Journal of the Senate

SATURDAY, MAY 12, 2018

The Senate was called to order by the President.

Devotional Exercises

A moment of silence was observed in lieu of devotions.

Message from the House No. 78

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

H. 608. An act relating to creating an Older Vermonters Act working group.

The House has receded from its proposal of amendment and has concurred in the Senate proposal of amendment.

Message from the House No. 79

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 273. An act relating to miscellaneous law enforcement amendments.

And has adopted the same on its part.

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

H. 675. An act relating to conditions of release prior to trial.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

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

Printed on 100% Recycled Paper

H. 901. An act relating to health information technology and health information exchange.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

Message from the House No. 80

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered a bill originating in the Senate of the following title:

S. 241. An act relating to the makeup and duties of the Emergency Medical Services Advisory Committee.

And has passed the same in concurrence.

Pursuant to the request of the Senate for a Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 257. An act relating to miscellaneous changes to education law.

The Speaker has appointed as members of such committee on the part of the House:

Rep. Sharpe of Bristol
Reps. Cupoli of Rutland City
Rep. Long of Newfane.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 289. An act relating to protecting consumers and promoting an open Internet in Vermont.

And has adopted the same on its part.

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

S. 285. An act relating to universal recycling requirements.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

Message from the House No. 81

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered a bill originating in the Senate of the following title:

S. 165. An act relating to preemployment health screenings for hospital employees.

And has passed the same in concurrence.

Message from the House No. 82

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has adopted House concurrent resolutions of the following titles:

H.C.R. 388. House concurrent resolution honoring exemplary BFA-Fairfax educator Judith Stewart.

H.C.R. 389. House concurrent resolution honoring Carla Lewis for her 40 years of outstanding service as a Fayston Elementary School teacher.

H.C.R. 390. House concurrent resolution honoring Dartmouth College undergraduate students Nicole Beckman, Hanna Bliska, and Eliza Jane Schaeffer for their research report entitled "Medication Assisted Treatment Programs in State Correctional Facilities in Vermont".

H.C.R. 391. House concurrent resolution in memory of James H. Foster Jr.

H.C.R. 392. House concurrent resolution honoring Professor and former State Senator William T. Doyle on the conclusion of his distinguished academic career at Johnson State College.

H.C.R. 393. House concurrent resolution congratulating the 75th Annual Vermont Conference on Recreation.

H.C.R. 394. House concurrent resolution honoring Vermont Assistant Adjutant General-Army, Brigadier General Michael T. Heston for his outstanding military and law enforcement leadership.

H.C.R. 395. House concurrent resolution honoring Robert Davis for his achievements as a television news photographer.

H.C.R. 396. House concurrent resolution honoring Curtis R. Whiteway of Craftsbury for his military valor, his participation in the liberation of Nazi concentration and death camps, and as a passionate Holocaust educator.

H.C.R. 397. House concurrent resolution congratulating the Thetford Academy Drama Club on winning a New England Drama Council commendation.

H.C.R. 398. House concurrent resolution honoring Peter Geiss for his exemplary public service as a school board member in the Underhill Central School and Mount Mansfield Modified Union School districts.

H.C.R. 399. House concurrent resolution welcoming to Vermont the Association of Food and Drug Officials' 122nd Annual Educational Conference.

H.C.R. 400. House concurrent resolution recognizing May 20–26 as National Public Works Week in Vermont.

H.C.R. 401. House concurrent resolution honoring Nathaniel Frothingham as an outstanding educator and for his wise journalistic leadership of the Montpelier Bridge.

H.C.R. 402. House concurrent resolution congratulating the St. Johnsbury Academy chess team on winning the 2018 Vermont State Scholastic Chess Championships.

H.C.R. 403. House concurrent resolution in memory of former Governor Philip Henderson Hoff.

H.C.R. 404. House concurrent resolution commemorating the 80-year history of the second Statue of Agriculture on the Vermont State House dome.

H.C.R. 405. House concurrent resolution congratulating Dr. Delores Barbeau on her receipt of the 2018 George F. Leland Community Health Service Award.

H.C.R. 406. House concurrent resolution recognizing June as National Dairy Month in Vermont.

H.C.R. 407. House concurrent resolution honoring former Representative Jeff Young of St. Albans City for his civic and horticultural accomplishments.

H.C.R. 408. House concurrent resolution in memory of Vermont folklorist Gregory L. Sharrow.

In the adoption of which the concurrence of the Senate is requested.

Message from the House No. 83

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The Governor has informed the House that on May 11, 2018, he approved and signed bills originating in the House of the following titles:

H. 294. An act relating to inquiries about an applicant's salary history.

H. 333. An act relating to identification of gender-free restrooms in public buildings and places of public accommodation.

