,000 shall be used to support the drug court program in Rutland County, and \$25,000 shall be used for court coordination in Bennington County.

(e) The department of health shall be advised by an executive council of Vermont's recovery center network on an ongoing basis to prioritize service and funding needs for recovery centers, to assist with the review of recovery center funding proposals, and to provide recommendations for disbursement of funds to the recovery centers and their support needs. This executive council will consist of a board member of each recovery center. The executive council will hire a network coordinator with the appropriation in subsection (f) of this section. The network coordinator will work for the executive council and provide technical assistance and training to recovery centers. The executive council, working with the department of health, will have oversight of the recovery centers.

(f) Of this appropriation, \$45,000 shall be granted to the Vermont recovery center network. \$458,000 of the appropriation is the allocated share of the

DETER program for recovery centers and shall be granted to the recovery centers in operation as of June 30, 2008.

(g) The commissioner of health shall take action to ensure that the rate setting process is applied to maple leaf farm prior to establishing the fiscal year 2010 budget for the division of alcohol and substance abuse.

Sec. 5.212.1. Mental health – Vermont state hospital (Sec. 2.220, #3150080000)

(a) The community recovery residential program developed under this section shall be consistent with the goals identified in the existing future plan.

Sec. 5.213. Department for children and families – administration and support services (Sec. 2.221, #3440010000)

(a) Of this appropriation, \$14,000 in general funds shall be provided as a grant to the Vermont girl scouts for a program enabling girl scouts and their siblings to visit their mothers in prison.

(b) The department for children and families will include in its fiscal year 2010 budget presentation a schedule for this appropriation that shows the expenses and revenue for the commissioner's office, including the business office and information technology sections, field service unit, and economic services division separately.

(c) The approach that the commissioner employs to implement the department's position-reduction target shall not result in reducing the department's capacity to meet the TANF work participation rates or that would inhibit the department's capacity to respond to findings of the federal audit report relating to protecting abused and neglected children.

(d) The commissioner is authorized to perform a criminal record check of the applicant to determine if there are any active arrest warrants and if so, to report that information to a law enforcement agency.

Sec. 5.214. Department for children and families – family services (Sec. 2.222, # 3440020000)

(a) The department shall use funds available within this appropriation to expand the department's internal staff capacity to address the concerns of the federal audit of Vermont's child protection system. The department may establish up to twelve (12) classified - Social Worker - positions in fiscal year 2009. These positions shall be transferred and converted from existing vacant positions in the executive branch of state government. Upon the approval of the joint fiscal committee, the department may request the ability to use a portion of available funds to enter into personal service contracts for the purpose of providing services within the context of the child protection system. In order that efforts to address federal audit findings are not compromised social worker

positions shall be not be included in the plan to reduce 400 state positions through attrition by the end of fiscal year 2009.

Sec. 5.214.1. Department for children and families – child development (Sec. 2.223, #3440030000)

(a) The eligibility threshold will be increased from its current base year by one year beginning January 1, 2009.

Sec. 5.215. Department for children and families - general assistance (Sec. 2.226, #3440060000)

(a) Of this appropriation, \$527,000 in federal TANF funds and \$50,000 in general funds are allocated to the department for children and families to provide families with rental or mortgage arrearage assistance under section 2114 of Title 33.

(b) Of this appropriation, the department for children and families may expend funds for temporary housing or assistance or both to individuals and families that have reached the 28-day maximum allowed under department regulations and have a continued need for this type of emergency assistance. Assistance shall be limited to an additional 56 cumulative days beyond the current 28-day maximum.

(c) Assistance under this section is not an entitlement and shall cease upon expenditure of these funds.

Sec. 5.216. Sec. 137 of No. 65 of the Acts of 2007 is amended to read: (Sec. 2.226, #3440060000)

Sec. 137. GENERAL ASSISTANCE BENEFITS; FLEXIBILITY PILOT PROGRAM

(a) Commencing with state fiscal year 2007 ~~and for a period of up to three years~~, the agency of human services may establish a pilot assistance program within the general assistance program to create flexibility to provide these general assistance benefits. The purpose of the pilot program is to mitigate poverty and serve applicants more effectively than they are currently served with the same amount of general assistance funds. The pilot program shall operate consistent within existing statutes and rules except that it may grant exceptions to this program's eligibility rules and may create programs and services as alternatives to these rules during the period of the pilot program.

* * *

(c) The pilot program may operate in ~~up to three~~ twelve districts designated ~~by the secretary of human services~~. This program will be budget neutral. For each district in which the agency operates the program, it shall establish

procedures for evaluating the pilot and its effects. The agency shall report annually to the general assembly on its findings from the programs, its recommendations for changes in the general assistance program, and a plan for further implementation of the program.

* * *

~~(e) The department shall report to the house committees on appropriations and human services and the senate committees on appropriations and health and welfare no later than January 1, 2008 with a summary of the evaluation of the pilots and any recommended changes to the general assistance program.~~

Sec. 5.217. TANF EXEMPTION (Sec. 2.227, #3440070000)

(a) The commissioner of the department for children and families may exempt all individuals domiciled in the state of Vermont from the implementation of Sec. 115(a) of Public Law 104-193 through June 30, 2009.

Sec. 5.218. Department for children and families – home heating fuel assistance/LIHEAP (Sec. 2.229, #3440090000)

(a) Of the funds appropriated for home heating fuel assistance/LIHEAP in this act, no more than \$350,000 shall be expended for crisis fuel direct service/administration exclusive of statewide after-hours crisis coverage.

Sec. 5.219. HOME HEATING FUEL ASSISTANCE/LIHEAP

(a) All federal funds granted to the state for home heating fuel assistance under the low income home energy assistance program (LIHEAP) or other similar federal program in fiscal year 2009 and all unexpended LIHEAP funds granted to the state in fiscal year 2008 are hereby transferred to the home heating fuel assistance trust fund for the provision of home heating fuel assistance, including program administration, under 33 V.S.A. chapter 26.

(b) For the purpose of a crisis set-aside, seasonal home heating fuel assistance through December 31, 2008, and program administration, the commissioner of finance and management shall transfer \$2,550,000 from the home weatherization assistance trust fund to the home heating fuel assistance trust fund to the extent that federal LIHEAP or similar federal funds are not available. An equivalent amount shall be returned to the home weatherization trust fund from the home heating fuel assistance trust fund to the extent that federal LIHEAP or similar federal funds are received. Should a transfer of funds from the home weatherization assistance trust fund be necessary for the 2008-2009 crisis set-aside and seasonal home heating fuel assistance through December 31, 2008, and LIHEAP funds awarded as of December 31, 2008 for fiscal year 2009 do not exceed \$2,550,000, subsequent payments under the home heating fuel assistance program shall not be made prior to January 30, 2009. Notwithstanding any other

provision of law, payments authorized by the office of home heating fuel assistance shall not exceed funds available, except that for fuel assistance payments made through December 31, 2008, the commissioner of finance and management may anticipate receipts into the home weatherization assistance trust fund.

Sec. 5.220. Department for children and families - office of economic opportunity (Sec. 2.230, #3440100000)

(a) Of the general fund appropriation in this section, \$792,000 shall be granted to community agencies for homeless assistance by preserving existing services, increasing services, or increasing resources available statewide. These funds may be granted alone or in conjunction with federal McKinney emergency shelter funds. Grant decisions shall be made with assistance from the coalition of homeless Vermonters.

Sec. 5.221. Department for children and families - OEO - weatherization assistance (Sec. 2.231, #3440110000)

(a) Of the special fund appropriation in this section, \$400,000 is for the replacement and repair of home heating equipment.

(b) On or before January 30 of each year, the office of economic opportunity shall make a report to the house and senate committees on appropriations utilizing existing resources within state government available in the office of economic opportunity's weatherization data management system that compiles performance data available on households weatherized in the past year to include: (1) the number of households weatherized; (2) average program expenditure per household for energy efficiency; (3) average percent energy savings; (4) energy and non-energy benefits combined; (5) benefits saved for every dollar spent; (6) average savings per unit for heating fuels; (7) gallons of oil saved related to equivalent number of homes heated; (8) projected number of households to be weatherized in the current program year; and (9) projected program expenditures for the current program year ending March 31.

Sec. 5.222. [DELETED]

Sec. 5.223. Disabilities, aging, and independent living - advocacy and independent living (Sec. 2.236, #3460020000)

(a) Certification of adult day providers shall require a demonstration that the new program is filling an unmet need for adult day services in a given geographic region, and does not have an adverse impact on existing adult day services.

(b) \$100,000 of this appropriation shall be granted to support a supportive housing demonstration project managed by Cathedral Square Corporation. Cathedral Square, in conjunction with the department of disabilities, aging and

independent living shall develop measurable outcomes of success, including savings from services not needed because of the demonstration project services or improvements in participants' physical and mental well being. The demonstration and the department shall develop baseline measures before the demonstration begins. The department and demonstration shall report to the health access oversight committee no less than every six months on the progress of the demonstration project.

(c) Medicaid rates for adult day services shall be \$15.00 per hour in fiscal year 2009.

(d) Of the general funds in appropriated to the department, \$23,655 shall be allocated for special assistance to adult day service providers. The department will develop criteria on the use of these funds in consultation with the adult day programs. Funds remaining in this allocation after March 30, 2009 shall be distributed on an equitable basis to the adult day programs by the close of the fiscal year.

Sec. 5.224. Corrections – correctional services (Sec. 2.244, # 3480004000)

(a) The commissioner is authorized to allocate general funds within the budget with the goal of increasing funding for programs that qualify for managed care organization (MCO) investments as part of the Global Commitment waiver.

(b) Transitional housing funds may be used for housing readiness, search, and retention services to include funding for housing assistance as necessary which may be granted to housing authorities and other community agencies in response to requests for proposals or memorandums of understanding which are in accord with department of corrections' policy and directives.

(c) Of this general fund appropriation, \$109,000 shall be used as a grant to Dismas House of Vermont, Inc.

(d) \$51,000 of the global commitment funds in this appropriation shall be allocated to provide funding for eligible services provided by Return House.

(e) The department shall pay for psycho-sexual evaluations as deemed necessary by the court. The department shall report on the available funding for the evaluations, shall seek to include funding in the budget adjustment process if necessary, and shall seek to insure that adequate funding for these evaluations are included in future budgets.

Sec. 5.225. Vermont veterans' home – care and support services (Sec. 2.248, #3300010000)

(a) If Global Commitment fund monies are unavailable, the total funding for the Vermont veterans' home shall be maintained through the general fund or other state funding sources.

(b) The Vermont veterans' home will use the Global Commitment Funds appropriated in this section for care and support services for the purpose of funding certain health care-related programs, activities, and projects to increase the access to quality health care for uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. 5.301. Labor – administration (Sec. 2.301, #4100600000)

(a) Any foster care payments excluded from the definition of gross income under the Internal Revenue Code Title 26, Section 131 shall not be considered wages under 21 V.S.A. § 1301(12).

Sec. 5.302. Education – finance and administration (Sec. 2.305, #5100010000)

(a) The Global Commitment funds appropriated in this section for school health services, including school nurses, shall be used for the purpose of funding certain health care-related projects. These projects will reduce the rate of uninsured or underinsured persons or both in Vermont, and increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. 5.302.1 Education - adjusted education payment (Sec. 2.310, #5100090000)

(a) Current Use Education Liability Correction: To correct the education tax liability resulting from settlement by the tax department division of property valuation and review of the 2007 Villeneuve current use case, the following districts shall receive amounts in addition to the formula determined payments as follows: Eden \$18,501.97; Lowell \$436.02; Richmond \$245.74; and Jericho \$5,477.22.

Sec. 5.303. Education – special education: formula grants (Sec. 2.307, #5100040000)

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed \$3,300,654 shall be used by the department of education in fiscal year 2009 as funding for 16 V.S.A. § 2967(b)(2)-(6). In addition to funding for 16 V.S.A. § 2967(b)(2)-(6), up to \$169,061 may be used by the department of education for its participation in the higher education partnership plan.

Sec. 5.304. Education – state-placed students (Sec. 2.308, #5100050000)

(a) The independence place program of the Lund Family Center shall be considered a 24-hour residential program for the purposes of reimbursement of education costs.

Sec. 5.305. Education – adult education and literacy (Sec. 2.309, #5100060000)

(a) Of this appropriation, the amount from the education fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 1049a(c).

Sec. 5.306. Education – technical education (Sec. 2.316, #5100200000)

(a) The appropriation in this section shall be authorized notwithstanding 16 V.S.A. § 1564.

Sec. 5.307. Education – Act 117 cost containment (Sec. 2.317, #5100310000)

(a) Notwithstanding any provisions of law, expenditures made from this section shall be counted under 16 V.S.A. § 2967(b) as part of the state's 60 percent of the statewide total special education expenditures of funds which are not derived from federal sources.

Sec. 5.308. Appropriation and transfer to education fund (Sec. 2.318, #1110020000)

(a) This appropriation from the general fund shall be transferred to the education fund.