Bill Passed in Concurrence with Proposal of Amendment

H. 559.

House bill of the following title

An act relating to miscellaneous environmental subjects.

Was read the third time and passed in concurrence with proposals of amendment on a division of the Senate Yeas 10, Nays 8.

Bill Passed in Concurrence

H. 904.

House bill of the following title was read the third time and passed in concurrence:

An act relating to miscellaneous agricultural subjects.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 85.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to simplifying government for small businesses.

Was taken up for immediate consideration.

Senator Clarkson, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 85. An act relating to simplifying government for small businesses.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. SIMPLIFYING GOVERNMENT FOR SMALL BUSINESSES

(a) The Secretary of State shall serve as the chair of a steering committee, composed of the Secretary of State, the Secretary of Commerce and Community Development, and the Secretary of Digital Services or their designees.

(b) The Secretary of State, in collaboration with the steering committee, and in collaboration with other State agencies and departments and interested stakeholders as necessary, shall:

(1) review and consider the necessary procedural and substantive steps to enhance the Secretary of State's one-stop business portal for businesses, entrepreneurs, and citizens to provide information about starting and operating a business in Vermont; and

(2) submit on or before December 15, 2018:

(A) a design proposal that includes a project scope, timeline, roadmap, and cost projections; and

(B) any statutory or regulatory changes needed to implement the proposal.

(c) The steering committee shall evaluate the cost and efficacy, and integrate into the current one-stop portal to the extent feasible, features that:

(1) enhance State websites to simplify registrations and provide a clear compilation of other State business requirements, including permits and licenses;

(2) simplify the mechanism for making payments to the State by allowing a person to pay amounts he or she owes to the State for taxes, fees, or other charges to a single recipient within State government;

(3) simplify annual filing requirements by allowing a person to make a single filing to a single recipient within State government and check a box if nothing substantive has changed from the prior year;

(4) provide guidance, assistance with navigation, and other support to persons who are forming or operating a small business;

(5) after registration, provide information about additional and ongoing State requirements and a point of contact to discuss questions or explore any assistance needed;

(6) provide guidance and information about State and federal programs and initiatives, as well as State partner organizations and Vermont-based businesses of interest; and

(7) map communication channels for project updates, including digital channels such as e-mail, social media, and other communications.

(d) State agencies and departments shall provide assistance to the steering committee upon its request.

(e) The steering committee shall focus its review on providing services through the one-stop business portal primarily for the benefit of businesses with 20 or fewer employees.

(f) The Agency of Digital Services shall assign a project manager or business analyst to report directly to the Secretary of State to assist with the implementation of this act through June 30, 2019 for the purpose of developing and implementing a one-stop navigable portal for businesses, entrepreneurs, and citizens to access information about starting a business in Vermont, and to provide ongoing support to businesses interfacing with State government.

Sec. 2. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 1(f) shall take effect on July 1, 2018.

ALISON CLARKSON
DAVID J. SOUCY
MICHAEL D. SIROTKIN

Committee on the part of the Senate

LINDA K. MYERS
AMY D. SHELDON
CHARLES A. KIMBELL

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 179.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to community justice centers.

Was taken up for immediate consideration.

Senator Nitka, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 179. An act relating to community justice centers.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment

ALICE W. NITKA
RICHARD W. SEARS
MARGARET K FLORY

Committee on the part of the Senate

ALICE M. EMMONS
CHARLES H. SHAW
CURT D. TAYLOR

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 269.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to blockchain, cryptocurrency, and financial technology.

Was taken up for immediate consideration.

Senator Clarkson, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 269. An act relating to blockchain, cryptocurrency, and financial technology.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Definition of Blockchain Technology * * *

Sec. 1. 12 V.S.A. § 1913 is amended to read:

§ 1913. BLOCKCHAIN ENABLING

(a) As used in this section~~, "blockchain technology"~~:

(1) "Blockchain" means a ~~mathematically~~ cryptographically secured, chronological, and decentralized consensus ledger or consensus database~~, whether~~ maintained via Internet ~~interaction~~, peer-to-peer network, or ~~otherwise~~ other interaction.

(2) "Blockchain technology" means computer software or hardware or collections of computer software or hardware, or both, that utilize or enable a blockchain.

* * *

* * * Personal Information Protection Companies * * *

Sec. 2. 8 V.S.A. chapter 78 is added to read:

CHAPTER 78. PERSONAL INFORMATION PROTECTION COMPANIES

§ 2451. DEFINITIONS

As used in this section:

(1) "Personal information" means data capable of being associated with a particular natural person, including gender identification, birth information, marital status, citizenship and nationality, biometric records, government identification designations, and personal, educational, and financial histories.