Sec. 5.309. State teachers' retirement system (Sec. 2.319, #1265010000)

(a) Notwithstanding 16 V.S.A. § 1944(g)(2), the amount of the annual contribution to the Vermont state teachers' retirement system shall be \$34,349,097 in fiscal year 2009.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the grant appropriation in this section, \$17,588,090 is appropriated as the "normal contribution", and \$17,788,969 is appropriated as the "accrued liability contribution".

(c) The funding combines \$33,549,097 in general funds, an estimated \$1,228,000 of Medicare Part D reimbursement funds, \$800,000 of one-time general funds, and \$1,500,000 of contingent funds to achieve funding at the actuarially recommended level revised by the most recent experience study.

Sec. 5.310. University of Vermont (Sec. 2.321, #1110006000)

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the University of Vermont on or about the 15 day of each calendar month of the year.

(b) Of this appropriation, \$406,018 shall be transferred to EPSCoR (Experimental Program To Stimulate Competitive Research) for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds, or both.

(c) If Global Commitment fund monies are unavailable, the total grant funding for the University of Vermont shall be maintained through the general fund or other state funding sources.

(d) The University of Vermont will use the Global Commitment funds appropriated in this section to support Vermont physician training. The University of Vermont prepares students, both Vermonters and out-of-state, and awards approximately 100 medical degrees annually. Graduates of this program, currently representing a significant number of physicians practicing in Vermont, will deliver high quality health care services to Medicaid beneficiaries, the uninsured or underinsured persons or both in Vermont and across the nation.

Sec. 5.311. Vermont State Colleges (Sec. 2.324, #1110009000)

(a) The commissioner of finance and management shall issue warrants to pay one-twelfth of this appropriation to the Vermont state colleges on or about the fifteenth day of each calendar month of the year.

(b) Of this appropriation, \$457,818 shall be transferred to the Vermont manufacturing extension center for the purpose of complying with state matching fund requirements necessary for the receipt of available federal or private funds or both.

(c) Of this appropriation, \$100,000.00 shall be reserved for use as the state's fiscal year 2009 contribution toward the growth of the endowment fund for the Vermont state colleges. The state's funds are to serve as a challenge match to enhance the state colleges' ability to secure endowment contributions from alumni and other interested parties. The intent is that the fiscal year 2009 appropriation will be the first of five annual appropriations through fiscal year 2014 totaling \$500,000.00. The conditions of this challenge match are that the state colleges are required to raise three dollars for each dollar appropriated by the state. A method for accounting for the state colleges' share has been agreed to between the state colleges and the commissioner of finance and management. Transfers to the state colleges' endowment fund shall be under the condition that only the interest accruing to the fund will be available for purposes as designated by the board of trustees of the state colleges. By June 30, 2014, any remaining state appropriations designated for the state colleges' endowment fund that have not been matched by the state colleges shall revert to the general fund. The funds appropriated for this purpose shall be retained by the state.

Sec. 5.312. Vermont state colleges – allied health (Sec. 2.325, #1110010000)

(a) If Global Commitment fund monies are unavailable, the total grant funding for the Vermont state colleges shall be maintained through the general fund or other state funding sources.

(b) The Vermont state colleges will use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs which graduate approximately 250 health care providers annually. These graduates will deliver direct, high quality health care services to Medicaid beneficiaries, the uninsured and/or under-insured persons.

Sec. 5.313. Vermont student assistance corporation (Sec. 2.327, #1110012000)

(a) Of this appropriation, \$25,000 is appropriated from the general fund to the Vermont student assistance corporation to be deposited into the trust fund established in 16 V.S.A. § 2845.

(b) Except as provided in subsection (a) of this section, not less than 100 percent of grants shall be used for direct student aid.

(c) \$350,000 of state funds, available to the Vermont student assistance corporation pursuant to Sec. 5.107(a) and 5.801(b)(3)(B) of this act, shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from these allocations shall carry forward for this purpose.

Sec. 5.401. Fish and wildlife – support and field services (Sec. 2.406, #6120000000)

(a) Notwithstanding any other provision of law, the position of outreach director and the position of media communications specialist within the department of fish and wildlife shall not be eliminated in fiscal year 2009.

Sec. 5.501. Community development block grants (Sec. 2.505, #7110030000)

(a) Community development block grants will carry forward until expended.

(b) Community development block grant (CDBG) funds shall be expended in accordance with and in the order of the following priorities:

(1) The greatest priority for the use of CDBG funds will be the creation and retention of affordable housing and jobs.

(2) The overarching priority and fundamental objective in the use of funds for all affordable housing is to achieve perpetual affordability through the use of mechanisms that produce housing resources that will continue to remain affordable over time. It is the goal of the state to maintain at least 45 to 55 percent of CDBG funds for affordable housing applications.

(3) Among affordable housing applications, the highest priorities are to preserve and increase the supply of affordable family housing, to reduce and strive to eliminate childhood homelessness, and to serve families and individuals at or below 30 percent of HUD Area Median Income and people with special needs as described in the Consolidated Plan. Housing for seniors

should be considered a priority when it meets clear unmet needs in the region for the lowest income seniors.

(4) Projects which address the ongoing deterioration of the existing housing stock through acquisition, preservation, and rehabilitation of units shall comply with housing quality standards with priority given to lead hazard reduction and energy efficiency.

(5) Preference shall be given to projects that maintain the historic settlement pattern of compact village and downtown centers separated by a rural working landscape. Funds generally should not be awarded to projects that promote or constitute sprawl, defined as dispersed development outside compact urban and village centers, along highways, and in rural countryside.

(c) No less than fifty percent of CDBG-generated loan repayments shall remain available to municipalities awarded community development block grant funds. By January 15, 2009, the department of housing and community affairs shall report to the senate and house committees on appropriations, the senate committee on economic development, housing and general affairs and the house committee on general, housing and military affairs on the past performance of the revolving loan funds supported by CDBG appropriations. Such report shall include recommended changes for improvement if deemed necessary; and shall address standards for best practices, criteria for evaluating outcomes and a process for recapture by the state of funds that are unused for five years by grantees for the activities for which the funds were granted.

(d) The Vermont housing finance agency and the Vermont economic development authority may underwrite housing and economic development applications to the Vermont community development program; provided, however, that applicants shall not be required to pay a fee for such underwriting services.

(e) Municipalities awarded funds under Vermont community development program shall not be required to utilize the Vermont housing finance agency, Vermont economic development authority or any other third party as the lender of Vermont community development program funds.

Sec. 5.502. Vermont housing and conservation board (Sec. 2.514, #9150000000)

(a) As required by 10 V.S.A. § 321(b), the housing and conservation board shall expend HOME funds solely for the development of perpetually affordable housing and to leverage additional funds for such purpose.

Sec. 5.503. Economic development (Sec. 2.507; #7120010000)

(a) Of this appropriation, \$50,000 shall be granted to the City of Burlington for the Burlington International Airport Aviation Technical Education Feasibility study.

Sec. 5.504. CARRY FORWARD; COMMISSION ON INTERNATIONAL TRADE AND STATE SOVEREIGNTY

(a) Notwithstanding other provisions of law to the contrary, funds appropriated to the commission on international trade and state sovereignty shall carry forward until expended and shall not revert to the general fund at the end of a fiscal year.

Sec. 5.505. STRATEGIC PLAN FOR ECONOMIC DEVELOPMENT

(a) Findings. The general assembly finds:

(1) The general assembly created the commission on the future of economic development (CFED) in Sec. 16 of No. 184 of the Acts of 2006. At this time of reduced revenue, the general assembly is unable to fund the commission's mandated tasks.

(2) The general assembly recognizes the work done to date and values the public engagement process initiated by CFED as a valuable tool for the long term economic planning for the state.

(b) Authorization and directions.

(1) The general assembly authorizes CFED to finish the public engagement strategy pursued by the commission and produce a white paper that summarizes the commission's work, especially concentrating on the regional development corporations, their plans and public outreach to all parts of the state. Also, the paper shall include the commission's development of benchmark processes and other recommendations and analyses begun since the commission's creation in December of 2006. The paper shall be submitted to the agency of commerce and community development, and to the chairs of the senate committee on economic development, housing and general affairs and the house committee on commerce no later than September 1, 2008. For this purpose, \$20,000 of funding is available from the appropriation in Sec. 2.507 of this act.

(2) The general assembly authorizes the agency of commerce and community development, in collaboration with other agencies involved with economic development planning, to temporarily perform the long term economic planning function for the state until an appropriate organization is designated for this function and money is appropriated to support it.

(c) Strategic plan.

(1) The secretary of the agency of commerce and community development shall present a strategic plan for economic development to the governor, the senate committee on economic development, housing and general affairs and the house committee on commerce by January 15, 2009 with biennial reporting on outcomes and progress in succeeding years and with a full review and update of the plan every six years. The strategic plan shall:

(A) review the techniques and products of evaluations of economic development utilized by other states;

(B) develop goals and recommendations for Vermont benchmarks that build on the unique strengths and challenges of conducting business in Vermont;

(C) identify a cohort of relevant comparables, considering both domestic and international examples;

(D) establish meaningful, realistic and verifiable goals for economic development;

(E) evaluate Vermont's economic development benchmarking;

(F) identify and evaluate the strengths, weaknesses and opportunities inherent in and available to the Vermont economy as well as the mechanisms and leverage points in which to invest resources to achieve the goals established in the plan;

(G) recommend policy initiatives to be considered at the state and local levels designed to improve the relative ability of the state to achieve the goals identified in the plan.

(2) To inform the development of the strategic plan, the secretary of commerce and community development shall utilize the results of the public engagement process of the council on the future of economic development. The secretary shall consider the recommendations of the report "The Green Economy and Environmental Enterprises in Vermont: Opportunities for the 21st Century" by the Greater Burlington Industrial Corporation, and the results of the Vermont Council on Rural Development's Council on the Future of Vermont. The secretary shall consider and draw upon other work already completed by other states and by the various regions of Vermont that can inform the development of the plan. The secretary shall also consider and draw upon studies, work and analyses pertaining to economic development of non-profit organizations that enhance and support the social infrastructure necessary for economic development.

(a) There is authorized a special \$3 million program within the agency of transportation, to be known as Emergency Surface Treatment Program to improve the condition of selected state highways and class 1 town highways that have incurred some of the worst damage caused by the severe winter weather of 2007-2008.

(b) The agency of transportation through its maintenance districts will identify state highways and class 1 town highways to which the agency of transportation can make simple, cost-effective repairs designed to last more than one year and which will improve the traveling experience for several years to come.

(c) To implement the Emergency Surface Treatment Program authorized in subsection (a) of this section, the following transfers, appropriations adjustments, reversions are specified in fiscal year 2008:

(1) Notwithstanding 32 V.S.A. § 706, the secretary of transportation may transfer balances of fiscal year 2008 appropriations not to exceed \$388,162 within or between the department of motor vehicles and divisions or sections of the agency of transportation. The secretary shall report on any balances transferred to the joint transportation oversight committee meeting in September 2008.

(2) Notwithstanding 19 V.S.A. §10g (h), the secretary of transportation is authorized to add additional class 1 town highway paving projects to the extent that funds are available from savings in approved capital projects in the transportation program.

(3) Fiscal year 2008 transportation appropriations shall be reduced by the following amounts in transportation fund:

<u>(A) town highway emergency fund</u>	<u>\$690,000</u>
<u>(B) policy and planning</u>	<u>\$300,000</u>
<u>(C) town highway bridge</u>	<u>\$330,969</u>
<u>(D) department of motor vehicles</u>	<u>\$100,000</u>
<u>(E) rail</u>	<u>\$1,296,451</u>

(4) Fiscal year 2008 transportation appropriations shall be reduced by the following amounts in federal funds:

<u>(A) town highway bridge</u>	<u>\$902,400</u>
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(5) Fiscal year 2008 transportation appropriations shall be increased by the following amounts:

<u>(A) program development</u>	<u>\$2,027,838</u>
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(6) Notwithstanding any other provisions of law, in fiscal year 2008 the following amounts shall revert to the transportation fund from the accounts indicated:

(A) 8100001900 Transportation - town highway Vermont local roads \$ 37,838.

(7) Notwithstanding any other provisions of law, in fiscal year 2008:

(1) \$72,580 shall be transferred from the downtown development transportation and related capital improvement fund established by 24 V.S.A. § 2796 to the transportation fund.

(8) Notwithstanding any other provisions of law, in fiscal year 2008:

(1) \$1,000,000 shall be transferred from the central garage fund to the transportation fund.

(d) To implement the Emergency Surface Treatment Program authorized in (a) of this section, the following transfers, appropriations adjustments, reversions are specified in fiscal year 2009:

(1) The transportation - program development operating expenses appropriation shall be reduced by \$500,000 in transportation fund.

(2) In addition to the transfer pursuant to 19 V.S.A. § 13 (c) but notwithstanding any other provisions of law, in fiscal year 2009:

(A) \$500,000 shall be transferred to the central garage fund from the transportation fund.

Sec. 5.602. GENERAL OBLIGATION BONDS

(a) The state treasurer is authorized to issue general obligation bonds in the amount of \$5,200,000 for the purpose of funding capital construction projects in the state's approved fiscal year 2009 transportation program.

(b) The state treasurer, with the approval of the governor, shall determine the appropriate form and maturity of the bonds authorized by this section consistent with the underlying nature of the appropriation to be funded.

(c) The state treasurer shall allocate the estimated cost of bond issuance or issuances to the entities to which funds are appropriated pursuant to this section and for which bonding is required as the source of funds pursuant to 32 V.S.A. § 954.

(d) It is the intent of the general assembly that future debt service for bonds authorized by this section shall be paid from the transportation fund.

Sec. 5.603. BOND PROCEEDS

(a) The sum of \$5,200,000, less issuance costs, is appropriated to the agency of transportation program development appropriation 8100001100 from the bond revenue generated in Sec. 5.602 of this act, and the secretary shall allocate the funds to approved capital projects in the fiscal year 2009 transportation program.

Sec. 5.604. AVAILABILITY OF BOND PROCEEDS

(a) The sums appropriated and the spending authority authorized by Secs. 5.602 and 5.603 of this act shall be continuing and shall not revert at the end of the fiscal year.

Sec. 5.604.1. FISCAL YEAR 2009 TRANSPORTATION FUND SHORTFALL FUNDING ADJUSTMENTS

(a) The bond issuance authority in Sec. 5.602 of this act in combination with issuance authority granted in any other legislation shall not exceed the capital debt affordability committee recommendations for the fiscal year 2009, appropriations within S. 365 shall take precedence.

(b) The transportation fund appropriations within this act shall not exceed available transportation fund revenue and shall be adjusted prior to final action by the House and Senate.

Sec. 5.605 [DELETED]

Sec. 5.801. FISCAL YEAR 2009 NEXT GENERATION FUND ALLOCATIONS (Sec. 2.801)

(a) The \$7,000,000 appropriated in subsection (b) of Sec. 2.801 of this act from the next generation initiative fund, created in 16 V.S.A. § 2887, shall be as follows:

(1) Workforce development \$3,050,000 as follows:

(A) Workforce Education Training Fund (WETF). The sum of \$1,300,000 is appropriated to the Vermont workforce education and training fund, which is administered by the department of labor, for workforce development. Up to seven percent (7%) of the funds may be used for administration of the program.

(B) Vermont employment training fund. The sum of \$650,000 is appropriated to the agency of commerce and community development. This appropriation is for the Vermont employment training fund for the issuance of grants pursuant to 10 V.S.A. § 531.

(C) Career and Alternative Workforce Education. The amount of \$475,000 is appropriated to the department of labor. This appropriation shall be to support out-of-school youth, youth at risk, and youth at risk of remaining

unemployed with outcomes that lead to employment or continued education as follows:

(i) Forty-five percent (45%) shall be for grants to regional technical centers, comprehensive high schools, and other programs for career exploration programs for students entering grades 7 through 12.

(ii) Fifty-five percent (55%) shall be for grants to regional technical centers, comprehensive high schools, the community high school of Vermont, and non-profit organizations, designated by the workforce development council, for alternative and intensive vocational/academic programs for secondary students in order to earn necessary credits toward graduation.

(D) Adult Technical Education Programs. The amount of \$475,000 is appropriated to the department of labor, working with the workforce development council. This appropriation is for the purpose of awarding grants to regional technical centers and comprehensive high schools to provide adult technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(E) UVM Technology Transfer Program. The amount of \$200,000 is appropriated to the University of Vermont. This appropriation is for patent development and commercialization of technology created at the university for the purpose of creating employment opportunities for Vermont residents.

(2) Loan repayment \$450,000 as follows;

(A) The sum of \$450,000 is appropriated to the agency of human services global commitment for the department of health to use for health care loan repayment. The department shall use these funds for a grant to the area health education centers (AHEC) for repayment of commercial or governmental loans for postsecondary health care-related education or training owed by persons living and working in Vermont in the health care field.

(3) Scholarships and grants \$3,550,000 as follows;

(A) Non-degree VSAC Grants. The amount of \$700,000 is appropriated to the Vermont student assistance corporation. This appropriation shall be for the purpose of providing non-degree grants to Vermonters to improve job skills and increase overall employability enabling them to enroll in a post-secondary education or training program, including adult-technical education that is not part of a degree or accredited certificate program. A portion of this appropriation shall be used for grants for indirect educational expenses to students enrolled in training programs. The grants shall not exceed

\$3,000 per student. None of this appropriation shall be used for administrative overhead.

(B) The sum of \$2,500,000 is appropriated for awarding need-based scholarships to Vermont residents. The first \$150,000 shall be distributed to the Vermont student assistance corporation to fund the national guard educational assistance program established in 16 V.S.A. § 2856. \$783,333 shall be distributed to the university of Vermont, \$783,333 to the Vermont state colleges, and \$783,333 to the Vermont student assistance corporation. The Vermont student assistance corporation shall reserve these funds for students attending institutions other than the university of Vermont or the Vermont state colleges. None of the \$2,500,000 appropriation shall be used for administrative overhead.

(C) Dual Enrollment Programs. The sum of \$250,000 is appropriated to the Vermont state colleges for dual enrollment programs. The state colleges shall develop a voucher program that will allow Vermont students to attend programs at a postsecondary institution other than the state college system when programs at the other institution are better academically or geographically suited to student need.

(4) Accountability. On or before March 15, 2009, the entities receiving appropriations under this section shall report to the house committees on commerce, education, and appropriations and the senate committees on economic development, housing and general affairs, education, and appropriations regarding the distribution of funds, the number and categories of students served, the categorical number and amount of scholarships and grants distributed, the geographic distribution of the funds, and the number and types of jobs created.

(b) If the \$1,000,000 of contingent funding for next generation in Sec. 5.803(a)(4)(B) of this act is available for the next generation program, the \$1,000,000 shall be used to increase the allocations above as specified in this subsection. If less than \$1,000,000 is available the amounts in this subdivision shall be pro-rated accordingly:

(1) \$400,000 for Workforce development as follows:

(A) \$250,000 to the Workforce Education Training fund,

(B) \$100,000 to the Vermont employment training fund

(C) \$50,000 to the UVM Technology Transfer Program,

(2) \$50,000 for Loan repayment

(3) \$550,000 for Scholarships and grants as follows:

(A) \$50,000 for Non-degree VSAC Grants,

(B) \$500,000 for need-based scholarships distributed \$166,667 each to the university of Vermont, Vermont state colleges, and Vermont student assistance corporation.

Sec. 5.801.1. WORKFORCE TRAINING; PERFORMANCE ACCOUNTABILITY

(a) Annual report. On or before January 15 each year, the commissioners of labor, & economic development shall jointly file with the joint fiscal committee a performance accountability report, prepared as set forth in this section.

(b) Filing of data. Entities receiving grants through the workforce education and training fund (WETF) and the job training fund (JTP) shall provide the Social Security numbers of each individual who has successfully completed a training program funded through the WETF within 30 days. On or before July 1 of each year, the department of labor shall process the information received within the most recent 12 months and prepare the report required in subsection (a) of this section.

(c) Analysis of data. The report required in subsection (a) of this section shall include a table that sets forth quarterly wage information received pursuant to 21 V.S.A. § 1314a at least 18 months following the date on which the individuals completed the program of study. The table shall include the number of individuals completing the program the number of those individuals who are employed in Vermont, and the median quarterly income of those individuals.

(d) Other entities, including public and private institutions of higher education, postsecondary and secondary programs, and other training providers who wish to participate in this reporting process may do so by making a request in writing to the commissioner of labor who shall make a decision regarding inclusion of such programs, and the process for the collection of the necessary data.

(e) Confidentiality. Notwithstanding any other provision of law, the departments of labor and economic development shall collect the Social Security numbers of students for the purposes of this section. Access to the Social Security numbers provided to the department of labor shall be limited to those department individuals creating the table required in subsection (c) of this section and shall be confidential. The department shall prepare the tables in a way that ensures the confidentiality of all trainee and employer information. A department employee who intentionally communicates or otherwise makes available to the general public a Social Security number collected pursuant to this section, or who otherwise disseminates the number

for purposes other than those specified in this section, shall be subject to the penalties of the Social Security Number Protection Act, 9 V.S.A. § 2440.

Sec. 5.802. [DELETED]

Sec. 5.803. FISCAL YEAR 2008 GENERAL FUND BALANCE AND SETTLEMENT DISPOSITION

(a) At the close of fiscal year 2008, the fiscal year 2008 unreserved and undesignated general fund balance on a budgetary basis, as determined by the commissioner of finance and management on July 31, 2008, to the extent funds are available shall be reserved as follows:

(1) First, shall be reserved in the general fund budget stabilization reserve, established in 32 V.S.A. § 308, to the extent necessary to attain its statutory maximum;

(2) Second, \$18,775,000 shall be reserved in the general fund surplus reserve established in 32 V.S.A. § 308c(a);

(3) Third, any additional funds, to the extent available in the following order, shall be appropriated or transferred as follows:

(A) \$450,000 shall be appropriated to the secretary of state to fund expenses of the 2008 election;

(B) \$5,400,000 is appropriated to the agency of human services for Global Commitment;

(C) \$1,500,000 is appropriated to the State teachers' retirement system

(4) Fourth, any additional funds, to the extent available in the following order, shall be appropriated or transferred as follows:

(A) \$2,000,000 transferred to the transportation fund to offset fund shortfalls caused by the April revenue revision;

(B) \$2,000,000 to be evenly transferred and appropriated to provide, in addition to other appropriations, up to \$1,000,000 each to the housing conservation trust fund under 10 V.S.A. § 312 and the next generation fund under 16 V.S.A. § 2887; and

(C) \$6,000,000 shall be reserved in the general fund to meet fiscal year 2009 fuel assistance funding needs.

(5) Fifth, any remaining balance shall be held in the general fund surplus reserve for fiscal year 2009 budget adjustment needs.

(b) Up to \$7,240,000 of any fiscal year 2009 litigation settlements received by the general fund by September 30, 2008, less any settlements received after April 1, 2008 in fiscal year 2008, shall be appropriated or transferred in

accordance with the funding priorities in subsection (a)(3) through (5) of this section. Settlements received after September 30, 2008 shall remain in the general fund.

Sec. 5.901. Sec. 114 of No. 71 of the Acts of 2005, as amended by Sec. 273 of No. 65 of the Acts of 2007, is further amended to read:

Sec. 114. HUMAN SERVICES CASELOAD RESERVE TRANSFER/LOAN

(a) From the human services caseload reserve, \$1,300,000 shall be transferred to the general fund to offset caseload and transition expenditures for services at the Vermont state hospital. ~~The secretary of administration and the secretary of human services shall ensure that these funds are repaid to the caseload reserve on or before July 1, 2009.~~

Sec. 5.902. Sec. 26 of No. 30 of the Acts of 2007 is amended to read: (Sec. 2.228)

Sec. 26. EFFECTIVE DATES; IMPLEMENTATION

(a) This act shall take effect upon passage for the purposes of adopting rules and rule modifications.

(b) The amendments to 33 V.S.A. chapter 11 contained in Secs. 2-13 (Reach Up), 14 (solely state-funded programs), and 16 (Reach Up transitions) of this act shall take effect immediately when the rule changes necessary to implement the sections become final, but no later than April 1, 2008. Until the time that the rule modifications are final, the Reach Up program shall operate under current law. Any provisions in these sections relating to Reach Ahead shall take effect on ~~October 1, 2008~~ April 1, 2009.

* * *

(d) Reach First established in Sec. 1 of this act shall be implemented no later than April 1, 2008. Reach Ahead established in Sec. 18 shall be implemented for families who leave Reach Up on or after April 1, 2009 as provided for in 33 V.S.A. § 1203(1) ~~no later than October 1, 2008~~. Subject to appropriation, Reach Ahead shall be implemented for all other families as provided for in 33 V.S.A. § 1203 ~~no later than April 1, 2009~~ July 1, 2009.

* * *

Sec. 5.903. Sec. 2(c) of No. 71 of the Acts of 2007 is amended as follows:

(c) After submission of the application, the agency shall determine if the applicant meets full eligibility requirements. ~~Beginning January 1, 2008,~~ October 1, 2009 if the individual is found eligible for the Vermont health access plan, the agency shall, subject to approval from the center for Medicare

and Medicaid services, provide payment for any services received by the individual beginning with the date the application was received by the agency.

Sec. 5.904. REPEAL

(a) Sec. 3 of No. 86 of the Acts of 1969 (lieutenant governor's expenses to be paid from legislative appropriation) is repealed.

(b) Sec. 225 of No. 65 of the Acts of 2007 (unified economic development budget) is repealed.

(c) 20 V.S.A. § 38(a)(3) (radiological emergency response plan) is repealed.

Sec. 5.905. STATUTORY REVISION AUTHORITY; STATE
GOVERNMENT REPORTS

(a) The legislative council, in accordance with its statutory revision authority under section 424 of Title 2, is directed to revise those Vermont statutes, that relate to state reporting requirements, and that appear on a list that the house committee on government operations, and that the senate committee on government operations, shall approve in identical form.