(2) "Personal information protection company" means a business that is organized for the primary purpose of providing personal information protection services to individual consumers.

(3) "Personal information protection services" means receiving, holding, and managing the disclosure or use of personal information concerning an individual consumer:

(A) pursuant to a written agreement, in which the person receiving the individual consumer's information agrees to serve as a personal information protection company, and which specifies the types of personal information to be held and the scope of services to be provided on behalf of the consumer; and

(B) in the best interests and for the protection and benefit of the consumer.

§ 2452. PERSONAL INFORMATION AS THE SUBJECT OF A FIDUCIARY RELATIONSHIP

A personal information protection company that accepts personal information pursuant to a written agreement to provide personal information protection services has a fiduciary responsibility to the consumer when providing personal protection services.

§ 2453. QUALIFIED PERSONAL INFORMATION PROTECTION COMPANY

(a) A personal information protection company shall qualify to conduct its business under the terms of this chapter and applicable rules adopted by the Department of Financial Regulation.

(b) A person shall not engage in business as a personal information protection company in this State without first obtaining a certificate of authority from the Department.

(c) A personal information protection company shall:

(1) be organized or authorized to do business under the laws of this State;

(2) maintain a place of business in this State;

(3) appoint a registered agent to accept service of process and to otherwise act on its behalf in this State, provided that whenever the registered agent cannot with reasonable diligence be found at the Vermont registered office of the company, the Secretary of State shall be an agent of the company upon whom any process, notice, or demand may be served;

(4) annually hold at least one meeting of its governing body in this State, at which meeting one or more members of the body are physically present; and

(5) develop, implement, and maintain a comprehensive information security program that contains administrative, technical, and physical safeguards sufficient to protect personal information, and which may include the use of blockchain technology, as defined in 12 V.S.A. § 1913, in some or all of its business activities.

§ 2454. NAME; OFFICE

A personal information protection company shall file with the Department of Financial Regulation the name it proposes to use in connection with its business, which the Department shall not approve if it determines that the name may be misleading, likely to confuse the public, or deceptively similar to any other business name in use in this State.

§ 2455. CONDUCT OF BUSINESS

(a) A personal information protection company may:

(1) operate through remote interaction with the individuals entrusting personal information to the company, and there shall be no requirement of Vermont residency or other contact for any such individual to establish such a relationship with the company; and

(2) subject to applicable fiduciary duties, the terms of any agreement with the individual involved, and any applicable statutory or regulatory provision:

(A) provide elements of personal information to third parties with which the individual seeks to have a transaction, a service relationship, or other particular purpose interaction;

(B) provide certification or validation concerning personal information;

(C) receive compensation for acting in these capacities.

(b) An authorization to provide personal information may be either particular or general, provided it meets the terms of any agreement with the individual involved and any rules adopted by the Department of Financial Regulation.

§ 2456. FEES; AUTHORITY OF DEPARTMENT

(a)(1) The Department of Financial Regulation shall assess the following fees for a personal information protection company:

(A) an initial registration fee of $1,000.00, which includes a licensing fee of $500.00 and an investigation fee of $500.00;

(B) an annual renewal fee of $500.00;

(C) a change in address fee of $100.00.

(2) The Department shall have the authority to bill a personal information protection company for examination time at its standard rate.

(b) In addition to other powers conferred by this chapter, the Department shall have the authority to review records, conduct examinations, and require annual audits of a personal information protection company.

§ 2457. REPORTS; RULES

(a) The Department of Financial Regulation may prescribe by rule the timing and manner of reports by a personal information protection company to the Department.

(b) The Department may adopt rules to govern other aspects of the business of a personal information protection company, including its protection and safeguarding of personal information and its interaction with third parties with respect to personal information it holds.

Sec. 3. IMPLEMENTATION; REPORTS; RULES

On or before January 15, 2020, the Department of Financial Regulation shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a progress report that addresses:

(1) the implementation of Sec. 2 of this act; and

(2) the status of rulemaking pursuant to its authority under 8 V.S.A. § 2457.

* * * Insurance and Banking Study * * *

Sec. 4. INSURANCE; BANKING; DFR STUDY; REPORT

(a) The Department of Financial Regulation shall review the potential application of blockchain technology to the provision of insurance and banking and consider areas for potential adoption and any necessary regulatory changes in Vermont.

(b) On or before January 15, 2019, the Department shall submit a report of its findings and recommendations to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs.

* * * FinTech Summit; Blockchain Promotion * * *

Sec. 5. FINTECH SUMMIT

The Agency of Commerce and Community Development, in collaboration with the Department of Financial Regulation, the University of Vermont and State Agricultural College, the Vermont State Colleges, Norwich University, Vermont Law School, the Agency of Education, and regional CTE centers, and in consultation with private sector practitioners, may organize and hold a FinTech Summit to:

(1) explore legal and regulatory mechanisms to promote the adoption of financial technology in State government;

(2) explore opportunities to promote financial technology and economic development in the private sector, including in the areas of banking, insurance, retail and service businesses, and cryptocurrency providers and proponents; and

(3) explore opportunities to integrate financial technology into secondary and postsecondary education in Vermont.

Sec. 6. BLOCKCHAIN AND FINANCIAL TECHNOLOGY PROMOTION

The Agency of Commerce and Community Development shall incorporate into one or more of its economic development marketing and business support programs, events, and activities the following topics:

(1) opportunities to promote blockchain technology and financial technology-related economic development in the private sector, including in the areas of banking, insurance, retail and service businesses, and cryptocurrency;

(2) legal and regulatory mechanisms that enable and promote the adoption of blockchain technology and financial technology in this State; and

(3) educational and workforce training opportunities in blockchain technology, financial technology, and related areas.

* * * Enabling Provisions; Blockchain-Based LLCs * * *

Sec. 7. 11 V.S.A. chapter 25, subchapter 12 is added to read:

Subchapter 12. Blockchain-Based Limited Liability Companies

§ 4171. DEFINITIONS

As used in this section:

(1) "Blockchain technology" has the same meaning as in 12 V.S.A. § 1913.

(2) "Participant" means:

(A) each person that has a partial or complete copy of the decentralized consensus ledger or database utilized by the blockchain technology, or otherwise participates in the validation processes of such ledger or database;

(B) each person in control of any digital asset native to the blockchain technology; and

(C) each person that makes a material contribution to the protocols.

(3) "Protocols" means the designated regulatory model of the software that governs the rules, operations, and communication between nodes on the network utilized by the participants.

(4) "Virtual currency" means a digital representation of value that:

(A) is used as a medium of exchange, unit of account, or store of value; and

(B) is not legal tender, whether or not denominated in legal tender.

§ 4172. ELECTION

A limited liability company organized pursuant to this title for the purpose of operating a business that utilizes blockchain technology for a material portion of its business activities may elect to be a blockchain-based limited liability company (BBLLC) by:

(1) specifying in its articles of organization that it elects to be a BBLLC; and

(2) meeting the requirements in subdivision 4173(2) and subsection 4174(a) of this title.

§ 4173. AUTHORITY; REQUIREMENTS

Notwithstanding any provision of this chapter to the contrary:

(1) A BBLLC may provide for its governance, in whole or in part, through blockchain technology.

(2) The operating agreement for a BBLLC shall:

(A) provide a summary description of the mission or purpose of the BBLLC;

(B) specify whether the decentralized consensus ledger or database utilized or enabled by the BBLLC will be fully decentralized or partially decentralized and whether such ledger or database will be fully or partially public or private, including the extent of participants' access to information and read and write permissions with respect to protocols;

(C) adopt voting procedures, which may include smart contracts carried out on the blockchain technology, to address:

(i) proposals from managers, members, or other groups of participants in the BBLLC for upgrades or modifications to software systems or protocols, or both;

(ii) other proposed changes to the BBLLC operating agreement; or

(iii) any other matter of governance or activities within the purpose of the BBLLC;

(D) adopt protocols to respond to system security breaches or other unauthorized actions that affect the integrity of the blockchain technology utilized by the BBLLC;

(E) provide how a person becomes a member of the BBLLC with an interest, which may be denominated in the form of units, shares of capital stock, or other forms of ownership or profit interests; and

(F) specify the rights and obligations of each group of participants within the BBLLC, including which participants shall be entitled to the rights and obligations of members and managers.

§ 4174. MULTIPLE ROLES OF MEMBERS AND MANAGERS

(a) A member or manager of a BBLLC may interact with the BBLLC in multiple roles, including as a member, manager, developer, node, miner, or other participant in the BBLLC, or as a trader and holder of the currency in its own account and for the account of others, provided such member or manager complies with any applicable fiduciary duties.

(b) The activities of a member or manager who interacts with the BBLLC through multiple roles are not deemed to take place in this State solely because the BBLLC is organized in this State.