Sec. 6.000. 9 V.S.A. § 4551 is amended to read:

§ 4551. HUMAN RIGHTS COMMISSION; MEMBERS; COMPENSATION

* * *

(c) A member of the commission whose term has expired or who resigned during a term shall be eligible to act as an alternate at the request of the executive director of the commission if necessary to convene a quorum of the commission to act upon complaints pursuant to section 4554 of this title. An alternate shall only participate in the consideration of complaints at meetings attended and shall not be involved in setting the policies of the commission.

(d) Each member of the commission, including an alternate who is called to act, shall receive compensation as provided by 32 V.S.A. § 1010 with a maximum of \$1,000.00 a year, and shall be entitled to expenses actually and necessarily incurred in the performance of his or her duties.

(d)(e) Three members of the commission shall constitute a quorum.

Sec. 6.001. 9 V.S.A. § 5613(b) is amended to read:

(b) There is hereby created a fund to be known as the securities regulation and supervision fund. The fund shall be used for the purpose of providing the commissioner the means to administer the provisions of this chapter, and for the support of the corporate records division and other corporate regulatory activities of the office of the secretary of state and the activities of the

~~department of economic development.~~ All agent and investment adviser representative fees received pursuant to subsections 5410(b) and (d) of this title, and all examination fees and investigation expenses received pursuant to section 5614 of this title shall be transmitted to the state treasurer and credited to this fund. All payments from the securities regulatory and supervision fund for the maintenance of staff and associated expenses, including contractual services as necessary, shall be disbursed from the state treasury only upon warrants issued by the commissioner of finance and management, after receipt of proper documentation regarding services rendered and expenses incurred. The fund shall be administered pursuant to subchapter 5 of chapter 7 of Title 32.

Sec. 6.002. 10 V.S.A. § 1941(a) is amended to read:

(a) A fund to be known as the petroleum cleanup fund is created in the state treasury, to be expended by the secretary of the agency of natural resources. The fund shall consist of licensing fees and petroleum tank fees assessed under the provisions of this chapter, loan repayments, and disbursements that have been recovered, except for underground storage tank permit fees and licensing fees for tank inspectors. The fund shall have two accounts: the motor fuel account and the heating fuel account. The motor fuel account shall consist of all moneys deposited into the fund, with the exception of the licensing fees for heating oil and kerosene described in section 1942 of this title. The heating fuel account shall consist of all the moneys deposited into the fund from the licensing fees for heating oil and kerosene sold or used in the state. All balances in the fund at the end of any fiscal year shall be carried forward and remain a part of the fund. The secretary may transfer money, in each fiscal year, between the accounts, provided that the transfer is approved by the advisory committee established under subsection (e) of this section and does not exceed ~~\$250,000.00~~ \$750,000.00. Interest earned by the fund shall be deposited into the fund. Disbursements from the fund shall be made by the state treasurer on warrants drawn by the commissioner of finance and management. The secretary shall seek to recover from responsible parties costs incurred under subdivision (b)(8) of this section.

Sec. 6.003. 10 V.S.A. § 2624 is amended to read:

§ 2624. MARKED TIMBER SALES

(a) The department of forests, parks and recreation may provide marked timber to Vermont citizens for personal use at a reasonable price to be determined by the secretary of the agency of natural resources.

(b) The commissioner of forests, parks and recreation may establish a firewood for homes program. As part of this program, the commissioner shall:

(1) designate areas of state-owned lands, situated at various locations throughout the state, that will be available to members of the general public for harvesting firewood for purposes of heating their own homes.

Sec. 6.003.1. [DELETED]

Sec. 6.004. 16 V.S.A. § 1565(b)(1)(C) is amended to read:

(C) Adult service coordinators' salary assistance shall be not exceed 50 percent of the state average salary for and benefits paid to a full-time adult service coordinator; salary assistance shall be prorated for part time adult service coordinators actual salaries and benefits. Payment under this subsection does not preclude a district from using other state and federal grants to supplement the actual salaries and benefits of adult service coordinators.

Sec. 6.005. 19 V.S.A. § 11a. is amended to read:

§ 11a. Transportation funds appropriated for support of government

The maximum amount of transportation funds that may be appropriated for the support of government, other than for the agency of transportation, the transportation board, transportation pay act funds, construction of transportation capital facilities used by the agency of transportation, and transportation debt service shall not exceed ~~\$35,007,219.~~ \$33,852,807.

Sec. 6.006. 22 V.S.A. § 724 is amended to read:

§ 724. Historic sites special fund

(a) There is hereby established a fund to be known as the historic sites operations special fund. This fund will be managed pursuant to subchapter 5 of chapter 7 of Title 32 and used by the division for historic preservation to carry out the provisions of 22 V.S.A. §§ 723(a)(9) and 723(b)(1). Revenues to the fund shall be from the following sources:

* * *

(3) Gifts, grants, and other donations and moneys from any other source received for historic sites, specimens, or the Vermont archeology heritage center;

* * *

Sec. 6.007. 22 V.S.A. § 725 is amended to read:

§ 725. Acceptance of funds or gifts for historic sites and Vermont archeology heritage center with the approval of the secretary of administration, the state historic preservation officer may accept grants, gifts, donations, loans, or other things of value on behalf of the division for historic preservation for use by the division for historic preservation in establishing and maintaining displays and

exhibits at any historic site and at the Vermont archeology heritage center, or restoring any historic site maintained and developed under section 723 of this chapter.

Sec. 6.008. 22 V.S.A. § 903(c)(1) is amended to read:

(c)(1) The commissioner shall ~~contract~~ enter into a grant agreement with the Vermont information technology leaders (VITL), a broad-based health information technology advisory group that includes providers, payers, employers, patients, health care purchasers, information technology vendors, and other business leaders, to develop the health information technology plan, including applicable standards, protocols, and pilot programs. In carrying out their responsibilities under this section, members of VITL shall be subject to conflict of interest policies established by the commissioner to ensure that deliberations and decisions are fair and equitable.

Sec. 6.009. 32 V.S.A. § 111 is added to read:

§ 111. FINANCIAL LITERACY TRUST FUND

(a) There is hereby established and created a fund entitled the financial literacy trust fund to be administered by the state treasurer. The purpose of the fund is to promote the adoption of fiscally sound money management practices by Vermonters through education and outreach efforts that raise awareness of the need for and benefits of practicing such skills; and to create opportunities to build and encourage the development of new financial literacy activities and educational products for Vermont citizens.

(b) The fund may receive state appropriations, gifts, grants, federal funds, and any other funds, both public and private, consistent with this section. The funds may be expended for financial literacy projects as the treasurer may direct, in accordance with the trust fund provisions of section 462 of this title 32.

(c) The treasurer may invest monies in the fund in accordance with the provisions of section 434 of this title 32. All balances in the fund at the end of the fiscal year shall be carried forward and shall not revert to the general fund. Interest earned shall remain in the fund. The treasurer's annual financial report to the governor and the general assembly shall contain an accounting of receipts, disbursements and earnings of the fund.

Sec. 6.010. 32 V.S.A. § 305a(a) is amended to read:

§ 305a. OFFICIAL STATE REVENUE ESTIMATE

(a) On or about January 15 and again by July 31 of each year, and at such other times as the emergency board or the governor deems proper, the joint

fiscal office and the secretary of administration shall provide to the emergency board their respective estimates of state revenues in the general, transportation, education, Catamount, state health care resources, and Global Commitment funds, and revenues from the gross receipts tax under 33 V.S.A. § 2503. The January revenue estimate shall be for the current and next two succeeding fiscal years, and the July revenue estimate shall be for the current and immediately succeeding fiscal years. Federal fund estimates shall be provided at the same times for the current fiscal year.

Sec. 6.011. 32 V.S.A. § 703 is amended to read:

§ 703. UNEXPENDED APPROPRIATIONS

The unexpended and unencumbered balances of any sums appropriated by the general assembly shall annually at the end of the fiscal year, unless otherwise ~~specifically~~ specifically provided, ~~be covered into the state treasury on July 1~~ revert to the appropriate fund balance. Refunds of expenditures and reimbursements shall be credited to the appropriate fund and to appropriation accounts in the current fiscal year.

Sec. 6.011.1. 32 V.S.A. § 3709 is amended to read:

§ 3709. PILOT SPECIAL FUND

(a) There is hereby established a PILOT special fund consisting of local option tax revenues paid to the treasurer pursuant to 24 V.S.A. § 138. This fund shall be managed by the commissioner of taxes pursuant to subchapter 5 of chapter 7 of this title. Notwithstanding subdivision 588(3) of this title, all interest earned on the fund shall be retained in the fund for use in meeting future obligations. The fund shall be exclusively for payments required under subchapter 4 of chapter 123 of this title, state payment in lieu of property taxes and for any additional state payments in lieu of taxes for correctional facilities and to the City of Montpelier. The commissioner of finance and management may draw warrants for disbursements from this fund in anticipation of receipts.

(b) If the PILOT special fund is insufficient to pay the full amount of all payments in lieu of taxes under subchapter 4 of this chapter, ~~payments then~~, after application of the cap in subsection 3703(c) of this title, payments determined under sections 3703 and 3708 of this subchapter shall be reduced proportionately.

Sec. 6.012. 33 V.S.A. § 1203 is amended to read:

§ 1203. ELIGIBILITY

A family shall be eligible for Reach Ahead if the family resides in Vermont and:

(1) has left Reach Up or the postsecondary education program within the prior six months for unsubsidized employment that meets the work requirements for the Reach Up program for the family's size and composition ~~and meets the financial eligibility guidelines for the Vermont Health Access Program;~~

Sec. 6.013. 33 V.S.A. § 1211 is amended to read:

§ 1211. RECERTIFICATION

A family's ~~income and~~ hours of employment and other countable work activities shall be verified every six months to determine continuing eligibility for the program. To the extent possible for families receiving food stamps, income verification may be done at the same time as the food stamps recertification or verification of employment hours.

* * *

Sec. 6.014. [DELETED]

Sec. 6.015. [DELETED]

Sec. 6.016. 33 V.S.A. § 1984(c)(1) is amended to read:

(c)(1) For the lowest cost plan, an individual's contribution shall be:

(A) Income less than or equal to 200 percent of FPL: ~~\$60.00~~ \$65.00 per month.

(B) Income greater than 200 percent and less than or equal to 225 percent of FPL: ~~\$90.00~~ \$105.00 per month.

(C) Income greater than 225 percent and less than or equal to 250 percent of FPL: ~~\$110.00~~ \$135.00 per month.

(D) Income greater than 250 percent and less than or equal to 275 percent of FPL: ~~\$125.00~~ \$160.00 per month.

(E) Income greater than 275 percent and less than or equal to 300 percent of FPL: ~~\$135.00~~ \$185.00 per month.

(F) Income greater than 300 percent of FPL: the actual cost of Catamount Health.

Sec. 6.016.1 33 V.S.A. § 1974 is amended to read:

* * *

(j) The premium contributions for individuals shall be as follows:

(1) Monthly premiums for each individual who is eligible for the Vermont Health Access Plan shall be the same as charged in the Health Access Plan.

(2) Monthly premiums for each individual who is not eligible for the Vermont Health Access Plan shall be:

(A) Income less than or equal to 200 percent of FPL: \$65.00 per month.

(B) Income greater than 200 percent and less than or equal to 225 percent of FPL: \$105.00 per month.

(C) Income greater than 225 percent and less than or equal to 250 percent of FPL: \$135.00 per month.

(D) Income greater than 250 percent and less than or equal to 275 percent of FPL: \$160.00 per month.

(E) Income greater than 275 percent and less than or equal to 300 percent of FPL: \$185.00 per month.

Sec. 6.017. 33 V.S.A. § 2073(d)(2) is amended to read:

(2) An individual shall contribute the following base cost-sharing amounts which shall be indexed to the increases established under 42 C.F.R. § 423.104(d)(5)(iv) and then rounded to the nearest dollar amount:

(A) In the case of recipients whose household income is no greater than 150 percent of the federal poverty level, such premium shall be \$17.00 \$13.00 per month or \$156.00 per year in the case of recipients whose household income is no greater than 150 percent of the federal poverty level.

(B) In the case of recipients whose household income is greater than 150 percent of the federal poverty level and no greater than 175 percent of the federal poverty level, the premium shall be \$23.00 \$17.00 per month or \$204.00 per year in the case of recipients whose household income is greater than 150 percent of the federal poverty level and no greater than 175 percent of the federal poverty level.

(C) In the case of recipients whose household income is greater than 175 percent of the federal poverty level and no greater than 225 percent of the federal poverty level, the premium shall be \$50.00 \$35.00 per month or \$420.00 per year in the case of recipients whose household income is greater than 175 percent of the federal poverty level and no greater than 225 percent of the federal poverty level.

* * *

Sec. 6.018. 33 V.S.A. § 2074 is amended to read:

§ 2074. VERMONT-RX PROGRAM

* * *

(c) Benefits under Vermont-Rx shall be subject to payment of a premium amount by the recipient in accordance with the provisions of this section.

(1) In the case of recipients whose household income is no greater than 150 percent of the federal poverty level, ~~such~~ the premium shall be ~~\$13.00~~ \$17.00 per month.

(2) In the case of recipients whose household income is greater than 150 percent of the federal poverty level and no greater than 175 percent of the federal poverty level, the premium shall be ~~\$17.00~~ \$23.00 per month.

(3) In the case of recipients whose household income is greater than 175 percent of the federal poverty level and no greater than 225 percent of the federal poverty level, the premium shall be ~~\$35.00~~ \$50.00 per month.

(d) Any manufacturer of pharmaceuticals purchased by individuals receiving assistance from Vermont-Rx established under this section shall pay to OVHA, as a condition of participation in the program, a rebate in an amount at least as favorable as the rebate paid to OVHA in connection with the Medicaid program.

(e) Under Vermont-Rx, a pharmaceutical may be dispensed to an eligible recipient provided such dispensing is pursuant to and in accordance with any contractual arrangement that OVHA may enter into or approve for the group discount purchase of pharmaceuticals. When a person or business located in Vermont and employing citizens of this state has submitted a bid for the group discount purchase of pharmaceuticals and has not been selected, the director of OVHA shall record the reason for nonselection. The director's report shall be a public record available to any interested person. All bids or quotations shall be kept on file in the director's office and open to public inspection.

Sec. 6.019. 33 V.S.A. § 2501a(b) is amended to read:

(b) The responsibilities of the office of home energy assistance shall include:

* * *

(7) Coordinating with Vermont housing finance agency and Vermont economic development authority in establishing income, efficiency and administrative guidelines for the energy efficiency loan program.

Sec. 6.019.1. 33 V.S.A. § 6321 is amended to read:

§. 6321. Attendant care services

* * *

(f) Personal care attendants Workers who provide attendant care, as defined in program rules of the department of disabilities, aging, and independent living, personal care, companion care, respite care, or support services to persons who receive financial assistance from the agency of human services through its departments and offices, and whose payroll service is provided directly by the state or by an intermediary payroll service organization acting under the authority of the state are exempt from 21 V.S.A. § 342 and shall not be construed as state employees except for purposes of 21 V.S.A. chapters 9 and 17.

(g) The state may provide workers' compensation coverage to workers who provide attendant care, personal care, companion care, respite care, or support services to persons who receive financial assistance from the agency of human services through programs administered by its departments and offices, and whose payroll service is provided directly by the state or by an intermediary payroll service organization acting under the authority of the state. The state or its intermediary payroll service organization shall be considered a single entity for purposes of purchasing a single workers' compensation insurance policy providing coverage for such workers.

(h) Subsections (f) and (g) of this section are intended to permit the state to provide workers' compensation and unemployment compensation and shall not be considered for any other purposes.

Sec. 6.020. [DELETED]

Sec. 6.021. 32 V.S.A. chapter 241 is added to read:

CHAPTER 241. HEALTH IT-FUND

§ 10301. HEALTH IT-FUND

(a) The Vermont health IT-fund is established in the state treasury as a special fund to be a source of funding for medical health care information technology programs and initiatives such as those outlined in the Vermont health information technology plan administered by the Vermont Information Technology Leaders (VITL). One hundred percent of the fund shall be disbursed for the advancement of health information technology adoption and utilization in Vermont as appropriated by the general assembly, less any disbursements relating to the administration of the fund. The fund shall be used for the development of programs and initiatives sponsored by VITL and state entities designed to promote and improve health care information technology, including:

(1) a program to provide electronic health information systems and practice management systems for primary care practitioners in Vermont;

(2) financial support for VITL to build and operate the health information exchange network;

(3) implementation of the Blueprint for Health information technology initiatives and the advanced medical home project; and

(4) consulting services for installation, integration, and clinical process re-engineering relating to the utilization of healthcare information technology such as electronic medical records.

(b) The health IT-fund shall be administered by the secretary of administration or his or her designee.

(c) Into the fund shall be deposited:

(1) revenue from the reinvestment fee imposed on health insurers pursuant to section 4089k of Title 8;

(2) contributions from the office of Vermont health access, as appropriated by the general assembly; and

(3) the proceeds from grants, donations, contributions, taxes, and any other sources of revenue as may be provided by statute, rule, or act of the general assembly.

(d) The fund shall be administered pursuant to subchapter 5 of chapter 7 of Title 32, except that interest earned on the fund and any remaining balance shall be retained in the fund. All monies received by or generated to the fund shall be disbursed solely as allowed by appropriation of the general assembly.

(e) VITL and any other entity requesting disbursements from the health IT-fund shall develop a detailed annual plan for proposed expenditures from the health IT-fund for the upcoming fiscal year. The expenditure plan shall be included within the context of the entity's overall budget, including all revenue and expenditures. Beginning with the fiscal quarter commencing October 1, 2008, VITL and any other entity requesting disbursements from the health IT-fund shall submit proposed quarterly spending plans for review and approval by the secretary of administration and the commission on health care reform until such time as the general assembly may review the annual expenditure plans submitted for fiscal year 2009. Upon the general assembly beginning its consideration of the expenditure plans for fiscal year 2009, this quarterly plan requirement shall cease.

(f) The plan developed under subsection (e) of this section shall be submitted to the secretary of administration or his or her designee, who shall then submit his or her recommendations on the plan to the general assembly.

(g) The secretary of administration or his or her designee shall submit an annual report on the receipts, expenditures, and balances in the health IT-fund to the joint fiscal committee at its September meeting and to the commission on health care reform by October 1. The report shall include information on the results of an annual independent study of the effectiveness of programs and initiatives funded through the health IT-fund, with reference to a baseline, benchmarks, and other measures for monitoring progress and including data on return on investments made.

(h) VITL and any other beneficiary receiving funding shall submit quarterly expenditure reports to the secretary of administration and the health care reform commission, including a year-end report by August 1.

(i) Any primary care practitioner receiving an electronic health information system, practice management system, or both pursuant to subdivision (a)(1) of this section shall maximize usage of such system in accordance with the guidelines developed by VITL. A practitioner who is determined by VITL to be using the system to less than its full capacity shall be provided with an opportunity for additional instruction as needed to enable full usage of the system. If a practitioner is unwilling or unable to utilize the system to its full capacity, such practitioner shall refund to VITL the fair market value of the system.

Sec. 6.022. 8 V.S.A. § 4089k is added to read:

§ 4089k. HEALTH CARE INFORMATION TECHNOLOGY REINVESTMENT FEE

(a) Quarterly, beginning October 1, 2008, each health insurer shall pay a fee into the health IT-fund established in section 962 of Title 2. The health insurer may choose either of the following fee options:

(1) 0.199 of one percent of all medical claims paid by the health insurer for its Vermont members in the previous fiscal quarter, or

(2) a fee calculated by the department of banking, insurance, securities, and health care administration, in consultation with the secretary of administration, based on the insurer's estimated fair share of all Vermont private insurance claims. Such fee shall be subject to annual audit, with any surplus or shortfall in the amount collected adjudicated in the following fiscal quarter and bearing no interest or penalty to any party.

(b) It is the intent of the general assembly that all health insurers shall contribute equitably to the health IT-fund established in section 962 of Title 2. In the event that the fee established in subsection (a) of this section is found not to be enforceable as applied to third party administrators who administer self-insured plans, the fee amounts owed by all other health insurers shall remain at existing levels and the general assembly shall consider alternative funding mechanisms that would be enforceable as to all health insurers.

(c) As used in this section:

(1) "Health insurance" means any group or individual health care benefit policy, contract, or plan offered, issued, or renewed to a Vermont resident or to a non-resident employed in this state, including any health care benefit plan offered, issued, or renewed by any health insurance company, any nonprofit hospital and medical service corporation, or any managed care organization as defined in section 9402 of Title 18. It does not include any state health care assistance program financed in whole or in part through a federal program, unless authorized by federal law and approved by the general assembly, nor does it apply to coverage for specified disease or other limited benefit policies that only provide fixed indemnity coverage.

(2) "Health insurer" means any person who offers, issues, or renews a health insurance policy, contract, or plan, and includes third party administrators who administer self-insured plans. The term does not apply to coverage for specified disease or other limited benefit policies that only provide fixed indemnity coverage or to stand alone dental benefit carriers.

(d) No later than June 30, 2011, the secretary of administration, or his or her designee, shall assess the adequacy of funding and make recommendations to the commission on health care reform concerning the appropriateness of the duration of the health care information technology reinvestment fee.

Sec. 6.023. [DELETED]

Sec. 6.024. 16 V.S.A. § 2959a. (f) is amended to read:

(f) Up to ~~20~~ 30 percent of Medicaid reimbursements received under this section shall be available for agency of human services and department of education administrative costs related to the collection, processing, and reporting of education Medicaid reimbursements and statewide programs. The commissioner of education and the secretary of human services shall expend monies from the fund only as appropriated by the general assembly.

Sec. 6.025. 30 V.S.A. § 7054 is amended to read:

§ 7054. FUNDING

(e) Disbursements may be made for:

(1) Nonrecurring costs, including but not limited to establishing public safety answering points, purchasing network equipment and software, developing data bases, and providing for initial training and public education.

(2) Recurring costs, including but not limited to network access fees and other telephone charges, software, equipment, data base management and improvement, public education, ongoing training and equipment maintenance.

(3) Expenses of the board and the department of public service incurred under this chapter.

(4) Costs solely attributable to statewide public safety answering point operations.

(5) Personnel costs for department of public safety emergency dispatch answering points.

(f) Disbursements may not be made for:

(1) ~~Personnel costs for emergency dispatch answering points.~~

(2) Construction, purchase, renovation or furnishings for buildings at emergency dispatch points.

~~(3)~~(2) Two-way radios.

~~(4)~~(3) Vehicles and associated equipment.

Sec. 6.026. 4 V.S.A. § 27 amended to read:

§ 27. Court technology special fund

There is established the court technology special fund which shall be managed in accordance with subchapter 5 of chapter 7 of Title 32. Administrative fees collected pursuant to 13 V.S.A. § 7252 and revenue collected pursuant to fees established pursuant to sections 1105 and 1109 of this title shall be deposited and credited to this fund. The fund shall be available to the judicial branch to pay for contractual and operating expenses and projected related staffing not covered by the general fund related to the following:

(1) The acquisition and maintenance of software and hardware needed for case management, electronic filing, a electronic document management system, and the expense of implementation, including training.

(2) The acquisition and maintenance of electronic audio and video court recording and conferencing equipment.

(3) The acquisition, maintenance, and support of the judiciary's information technology network, including training.

Sec. 7.001. FINDINGS AND INTENT

(a) The general assembly finds that:

(1) Vermont's incarcerated population is growing at an unsustainable rate.

(2) Property and drug offenders are the fastest growing segment of the prison population. Between 2000 and 2006, over half the increase in the felony prison population was due to property and substance abuse offenses.

(3) Seventy-seven percent of those sentenced for a property or drug felony have a substance abuse disorder. Two-thirds of them report having received mental health treatment in the past. Fifty-five percent report being frequently unemployed prior to incarceration.

(4) Of those incarcerated for a property or drug felony, only 13 percent are receiving treatment.

(b) The general assembly further finds that:

(1) Each month approximately 70 inmates meet the criteria for reentering the community under the supervision of the commissioner of corrections on conditional reentry status. However, almost half are not released because of insufficient housing options.

(2) Studies show that the length of sentences served by offenders does not affect their recidivism rates. Therefore, current law authorizes the commissioner of corrections to release certain offenders on reintegration furlough 90 days prior to the minimum sentence date. However, on average, eligible inmates serve only 53 days in reintegration furlough status. If all those who are eligible serve the full 90 days of reintegration status, the result could be a savings of up to 90 corrections beds.

(c) Therefore, in order to reduce recidivism, increase public safety, and reduce the cost to the state of incarcerating offenders, it is the intent of the general assembly to increase substance abuse treatment services, vocational training, and transitional housing available to offenders; and establish processes for reducing incarceration time when appropriate.

(d) It is further the intent of the general assembly that the provisions of this act are a long-range plan to guide expenditures from additional corrections savings in future years.

(e) The general assembly recognizes and values the dedication and experience of the classified state employees of the department of corrections, whose skill and expertise will continue to be needed as the department continues to pursue its goals and mission.

(f) The general assembly intends the following results from the restructuring necessary to achieve the cost savings required for this act:

(1) The incumbents in the five classified positions that will be eliminated at Northwest State Correctional Facility shall continue to be employed at that facility in classified positions that are vacant, unless the incumbents voluntarily seek employment in other state positions or leave state service.

(2) The temporary and exempt superintendent positions at the Dale facility shall be eliminated.

(3) An incumbent in a classified position that will be eliminated at the Dale facility who does not accept any existing vacant classified position and who exercises the contractual right to fill an existing temporary position at any department facility shall receive his or her classified position base salary and the benefits of the bargaining unit to which that temporary position would be assigned if permanent, with the exceptions of scheduling days of work, shift assignment, and post assignment. The rights established by this subdivision shall be available until January 1, 2011, or until an affected employee accepts an existing classified position, whichever occurs first.