§ 4175. CONSENSUS FORMATION ALGORITHMS AND GOVERNANCE PROCESSES

In its governance, a BBLLC may:

(1) adopt any reasonable algorithmic means for accomplishing the consensus process for validating records, as well as requirements, processes, and procedures for conducting operations, or making organizational decisions on the blockchain technology used by the BBLLC; and

(2) in accordance with any procedure specified pursuant to section 4173 of this title, modify the consensus process, requirements, processes, and procedures, or substitute a new consensus process, requirements, processes, or procedures that comply with the requirements of law and the governance provisions of the BBLLC.

§ 4176. SCOPE OF SUBCHAPTER; OTHER LAW

Except as expressly provided otherwise, this subchapter does not exempt a BBLLC from any other judicial, statutory, or regulatory provision of Vermont law or federal law, including State and federal securities laws. Except to the extent inconsistent with the provisions of this subchapter, the provisions of the Vermont Limited Liability Company Act govern.

* * * Blockchain Technology in Public Records * * *

Sec. 8. PUBLIC RECORDS

On or before January 15, 2019, the Vermont State Archives and Records Administration, in collaboration with the Vermont League of Cities and Towns, the Vermont Municipal Clerks' and Treasurers' Association, and the Agency of Digital Services, shall:

(1) evaluate blockchain technology for the systematic and efficient management of public records in accordance with 1 V.S.A. § 317a and 3 V.S.A. § 117;

(2) recommend legislation, including uniform laws, necessary to support the possible use of blockchain technology for the recording of land records pursuant to 24 V.S.A. § 1154 and for other public records; and

(3) submit its findings and recommendations to the House Committee on Commerce and Economic Development; the Senate Committee on Economic Development, Housing and General Affairs; and the House and Senate Committees on Government Operations.

* * * Effective Date * * *

Sec. 9. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

And that after passage the title of the bill be amended to read

An act relating to blockchain business development.

ALISON CLARKSON
DAVID J. SOUCY
REBECCA A. BALINT

Committee on the part of the Senate

JEAN D. O'SULLIVAN
PATRICIA A. MCCOY
SAMUEL R. YOUNG

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; House Proposals of Amendment to Senate Proposal of Amendment Concurred In

H. 901.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and House proposals of amendment to Senate proposal of amendment to House bill entitled:

An act relating to health information technology and health information exchange.

Were taken up for immediate consideration.

The House concurs in the Senate proposal of amendment with further proposal of amendment thereto as follows:

First: In Sec. 1, health information technology; health information exchange; reports, in subsections (b), (c), and (d), following "on Health Care," by inserting "on Energy and Technology,"

Second: In Sec. 3, 18 V.S.A. § 9352, by striking out subsection (a) in its entirety and inserting in lieu thereof a new subsection (a) to read as follows:

(a)~~(1)~~ Governance. The Vermont Information Technology Leaders, Inc. (VITL) Board of Directors shall consist of no fewer than nine nor more than 14 members. The term of each member shall be two years, except that of the members first appointed, approximately one-half shall serve a term of one year and approximately one-half shall serve a term of two years, and members shall continue to hold office until their successors have been duly appointed. The Board of Directors shall comprise ~~the following:~~

~~(A) one member of the General Assembly, appointed jointly by the Speaker of the House and the President Pro Tempore of the Senate, who shall be entitled to the same per diem compensation and expense reimbursement pursuant to 2 V.S.A. § 406 as provided for attendance at sessions of the General Assembly;~~

~~(B) one individual appointed by the Governor;~~

~~(C) one representative of the business community;~~

~~(D) one representative of health care consumers;~~

~~(E) one representative of Vermont hospitals;~~

~~(F) one representative of Vermont physicians;~~

~~(G) one practicing clinician licensed to practice medicine in Vermont;~~

~~(H) one representative of a health insurer licensed to do business in Vermont;~~

~~(I) the President of VITL, who shall be an ex officio, nonvoting member;~~

~~(J) two individuals familiar with health information technology, at least one of whom shall be the chief technology officer for a health care provider; and~~

~~(K) two at-large members~~

representatives of the business community, of health care consumers, of Vermont hospitals, of Vermont-licensed clinicians, and of health insurers licensed to offer plans in Vermont, as well as individuals familiar with health information technology, including, to the extent practicable, one or more individuals who are or have served as the chief technology officer for a health care facility.

~~(2) Except for the members appointed pursuant to subdivisions (1)(A) and (B) of this subsection, whenever a vacancy on the Board occurs, the members of the Board of Directors then serving shall appoint a new member who shall meet the same criteria as the member he or she replaces.~~

Third: In Sec. 8a, 2 V.S.A. chapter 18, in § 614, by striking out subdivision (e)(1) in its entirety and inserting in lieu thereof a new subdivision (e)(1) to read as follows:

(1) The Committee shall elect a chair and vice chair from among its members and shall adopt rules of procedure. The Chair shall rotate biennially between the House and Senate members.