(4) Except as otherwise provided in this section, all existing state employee contract provisions and protections shall remain fully in force for any affected corrections employee covered by the contract.

Sec. 7.002. 28 V.S.A. § 1(b) is amended to read:

(b) The department shall formulate its programs and policies recognizing that almost all criminal offenders ultimately return to the community, and that the traditional institutional prisons fail to reform or rehabilitate, operating instead to increase the risk of continued criminal acts following release. The department shall develop and implement a comprehensive program which will provide necessary closed custodial confinement of frequent, dangerous offenders, but which also will establish as its primary objective the disciplined preparation of offenders for their responsible roles in the open community. The department shall ensure that the comprehensive program required by this subsection includes a process by which each offender sentenced to any term of imprisonment other than for life without parole, within 30 days after receiving his or her sentence, shall begin to develop and implement a plan preparing for return to the community. The department shall assess each offender for substance abuse treatment needs using an assessment tool designed to assess the suitability of a broad range of treatment services and shall use the results of this assessment in preparing the reentry plan. The department may assess an offender sentenced to a minimum term of more than five years later than 30 days after the offender receives the sentence but shall assess the offender at

least within a year of the offender's receiving the sentence.

Sec. 7.003. 28 V.S.A. § 102(b) is amended to read:

(b) The commissioner is charged with the following powers:

* * *

(5) To order the assignment and transfer of persons committed to the custody of the commissioner to correctional facilities, including out-of-state facilities.

* * *

Sec. 7.004. 28 V.S.A. § 202 is amended to read:

§ 202. POWERS AND RESPONSIBILITIES OF THE COMMISSIONER REGARDING PROBATION

The commissioner shall be charged with the following powers and responsibilities regarding the administration of probation:

(1) To maintain general supervision of persons placed on probation, and to prescribe rules and regulations, consistent with any orders of the court, governing the conduct of such persons;

(2) To supervise the administration of probation services and establish policies and standards and make rules and regulations regarding probation investigation, supervision, case work and case loads, record keeping, and the qualification of probation officers. The commissioner may use electronic monitoring equipment such as global position monitoring, automated voice recognition telephone equipment, and transdermal alcohol monitoring equipment to enable more effective or efficient supervision of individuals placed on probation. Transdermal alcohol monitoring equipment shall be used for such purposes as preventing persons whose licenses have been suspended for DUI from operating motor vehicles on Vermont highways.

Sec. 7.005. 28 V.S.A. § 205 is amended to read:

§ 205. PROBATION

(a)(1) After passing sentence, a court may suspend all or part of the sentence and place the person so sentenced in the care and custody of the commissioner upon such conditions and for such time as it may prescribe in accordance with law or until further order of court.

(2) The term of probation for misdemeanors shall be for a specific term not to exceed two years unless the court, in its sole discretion, specifically finds that the interests of justice require a longer or an indefinite period of probation.

(3)(A) The term of probation for nonviolent felonies shall not exceed the statutory maximum term of imprisonment for the offense unless the court, in its sole discretion, specifically finds that the interests of justice require a longer or an indefinite period of probation.

(B) As used in this subdivision, "nonviolent felonies" means an offense which is not:

(i) a listed crime as defined in subdivision 5301(7) of Title 13; or

(ii) an offense involving sexual exploitation of children in violation of chapter 6 of Title 13.

(4) Nothing in this subsection shall prevent the court from terminating the period of probation and discharging a person pursuant to section 251 of this title.

(5) The probation officer of a person on probation for a specific term shall review the person's case file during probation and, not less than 45 days prior to the expiration of the probation term, may file a petition with the court requesting the court to extend the period of probation for a specific term not to exceed one year in order to provide the person the opportunity to complete programming consistent with special conditions of probation. A hearing on the petition for an extension of probation under this subsection shall comply with the procedures set forth in Rule 32.1 of the Vermont Rules of Criminal Procedure.

(b) The victim of a listed crime as defined in 13 V.S.A. § 5301(7) for which the offender has been placed on probation shall have the right to request, and receive from the department of corrections information regarding the offender's general compliance with the specific conditions of probation. Nothing in this section shall require the department of corrections to disclose any confidential information revealed by the offender in connection with participation in a treatment program.

(c)(1) Unless the court in its discretion finds that the interests of justice require additional standard and special conditions of probation, when the court orders a specific term of probation for a qualifying offense, the only conditions of probation shall be that the probationer:

(A) register with the department of corrections' probation and parole office in his or her district;

(B) notify the probation officer of his or her current address each month; and

(C) not have probable cause found for a criminal offense during the term of probation.

(2) As used in this subsection, "qualifying offense" means:

- (A) Unlawful mischief under 13 V.S.A. § 3701.
- (B) Retail theft under 13 V.S.A. §§ 2575 and 2577.
- (C) Operating after suspension or revocation of license under 23 V.S.A. § 674(a).
- (D) Bad checks under 13 V.S.A. § 2022.
- (E) Theft of services under 13 V.S.A. § 2582.
- (F) Disorderly conduct under 13 V.S.A. § 1026, unless the original charge was a listed offense as defined in 13 V.S.A. § 5301(7).
- (G) Theft of rented property under 13 V.S.A. § 2591.
- (H) Operation without consent of owner under 23 V.S.A. § 1094(a).
- (I) Petit larceny under 13 V.S.A. § 2502.
- (J) Negligent operation of a motor vehicle under 23 V.S.A. § 1091(a).
- (K) False reports to law enforcement under 13 V.S.A. § 1754.
- (L) Setting fires under 13 V.S.A. § 508.
- (M) A first offense of a minor's misrepresenting age, procuring, possessing, or consuming liquors under 7 V.S.A. § 657.
- (N) Simple assault by mutual consent under 13 V.S.A. § 1023(b).
- (O) Unlawful trespass under 13 V.S.A. § 3705(a).
- (P) A first offense of possession under 18 V.S.A. § 4230(a)(1).

Sec. 7.006. 28 V.S.A. § 252(b) is amended and (d) is added to read:

(b) When imposing a sentence of probation, the court may, as a condition of probation, require that the offender:

* * *

(16) Satisfy any other conditions reasonably related to his or her rehabilitation. The court shall not impose a condition prohibiting the offender from engaging in any legal behavior unless the condition is reasonably related to the offender's rehabilitation.

(d) The commissioner shall review the record of each probationer serving a specified term during the month prior to the midpoint of that probationer's specified term and may file a motion requesting the sentencing court to dismiss

the probationer from probation or deduct a portion of the specified term from the period of probation if the offender has successfully completed a program or has attained a goal or goals specified by the conditions of probation. The commissioner may include in the motion a request that the court deduct a portion of the specified term for each condition completed or goal attained. Any motion under this section shall be made at the sole discretion of the commissioner pursuant to a rule adopted by the commissioner under 3 V.S.A. chapter 25.

Sec. 7.007. 28 V.S.A. § 256 is added to read:

§ 256. CASELOAD CAPACITY; HIGH RISK OFFENDERS

(a) Probation officers designated to work exclusively with offenders 21 years of age and younger shall have caseloads of no more than 25 youths.

(b) The department shall review the severity of offenses and assess the risk to reoffend of all offenders older than 21 years of age under its jurisdiction in the community and assign one of the following levels of supervision to each offender:

(1) Risk management supervision, which shall mean supervision at a level of intensity that includes case planning and measures to reduce risk of reoffense.

(2) Response supervision, which shall mean monitoring of the offender's compliance with conditions of probation or parole, including staff responding to violation behavior.

(3) Administrative supervision, which shall mean monitoring of the offender's address and compliance with the law.

(c) An offender may be reassigned to a lower supervision level after a reassessment of the offender's risk.

(d) The department shall establish the following probation officer caseload ranges for offender profiles:

(1) All listed offenders requiring risk management shall be supervised at no more than 45 offenders per probation officer.

(2) All nonlisted offenders requiring risk management shall be supervised at no more than 60 offenders per probation officer.

(3) All offenders requiring response supervision shall be supervised at no more than 150 offenders per probation officer.

(4) All offenders requiring administrative supervision may be supervised on caseloads consistent with the capacity of automated status reporting systems as established by the department.

(5) When there is a mixed profile caseload in which a single probation officer supervises offenders with different supervision levels and at least one-third of the offenders require a more intensive supervision demand than the other offenders, the caseload shall be supervised at the lowest level of offender-to-staff ratio.

(e) If the caseloads established in subsection (d) of this section are exceeded for longer than 120 days, the commissioner shall be authorized to designate community correctional officers to partially augment staffing caseloads. If such designation does not remedy the excess caseloads:

(1) The commissioner shall report to the joint corrections oversight committee the causes for the excess and proposals for addressing them.

(2) The department shall have the authority, if the commissioner believes that the excess will not be eliminated within 60 days, to hire persons from the states position vacancy pool as limited service employees for an initial period of up to one year. The initial period may be extended for up to two more years if the department deems it necessary.

(f) Each time a position is established under subdivision (e)(2) of this section, the commissioner shall report it at the next meeting of the joint corrections oversight committee. The costs for each position shall be presented in the department's budget adjustment proposal and, if the positions are necessary for an ongoing period, in the department's annual budget request.

Sec. 7.008. 28 V.S.A. § 403(1) is amended to read:

(1) To supervise and control persons placed on parole, subject to the rules and orders of the parole board as to the conditions of parole. The commissioner may use electronic monitoring equipment such as global position monitoring, automated voice recognition telephone equipment, and transdermal alcohol monitoring equipment to enable more effective or efficient supervision of individuals placed on parole. Transdermal alcohol monitoring equipment shall be used for such purposes as preventing persons whose licenses have been suspended for DUI from operating motor vehicles on Vermont highways;

Sec. 7.009. 28 V.S.A. § 723(c) is added to read:

(c) Prior to release under this section, the department shall screen and, if appropriate, assess each felony drug and property offender for substance abuse treatment needs using an assessment tool designed to assess the suitability of a broad range of treatment services, and it shall use the results of this assessment in preparing a reentry plan. The department shall attempt to identify all necessary services in the reentry plan and work with the offender to make

connections to necessary services prior to release so that the offender can begin receiving services immediately upon release.

Sec. 7.010. 28 V.S.A. § 808(a)(8) is amended to read:

(8) To prepare for reentry into the community.

* * *

(E) An offender incarcerated for driving while under the influence of alcohol under 13 V.S.A. § 1210(d) or (e) may be furloughed to the community up to 180 days prior to completion of the minimum sentence at the commissioner's discretion and in accordance with rules adopted pursuant to subdivision (C) of this subdivision (8), provided that an offender sentenced to a minimum term of fewer than 270 days shall not be eligible for furlough under this subdivision until the offender has served at least 90 days of his or her minimum term of incarceration and provided that the commissioner uses electronic equipment to monitor continually the offender's location and blood alcohol level.

(F) Prior to release under this subdivision (8), the department shall screen, and if appropriate, assess each felony drug and property offender for substance abuse treatment needs using an assessment tool designed to assess the suitability of a broad range of treatment services, and it shall use the results of this assessment in preparing a reentry plan. The department shall attempt to identify all necessary services in the reentry plan and work with the offender to make connections to necessary services prior to release so that the offender can begin receiving services immediately upon release.

Sec. 7.011. 28 V.S.A. § 808(b) is amended to read:

(b) An inmate granted a furlough pursuant to this section may be accompanied by an employee of the department, in the discretion of the commissioner, during the period of the inmate's furlough. The department may use electronic monitoring equipment such as global position monitoring, automated voice recognition telephone equipment and transdermal alcohol monitoring equipment to enable more effective or efficient supervision of individuals placed on furlough.

Sec. 7.012. 33 V.S.A. § 708 is amended to read:

§ 708. TREATMENT AND SERVICES

* * *

(d) A person judged by a law enforcement officer to be incapacitated, and who has not been charged with a crime, may be lodged in protective custody in a ~~lockup or community correctional center~~ secure facility not operated by the

department of corrections for up to 24 hours or until judged by the person in charge of the facility to be no longer incapacitated, if and only if:

(1) The person refuses to be transported to an appropriate facility for treatment, or if once there, refuses treatment or leaves the facility before he or she is considered by the responsible staff of that facility to be no longer incapacitated; or

(2) No approved substance abuse treatment program with detoxification capabilities and no staff physician or other medical professional at the nearest licensed general hospital can be found who will accept the person for treatment.

(e) No person shall be lodged in a ~~lockup or community correctional center~~ secure facility not operated by the department of corrections under subsection (d) of this section without first being evaluated by a substance abuse crisis team, a designated substance abuse counselor, a clinical staff person of an approved substance abuse treatment program with detoxification capabilities or a professional medical staff person at a licensed general hospital emergency room and found to be indeed incapacitated.

(f) No ~~lockup or community correctional center~~ secure facility not operated by the department of corrections shall refuse to admit an incapacitated person in protective custody whose admission is requested by a law enforcement officer, in compliance with the conditions of this section.

(g) Notwithstanding subsection (d) of this section, a person under 18 years of age who is judged by a law enforcement officer to be incapacitated and who has not been charged with a crime shall not be held at a lockup or community correctional center. If needed treatment is not readily available the person shall be released to his or her parent or guardian. If the person has no parent or guardian in the area, arrangements shall be made to house him or her according to the provisions of chapter 55 of this title. The official in charge of an adult jail or lockup shall notify the director of the office of drug and alcohol abuse of any person under the age of 18 brought to an adult jail or lockup pursuant to this chapter.

(h) If an incapacitated person in protective custody is lodged in a ~~lockup or community correctional center~~ secure facility not operated by the department of corrections, his or her family or next of kin shall be notified as promptly as possible. If the person is an adult and requests that there be no notification, his or her request shall be respected.

(i) A taking into protective custody under this section is not an arrest.

(j) Law enforcement officers or persons responsible for supervision in a ~~lockup or community correctional center~~ secure facility not operated by the department of corrections or members of a substance abuse crisis team or designated substance abuse counselors who act under the authority of this section are acting in the course of their official duty and are not criminally or civilly liable therefor, unless for gross negligence or willful or wanton injury.

Sec. 7.013. 33 V.S.A. § 708a is added to read:

§ 708a. INCARCERATION FOR INEBRIATION PROHIBITED

No person who has not been charged with a crime shall be incarcerated in a facility operated by the department of corrections on account of the person's inebriation.

Sec. 7.014. TRANSITION UNITS

(a) The general assembly intends in this act to provide the opportunity for a successful transition to offenders who are eligible for release into the community.

(b) The department of corrections shall establish a transition unit within the Northwest State Correctional Facility which enables inmates to work in the community while residing in the facility. The unit shall be modeled on the transition unit at the Chittenden Regional Correctional Facility.

(c) The department shall make every effort to incorporate a transition unit into any facility where renovations are necessary to implement the provisions of this act.

(d) The department shall report to the corrections oversight committee on or before September 30, 2008, on the implementation of this section, including a plan for establishing transition units at all state correctional facilities.

Sec. 7.015. BUDGETARY SAVINGS ALLOCATIONS IN FISCAL YEARS 2009 AND 2010

(a) Findings. Department of corrections expenditures on correctional services including out-of-state beds grew from \$93,255,650.00 in fiscal year 2004 to \$120,533,309.00 in fiscal year 2008. The amount of funding proposed for fiscal year 2009 is \$123,589,833.00. This rate of increase has been and remains unsustainable.

(b) Action. In order to reduce the unsustainable increases in the expenditures of the department of corrections, the following action shall be taken by the executive branch:

(1) In fiscal year 2009, the Dale Correctional Facility in Waterbury shall be closed.

(2) In fiscal year 2009, the mission of the Southeast State Correctional Facility in Windsor shall change to be a therapeutic community in a work camp model, consistent with any further directive set forth in the 2008 Capital Construction Act, S.365.

(3) In fiscal year 2009, sections of the Northwest State Correctional Facility in Swanton shall be closed and the facility otherwise configured to house and program women, with consideration given to housing male detainees, consistent with any further directive set forth in the 2008 Capital Construction Act, S.365.

(c) Goal; fiscal year 2009. It is the goal of the general assembly to achieve in the fourth quarter of fiscal year 2009 approximately \$600,000.00 in savings in the department of corrections budget, which will be reinvested in substance abuse screening, assessment, treatment, and reentry support, the goal of which is to reduce recidivism for the target group indentified in Sec. 1(a) of this act.

(d) Goal; fiscal year 2010. It is the goal of the general assembly to achieve in fiscal year 2010 approximately \$3,044,949 in savings in the department of corrections budget, some of which will be reinvested in a variety of effective programs to further reduce recidivism for the target group indentified in Sec. 1(a) of this act.

Sec. 7.016b. ANTICIPATED BUDGETARY SAVINGS ALLOCATIONS IN FISCAL YEAR 2009

(a) In the last quarter of fiscal year 2009, from within the amounts appropriated to the department of corrections from the general fund, the department shall reinvest \$600,000.00 as follows:

(1) the amount of \$150,000.00 shall be used to fund substance abuse programs and vocational training in a state work camp facility;

(2) the amount of \$450,000.00 shall be transferred to the secretary of human services and used to fund the following activities:

(A) \$200,000.00 shall be used to expand the capacity of community alcohol and substance abuse prevention and treatment providers to provide services, including services to public inebriates; and

(B) \$250,000.00 shall be used to expand the availability of public inebriate beds outside the department of corrections.

(b) The joint fiscal office shall track and report to the joint fiscal committee in January and July of 2009 savings in the corrections budget resulting from the provisions of this act.

Sec. 7.017. ANTICIPATED BUDGETARY SAVINGS ALLOCATIONS IN FISCAL YEAR 2010

In fiscal year 2010, from within the amounts appropriated to the department of corrections from the general fund, the department shall reinvest a portion of the savings identified by either the commissioner of corrections or the corrections oversight committee as follows:

(1) \$150,000.00 to increase the capacity of the department of corrections' intensive substance abuse program (ISAP), which provides services on an intensive out-patient basis;

(2) \$150,000.00 to expand the ISAP program to include a community based residential substance abuse treatment component for those who have been furloughed to the community pursuant to 28 V.S.A. § 808(a)(7);

(3) \$150,000.00 to enter into contracts with several community-based substance abuse treatment providers in different geographic regions of the state and to provide the substance abuse treatment services to persons on conditional reentry status pursuant to subchapter 1A of chapter 11 of Title 28;

(4) \$650,000.00 to provide vocational training and residential substance abuse programs in one or more state-owned and -operated work camps;

(5)(A) \$1,200,000.00 to provide grants to community providers to increase by 60 the number of beds available for at least 120 offenders who will be staying in the transitional housing for three to six months before reentering the community on furlough pursuant to 28 V.S.A. § 808 or conditional reentry, pursuant to subchapter 1A of chapter 11 of Title 28, provided that the new transitional housing shall include a range from lightly supervised with no treatment programs to heavily supervised with wrap-around treatment programs, and that \$200,000.00 of this amount shall be used to provide life skills programming.

(B) To the extent that the purposes identified in subdivision (A) of this subdivision (5) can be accomplished without using all of the funds appropriated in that subdivision, the department may use up to \$200,000.00 of the appropriation to expand housing readiness, search, and retention services, housing assistance funding which may be granted to housing authorities and other community agencies in response to requests for proposals or memorandums of understanding entered into in accordance with department policy and directives; and

(6) \$211,000.00 to purchase electronic monitoring equipment, including automated voice recognition telephone equipment, global position monitoring system bracelets, and transdermal alcohol monitoring equipment; the commissioner shall use the equipment to augment supervision of offenders on

probation, parole, or furlough and to enhance the capacity of field staff to monitor and control offenders who would otherwise be incarcerated;

(7) \$110,000.00 for recovery centers; and

(8)(A) \$200,000.00 shall be transferred to the secretary of human services to expand the capacity of community alcohol and substance abuse prevention and treatment providers to provide services, including services to public inebriates.

(B) \$200,000.00 shall be transferred to the secretary of human services to fund the establishment of a pilot program at a location approved by the court administrator to:

(i) conduct a voluntary and confidential screening and assessment, when screening indicates that an assessment is appropriate, for substance abuse and mental health treatment needs at the time of arraignment of individuals charged with felony property, drug, or fraud offenses;

(ii) conduct a mandatory screening and assessment, when screening indicates that an assessment is appropriate, for substance abuse and mental health treatment needs following adjudication and prior to sentencing of individuals found guilty of felony property, drug, or fraud offenses;

(iii) provide the results of any screening and assessment conducted under this section to the judge following adjudication and prior to sentencing so that the judge can use the information to determine the level of treatment to be provided while the individual is in the custody of the commissioner of corrections; and

(iv) enable the commissioner to gather data regarding the prevalence of co-occurring substance abuse and mental health disorders.

Sec. 7.018. STATEWIDE DRUG COURT STUDY

The court administrator, the defender general, the executive director of the department of state's attorneys and sheriffs, the deputy commissioner of the department of health in charge of the alcohol and drug abuse, and the commissioner of mental health shall report to the house and senate committees on judiciary by December 15, 2008, on the advisability and feasibility of expanding the drug court program to every county in the state. The report shall address:

(1) the financial costs of expanding the drug court program statewide;

(2) the workforce impact which a statewide expansion of the program would have and whether new staff would be required;

(3) whether current state facilities have the capacity to support statewide expansion and whether and where any new facilities would be required; and

(4) any other matter deemed relevant to the issue of statewide drug court expansion.

Sec. 7.019. PUBLIC INEBRIATES TASK FORCE

(a) A public inebriates task force is established. The task force shall consist of the following members:

(1) Two members employed by the office of alcohol and drug abuse appointed by the commissioner of the department of health.

(2) Two substance abuse treatment providers appointed by the substance abuse treatment providers association.

(3) One member appointed by the department of public safety.

(4) One member appointed by the Vermont police association.

(5) One member appointed by the Vermont League of Cities and Towns.

(6) Two members appointed by the Vermont medical society who shall be hospital emergency room personnel.

(7) Two members appointed by the Vermont recovery network.

(8) Two employees of the department of corrections appointed by the commissioner of the department of corrections.

(b) The task force shall report to the senate and house committees on judiciary, institutions, and appropriations no later than January 1, 2009 with a plan to ensure that public inebriates are given appropriate care rather than incarcerated. The plan shall ensure the regional availability of supportive voluntary and secured accommodations for public inebriates by January 1, 2010, and shall include a timetable for providing reimbursement of expenses to programs that house and maintain public inebriates.

Sec. 7.020. ACCOUNTABILITY; REPORTS

(a) On or before January 15, 2010, the commissioner of corrections shall report to the senate committee on judiciary, the house committee on institutions and corrections, and the house committee on judiciary on:

(1) the prevalence of co-occurring mental health and substance abuse disorders among those committed to the custody of the commissioner of corrections;

(2) the success of and problems encountered in:

(A) expanding the ISAP program pursuant to Sec. 6(c)(1) of this act;

(B) implementing the pilot program authorized and funded in Sec. 6(c)(3) of this act, as well as recommendations for continuing the program or expanding the program or both; and

(C) developing reentry plans which identify services needed upon release and in working with community providers to ensure that each offender receives those services immediately upon release;

(3) the progress made since passage of this act in establishing a comprehensive system of community substance abuse treatment services which is coordinated with corrections services;

(4) a proposal to increase the furlough days for nonlisted offenders from the existing average of 53 to a target of 75.

(b) The department of corrections shall upon passage of this act manage existing furlough procedures to create the same amount of financial savings that the department would have realized had this act made it mandatory to furlough offenders 90 days prior to completion of the offenders' minimum sentence.

(c) On or before January 15, 2011, the commissioner of corrections shall report to the senate committee on judiciary, the house committee on institutions and corrections, and the house committee on judiciary on the successes of and problems encountered in working to meet the following goals with the funds provided and through the programs established in this act:

(1) increase by at least 30 the number of offenders with sentences of one or more years placed in the department of corrections' intensive substance abuse program (ISAP) pursuant to 28 V.S.A. § 808(a)(7);

(2) move at least 10 offenders who are in the intensive phase of receiving ISAP services under 28 V.S.A. § 808(a)(7) and who are unsuccessful and would otherwise be reincarcerated to a community-based residential substance abuse treatment program which may be a component of ISAP;

(3) incarcerate no more than 20 percent of offenders who are receiving substance abuse treatment services under 28 V.S.A. § 808(a)(7);

(4) reduce by 10 percent the number of reincarcerations of those on conditional reentry with a high need for substance abuse treatment;

(5) increase the number of inmates released on furlough, pursuant to 28 V.S.A. § 808, by 25 individuals per month; and

(6) increase the average number of days released on reintegration furlough pursuant to 28 V.S.A. § 808(a)(8) prior to the minimum sentence to as close to 90 days as possible.

(d) Until the corrections oversight committee informs the commissioner that it no longer requires the information, the commissioner of corrections shall include in monthly reports to the committee:

(1) the number of inmates eligible for furlough under 28 V.S.A. § 808 and considered appropriate for release by the commissioner but who have not been released because the commissioner is unable to find appropriate housing, employment, treatment, or other services;

(2) which treatment or other services would have been necessary and in which geographic region the services would have been needed, to enable release; and

(3) the number of days of incarceration that could have been avoided if the community resources had been available and these offenders had been released.

(4) a detailed description of the progress made on increasing the use of electronic monitoring as authorized by 28 V.S.A. § 202, 28 V.S.A. § 403(1) and 28 V.S.A. § 808(b).

(e) On or before January 15, 2011, the court administrator's office, in consultation with the office of alcohol and drug abuse programs in the Vermont department of health, the department of corrections, the defender general, and the executive director of the department of state's attorneys and sheriffs shall report to the senate and house committees on judiciary on the costs, cost savings, and effectiveness of the pilot project established pursuant to Sec. 17(a)(8)(B) of this act and shall make a recommendation as to the continuation of the pilot project and its expansion to other counties.

(f) The joint fiscal office and office of finance and management shall jointly document the impact of the policies and provisions of this act on corrections costs and shall report their findings to the general assembly on or before January 15, 2010, and in January of each year for five years thereafter.