Fourth: In Sec. 8a, 2 V.S.A. chapter 18, in § 614, by striking out subdivision (e)(3) in its entirety and inserting in lieu thereof a new subdivision (e)(3) to read as follows:

(3) The Committee may meet when the General Assembly is not in session or at the call of the Chair.

Thereupon, the question, Shall the Senate concur in the House proposals of amendment to the Senate proposal of amendment?, were severally decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate; Bill Messaged

S. 273.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to miscellaneous law enforcement amendments.

Was taken up for immediate consideration.

Senator White, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 273. An act relating to miscellaneous law enforcement amendments.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment and that the House proposal be further amended as follows:

First: By striking out Sec. 7, 20 V.S.A. § 2358 (minimum training standards; definitions), in its entirety and inserting in lieu thereof a new Sec. 7 to read:

Sec. 7. COUNCIL; TRAINING PROGRAMS; TRANSITION FROM LEVEL II TO LEVEL III CERTIFICATION

The Vermont Criminal Justice Training Council shall have a plan, including an implementation schedule, to structure its training programs so that a law enforcement officer with Level II certification may transition to Level III certification without such an officer needing to restart the certification process.

Second: By adding a new section to be Sec. 8a and an accompanying reader assistance heading to read:

* * * Coverage * * *

Sec. 8a. DEPARTMENT OF PUBLIC SAFETY; REPORT ON TOWN CALLS TO THE VERMONT STATE POLICE

(a) The Department of Public Safety shall determine the number of calls from towns the Vermont State Police received in fiscal year 2018 and, in consultation with the Vermont League of Cities and Towns as necessary, determine the number of those calls that came from each town without a police department.

(b) On or before November 15, 2018, the Commissioner of Public Safety shall report to the Senate and House Committees on Judiciary and on Government Operations regarding the Department's findings as set forth in subsection (a) of this section.

Third: In Sec. 11, 20 V.S.A. § 1818 (Law Enforcement Advisory Board), in subsection (a), by striking out subdivision (12) in its entirety and inserting in lieu thereof a new subdivision (12) to read:

(12) a law enforcement officer appointed by the President of the Vermont State Employees' Association.

Fourth: By striking out Sec. 14 (Department of Public Safety; report on existing State costs of providing dispatch services) and its accompanying reader assistance heading and inserting in lieu thereof a new Sec. 14 and accompanying reader assistance heading to read:

* * * Dispatch * * *

Sec. 14. DEPARTMENT OF PUBLIC SAFETY AND THE VERMONT ENHANCED 911 BOARD; PROPOSAL FOR AN EQUITABLE STATEWIDE PUBLIC SAFETY DISPATCH SYSTEM

(a)(1) The Department of Public Safety and the Vermont Enhanced 911 Board shall consult with the Vermont League of Cities and Towns as an equal partner in order to propose a plan that would result in a comprehensive, efficient, and equitably funded public safety dispatch system to dispatch law enforcement, fire, and emergency medical services statewide. In proposing the plan, consideration shall be given to existing and planned regional dispatch centers.

(2) Included in the proposed plan shall be recommendations regarding:

(A) the manner in which different dispatch services should communicate among each other;

(B) whether there should be different dispatching services used among State agencies and departments;

(C) the role of regional dispatch centers;

(D) the funding source or sources for the proposed plan; and

(E) the timeframe for implementing the proposed plan.

(b) On or before November 1, 2019, the Department and the Board shall jointly submit the proposed plan to:

(1) the Senate Committees on Finance, on Government Operations, on Appropriations, and on Economic Development, Housing and General Affairs;

(2) the House Committees on Commerce and Economic Development, on Government Operations, on Appropriations, and on Ways and Means; and

(3) the Governor.

Fifth: In Sec. 15 (effective dates; implementation), by striking out subdivision (2) in its entirety and inserting in lieu thereof a new subdivision (2) to read:

(2) Sec. 7 (Council; training programs; transition from Level II to Level III certification) shall take effect on July 1, 2019.

JEANETTE K. WHITE
BRIAN P. COLLAMORE
ALISON CLARKSON

Committee on the part of the Senate

JESSICA C. BRUMSTED
JAMES HARRISON
ROBERT B. LACLAIR

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Not Suspended; Bill Not Messaged

Senator Ashe, moved the rules be suspended, and **H. 559** be messaged to the House forthwith; which was disagreed to.

Rules Suspended; Bills Messaged

On motion of Senator Ashe, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 901, H. 904.

Rules Suspended; Bills Delivered

On motion of Senator Ashe, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 85, S. 179, S. 269, S. 273.

Adjournment

On motion of Senator Ashe, the Senate adjourned until one o'clock and thirty minutes in the afternoon.

Called to Order

The Senate was called to order by the President.

Committee of Conference Appointed; Bill Messaged

S. 272.

An act relating to miscellaneous changes to laws related to motor vehicles.

Was taken up. Pursuant to the request of the House, the President announced the appointment of

Senator Mazza
Senator Flory
Senator Westman

as members of the Committee of Conference on the part of the Senate to consider the disagreeing votes of the two Houses.

Thereupon, on motion of Senator Ashe, the rules were suspended, and the bill was ordered messaged to the House forthwith.

Rules Suspended; House Proposals of Amendment to Senate Proposal of Amendment to House Proposal of Amendment Concurred In

S. 285.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and House proposals of amendment to Senate proposal of amendment House proposal of amendment to Senate bill entitled:

An act relating to universal recycling requirements.

Was taken up for immediate consideration.

The House concurs in the Senate proposal of amendment to House proposal of amendment with the following amendments thereto:

First: In Sec. 4a, 10 V.S.A. § 1530, in subsection (c), by striking out "July 1, 2019" where it appears and inserting in lieu thereof "October 1, 2019" and in subsection (d), by striking out "October 10, 2019" where it appears and inserting in lieu thereof "January 1, 2020" and in subdivision (e)(1), by striking out "October 10, 2019" where it appears and inserting in lieu thereof "January 1, 2020"

Second: By adding Sec. 4b to read as follows:

Sec. 4b. 10 V.S.A. § 1388 is amended to read:

§ 1388. CLEAN WATER FUND

(a) There is created a special fund to be known as the "Clean Water Fund" to be administered by the Secretary of Administration. The Fund shall consist of:

(1) revenues ~~dedicated for deposit into the Fund by the General Assembly, including~~ from the Property Transfer Tax surcharge established under 32 V.S.A. § 9602a; ~~and~~

(2) other gifts, donations, and impact fees received from any source, public or private, dedicated for deposit into the Fund and approved by the Secretary of Administration;

(3) the unclaimed beverage container deposits (escheats) remitted to the State under chapter 53 of this title; and

(4) other revenues dedicated for deposit into the Fund by the General Assembly.

* * *

Thereupon, the question, Shall the Senate concur in the House proposals of amendment to the Senate proposal of amendment to House proposal of amendment?, were severally decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 289.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

S.289. An act relating to protecting consumers and promoting an open Internet in Vermont.

Was taken up for immediate consideration.

Senator Lyons, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

An act relating to protecting consumers and promoting an open Internet in Vermont.

S.289. An act relating to protecting consumers and promoting an open Internet in Vermont.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Legislative Findings * * *

Sec. 1. FINDINGS

The General Assembly finds and declares that:

(1) Our State has a compelling interest in preserving and promoting an open Internet in Vermont.

(2) As Vermont is a rural state with many geographically remote locations, broadband Internet access service is essential for supporting economic and educational opportunities, strengthening health and public safety networks, and reinforcing freedom of expression and democratic, social, and civic engagement.

(3) The accessibility and quality of communications networks in Vermont, specifically broadband Internet access service, will critically impact our State's future.

(4) Net neutrality is an important topic for many Vermonters. Nearly 50,000 comments attributed to Vermonters were submitted to the FCC during the Notice of Proposed Rulemaking regarding the Restoring Internet Freedom Order, WC Docket No. 17-108, FCC 17-166. Transparency with respect to the network management practices of ISPs doing business in Vermont will continue to be of great interest to many Vermonters.

(5) In 1996, Congress recognized that "[t]he Internet and other interactive computer services offer a forum for a true diversity of political discourse, unique opportunities for cultural development, and myriad avenues for intellectual activity" and "[i]ncreasingly Americans are relying on interactive media for a variety of political, educational, cultural, and entertainment services." 47 U.S.C. § 230(a)(3) and (5).

(6) Many Vermonters do not have the ability to choose easily between Internet service providers (ISPs). This lack of a thriving competitive market, particularly in isolated locations, disadvantages the ability of consumers and businesses to protect their interests sufficiently.

(7) Without net neutrality, "ISPs will have the power to decide which websites you can access and at what speed each will load. In other words, they'll be able to decide which companies succeed online, which voices are heard – and which are silenced." Tim Berners-Lee, founder of the World Wide Web and Director of the World Wide Web Consortium (W3C), December 13, 2017.

(8) The Federal Communications Commission's (FCC's) recent repeal of the federal net neutrality rules pursuant to its Restoring Internet Freedom Order manifests a fundamental shift in policy.