(g) The Vermont center for justice research shall study and evaluate the effectiveness of the system of administrative probation established by subsection 2059(c) of Title 28, including whether the people who receive such probation commit further offenses, and the nature of those offenses. The center shall report its evaluation of administrative probation to the senate and house committees on judiciary on or before December 15, 2011.

Sec. 9.001. EFFECTIVE DATES

(a) This section and Secs. 3.001, 3.002, 4.003, 4.004(b), 5.006(a), 5.010, 5.109, 5.208, 5.216, 5.601.1, 5.802(a), 5.803, 6.006, 6.007, 6.015, 6.024, and 6.025 of this act shall take effect on passage.

(b) Sec. 5.101(b) shall take effect June 8, 2008.

(c) Sec. 5.207.1 shall apply as of July 1, 2006.

(d) Sec. 5.801.1 shall take effect upon passage and shall begin to apply to data concerning individuals completing a program of study on or before July 1, 2008 and after, and will be included in reports presented to the joint fiscal committee beginning January 2010 and after.

(e) Secs. 7.012, 7.013, 7.014 shall take effect on July, 1, 2010.

(f) Sec. 6.022 shall sunset July 1, 2015.

And by renumbering all of the sections of the bill to be numerically correct (including internal references) and adjusting all of the totals to be arithmetically correct.

Pending the question, Will the House concur in the Senate proposal of amendment? **Rep. Heath of Westford** moved that the House refuse to concur and ask for a Committee of Conference, which was agreed to, and the Speaker appointed as members of the Committee of Conference on the part of the House:

Rep. Heath of Westford

Rep. Hunt of Essex

Rep. Helm of Castleton

Recess

At five o'clock and forty minutes in the evening, the Speaker declared a recess until the fall of the gavel.

At seven o'clock fifteen minutes in the evening, the Speaker called the House to order.

Message from the Senate No. 61

A message was received from the Senate by Mr. Marshall, its Assistant Secretary, as follows:

Madam Speaker:

I am directed to inform the House that the Senate has on its part considered the Governor's veto of a Senate bill of the following title:

S. 278. An act relating to financing campaigns.

And has passed the same, the refusal of the Governor to approve notwithstanding.

The Senate has considered bills originating in the House of the following titles:

H. 203. An act relating to increasing the amount of an estate to which a surviving spouse is entitled when the deceased spouse dies without a will.

H. 436. An act relating to miscellaneous amendments to local election and municipal government laws.

And has passed the same in concurrence with proposals of amendment in the adoption of which the concurrence of the House is requested.

The Senate has considered House proposal of amendment to Senate bill of the following title:

S. 233. An act relating to temporary officiants for marriages and civil unions.

And has concurred therein.

The Senate has considered House proposals of amendment to the following Senate bills and has refused to concur therein and asks for Committees of Conference upon the disagreeing votes of the two Houses to which the President announced the appointment as members of such Committees on the part of the Senate:

S. 241. An act relating to the special veteran and gold star registration plates.

Senator Collins

Senator Mazza

Senator Scott

S. 342. An act relating to Lake Champlain commemorative motor vehicle plates.

Senator Kittell

Senator Mazza

Senator Collins

Pursuant to the request of the House for Committees of Conference on the disagreeing votes of the two Houses on the following House bills the President announced the appointment as members of such Committees on the part of the Senate:

H. 635. An act relating to reports of child abuse or neglect.

Senator Racine

Senator Flanagan

Senator Mullin

H. 636. An act relating to embezzlement by a public official.

Senator Mullin
Senator Sears
Senator Campbell

The Governor has informed the Senate that on the twenty second day of April, 2008, he approved and signed a bill originating in the Senate of the following title:

S. 222. An act relating to the safe haven exception to the crime of abandonment..

Proposal of Amendment Agreed to; Third Reading Ordered**S. 354**

Rep. Jerman of Essex, for the committee on Government Operations, to which had been referred Senate bill, entitled

An act relating to public agency deferred compensation plans;

Reported in favor of its passage in concurrence with proposal of amendment as follows:

In Sec. 2, 3 V.S.A. § 651(f), by striking the last sentence in its entirety and inserting in lieu thereof the following: "An investment program established by the teachers' board shall be optional for public agencies set forth in subdivision 650(4)(C) of this title. The public agency shall be the trustees of its plans created under Subsection 403(b) of the Internal Revenue Code."

The bill, having appeared on the Calendar one day for notice, was taken up, read the second time and the recommendation of proposal of amendment agreed to and third reading ordered.

**Senate Proposal of Amendment Concurred in
With a Further Amendment Thereto****H. 748**

The Senate proposed to the House to amend House bill, entitled

An act relating to permitting students to possess and self-administer emergency medication;

Sec. 1. 16 V.S.A. § 1387 is added to read:

§ 1387. POSSESSION AND SELF-ADMINISTRATION OF EMERGENCY MEDICATION

(a) Pursuant to the requirements of this section, each public and approved independent school in the state shall permit students with life-threatening allergies or with asthma to possess and self-administer emergency medication during the school day, on school grounds, at school-sponsored activities, on school-provided transportation, and during school-related programs.

(b) In each school year for which possession and self-administration of emergency medication is requested, the student's parent or guardian shall provide the school with:

(1) Written authorization, on a form to be provided by the school, for the student to possess and self-administer emergency medication.

(2) Written documentation from the student's physician:

(A) Stating that the student has one or more life-threatening allergies or asthma or both.

(B) Providing the name of the emergency medication, the dosage, and the times and circumstances under which the medication is to be taken.

(C) Affirming that the student:

(i) Is capable of, and has been instructed by the physician in, the proper method of self-administration of the emergency medication.

(ii) Has been advised of possible side-effects of the medication.

(iii) Has been informed of when and how to access emergency services.

(D) Affirming that the student has been instructed to inform the school nurse or another school employee or agent immediately after self-administering the emergency medication.

(c) In each school year for which possession and self-administration of emergency medication is requested, the student's parent or guardian shall:

(1) Develop, in consultation with the school nurse or the designated health care staff at an approved independent school, a plan of action regarding responding to the student's life-threatening allergy or allergies or asthma. The plan of action shall be based upon the written documentation provided by the student's physician and shall include the name of each emergency medication, the dosage, and the times and circumstances under which the medication is to be taken. The written plan shall prominently state that the medication is solely for the use of the student covered by the plan.

(2) It shall be the responsibility of the student's parent or guardian to provide a copy of the plan of action to any school employee or agent responsible for the student before or after the normal hours of the school day; provided, however, it shall be the school's responsibility to give a copy of the plan to the drivers of a bus providing routine transportation between the student's home and the school, regardless of whether the transportation is operated by the school or is a service for which it contracts.

(d) The student's parent or guardian shall sign a statement on a form to be provided by the school, releasing the school and its employees and agents, including volunteers, from liability as a result of any injury arising from the student's self-administration of the emergency medication, except when the conduct of the school, school employee, or agent would constitute gross negligence, recklessness, or intentional misconduct.

(e) Nothing in this section shall prohibit a public school district or an approved independent school from adopting school policies and individual plans of action regarding the possession and self-administration of emergency medication for medical conditions other than asthma and life-threatening allergies.

Sec. 2. EFFECTIVE DATE

This act shall apply during the 2008-2009 academic year and after.

Pending the question, Shall the House concur in the Senate proposal of amendment? **Rep. Clark of Vergennes** moved that the House concur in the Senate proposal of amendment with a further amendment thereto as follows:

First: In Sec. 1, § 1387(a), by striking the words "during the school day" and inserting in lieu thereof the words "at school"

Second: In Sec. 1, § 1387(b)(2), by striking subdivision (D) in its entirety

Third: In Sec. 1, § 1387(c), by striking the following: "shall: (1) Develop" and inserting in lieu thereof the words "shall develop"

and by striking subdivision (2) in its entirety

and immediately following the sentence "The written plan shall prominently state that the medication is solely for the use of the student covered by the plan." by adding two new sentences to read as follows: "The parties developing the plan of action shall determine both to whom the plan, or notification of the plan, shall be given and the person or persons responsible for doing so. The plan may include a requirement that the student notify a school employee or agent after self-administering emergency medication."

Which was agreed to.

Bill Amended, Read Third Time and Passed**H. 659**

House bill, entitled

An act relating to approval of the adoption of the charter of the town of Enosburg;

Was taken up and pending third reading of the bill, **Rep. Manwaring of Wilmington** moved to amend the bill as follows:

In Sec. 3, by striking "upon passage" and inserting in lieu thereof "on March 3, 2009"

Which was agreed to. Thereupon, the bill was read the third time and passed.

Third Reading; Bills Passed

House bills of the following titles were severally taken up, read the third time and passed:

H. 892

House bill, entitled

An act relating to approval of amendments to the charter of the village of Enosburg Falls;

H. 893

House bill, entitled

An act relating to approval of amendments to the charter of the city of Rutland.

Third Reading; Bills Passed in Concurrence

Bills of the following titles were severally taken up and passed in concurrence.

S. 89

Senate bill, entitled

An act relating to permitting payment of rent into court pursuant to a commercial lease;

S. 368

Senate bill, entitled

An act relating to the addition of new types of disinfectants to public water systems.

**Third Reading; Bill Passed in Concurrence
With Proposals of Amendment**

Bills of the following titles were severally taken up, read the third time and passed in concurrence with proposals of amendment.

S. 107

Senate bill, entitled

An act relating to mapping class four town highways and trails and mass discontinuances of unmapped town highways.

S. 171

Senate bill, entitled

An act relating to discharge of a mortgage by an attorney.

S. 201

Senate bill, entitled

An act relating to state employee whistleblower protection.

S. 283

Senate bill, entitled

An act relating to managed care organizations and the blueprint for health.

S. 313

Senate bill, entitled

An act relating to a license to store and ship wine.

S. 322

Senate bill, entitled

An act relating to the Vermont Dairy Promotion Council.

S. 372

Senate bill, entitled

An act relating to evictions, unpaid rent and abandoned property in rental property.

Joint Resolution Read Third Time and Adopted**J.R.H. 59**

Joint resolution, entitled

Joint resolution urging secondary school and post secondary educators and administrators to collaborate on accelerated learning opportunities for Vermont high school students;

Was taken up read the third time and adopted on the part of the House.

Joint Resolution Adopted in Concurrence

J.R.S. 64

Joint resolution, entitled

Joint resolution in observance of the 2008 National Crime Victims' Rights Week.;

Was taken up read and adopted in concurrence.

Proposal of Amendment Agreed to; Third Reading Ordered

S. 336

Rep. Flory of Pittsford, for the committee on Judiciary, to which had been referred Senate bill, entitled

An act relating to juvenile judicial proceedings;

Reported in favor of its passage in concurrence with proposal of amendment as follows:

First: In Sec. 1, 33 V.S.A., by striking chapter 51 in its entirety and inserting in lieu thereof a new chapter 51 to read as follows:

CHAPTER 51. GENERAL PROVISIONS

§ 5101. PURPOSES

(a) The juvenile judicial proceedings chapters shall be construed in accordance with the following purposes:

(1) To provide for the care, protection, education, and healthy mental, physical, and social development of children coming within the provisions of the juvenile judicial proceedings chapters.

(2) To remove from children committing delinquent acts the taint of criminality and the consequences of criminal behavior and to provide supervision, care, and rehabilitation which assure:

(A) balanced attention to the protection of the community;

(B) accountability to victims and the community for offenses; and

(C) the development of competencies to enable children to become responsible and productive members of the community.

(3) To preserve the family and to separate a child from his or her parents only when necessary to protect the child from serious harm or in the interests of public safety.

(4) To assure that safety and timely permanency for children are the paramount concerns in the administration and conduct of proceedings under the juvenile judicial proceedings chapters.

(5) To achieve the foregoing purposes, whenever possible, in a family environment, recognizing the importance of positive parent-child relationships to the well-being and development of children.

(6) To provide judicial proceedings through which the provisions of the juvenile judicial proceedings chapters are executed and enforced and in which the parties are assured a fair hearing, and their constitutional and other legal rights are recognized and enforced.

(b) The provisions of the juvenile judicial proceedings chapters shall be construed as superseding the provisions of the criminal law of this state to the extent the same are inconsistent with this chapter.

§ 5102. DEFINITIONS AND PROVISIONS OF GENERAL APPLICATION

As used in the juvenile judicial proceedings chapters, unless the context otherwise requires:

(1) "Care provider" means a person other than a parent, guardian, or custodian who is providing the child with routine daily care but to whom custody rights have not been transferred by a court.

(2) "Child" means any of the following:

(A) An individual who is under the age of 18 and is a child in need of care or supervision as defined in subdivision (3)(A), (B), or (D) of this section (abandoned, abused, without proper parental care, or truant).

(B)(i) An individual who is under the age of 18, is a child in need of care or supervision as defined in subdivision (3)(C) of this section (beyond parental control), and was under the age of 16 at the time the petition was filed;
or

(ii) an individual who is between the ages of 16 to 17.5, is a child in need of care or supervision as defined in subdivision (3)(C) of this section (beyond parental control), and who is at high risk of serious harm to himself or