(9) The FCC anticipates that a "light-touch" regulatory approach under Title I of the Communications Act of 1934, rather than "utility-style" regulation under Title II, will further advance the Congressional goals of promoting broadband deployment and infrastructure investment.

(10) The FCC's regulatory approach is unlikely to achieve the intended results in Vermont. The policy does little, if anything, to overcome the financial challenges of bringing broadband service to hard-to-reach locations with low population density. However, it may result in degraded Internet quality or service. The State has a compelling interest in preserving and protecting consumer access to high quality Internet service.

(11) The economic theory advanced by the FCC in 2010 known as the "virtuous circle of innovation" seems more relevant to the market conditions in Vermont. See In re Preserving the Open Internet, 25 F.C.C.R. 17905, 17910-11 (2010).

(12) As explained in the FCC's 2010 Order, "The Internet's openness . . . enables a virtuous circle of innovation in which new uses of the network – including new content, applications, services, and devices – lead to increased end-user demand for broadband, which drives network improvements, which in turn lead to further innovative network uses. Novel, improved, or lower-cost offerings introduced by content, application, service, and device providers spur end-user demand and encourage broadband providers to expand their networks and invest in new broadband technologies." 25 FCC Rcd. at 17910-11, upheld by Verizon v. FCC, 740 F.3d 623, 644-45 (D.C. Circuit 2014).

(13) As affirmed by the FCC five years later, "[t]he key insight of the virtuous cycle is that broadband providers have both the incentive and the ability to act as gatekeepers standing between edge providers and consumers. As gatekeepers, they can block access altogether; they can target competitors, including competitors in their own video services; and they can extract unfair tolls." Open Internet Order, 30 FCC Rcd at para. 20.

(14) The State may exercise its traditional role in protecting consumers from potentially unfair and anticompetitive business practices. Doing so will provide critical protections for Vermont individuals, entrepreneurs, and small businesses that do not have the financial clout to negotiate effectively with commercial providers, some of whom may provide services and content that directly compete with Vermont companies or companies with whom Vermonters do business.

(15) The FCC's most recent order expressly contemplates a state's exercise of its traditional police powers on behalf of consumers: "we do not disturb or displace the states' traditional role in generally policing such matters as fraud, taxation, and general commercial dealings, so long as the administration of such general state laws does not interfere with federal regulatory objectives." Restoring Internet Freedom Order, WC Docket No. 17-108, FCC 17-166, para. 196.

(16) The benefits of State measures designed to protect the ability of Vermonters to have unfettered access to the Internet far outweigh the benefits of allowing ISPs to manipulate Internet traffic for pecuniary gain.

(17) The most recent order of the FCC contemplates federal and local enforcement agencies preventing harm to consumers: "In the unlikely event that ISPs engage in conduct that harms Internet openness . . . we find that utility-style regulation is unnecessary to address such conduct. Other legal regimes – particularly antitrust law and the FTC's authority under Section 5 of the FTC Act to prohibit unfair and deceptive practices – provide protections to consumers." para. 140. The Attorney General enforces antitrust violations or violations of the Consumer Protection Act in Vermont.

(18) The State has a compelling interest in knowing with certainty what services it receives pursuant to State contracts.

(19) Procurement laws are for the benefit of the State. When acting as a market participant, the government enjoys unrestricted power to contract with whomever it deems appropriate and purchase only those goods or services it desires.

(20) The disclosures required by this act are a reasonable exercise of the State's traditional police powers and will support the State's efforts to monitor consumer protection and economic factors in Vermont, particularly with regard to competition, business practices, and consumer choice, and will also enable consumers to stay apprised of the network management practices of ISPs offering service in Vermont.

(21) The State is in the best position to balance the needs of its constituencies with policies that best serve the public interest. The State has a compelling interest in promoting Internet consumer protection and net neutrality standards. Any incidental burden on interstate commerce resulting from the requirements of this act is far outweighed by the compelling interests the State advances.

* * * Certificate of Net Neutrality Compliance * * *

Sec. 2. 3 V.S.A. § 348 is added to read:

§ 348. INTERNET SERVICE PROVIDERS; NET NEUTRALITY COMPLIANCE

(a) The Secretary of Administration shall develop a process by which an Internet service provider may certify that it is in compliance with the consumer protection and net neutrality standards established in subsection (b) of this section.

(b) A certificate of net neutrality compliance shall be granted to an Internet service provider that demonstrates and the Secretary finds that the Internet service provider, insofar as the provider is engaged in the provision of broadband Internet access service:

(1) Does not engage in any of the following practices in Vermont:

(A) Blocking lawful content, applications, services, or nonharmful devices, subject to reasonable network management.

(B) Impairing or degrading lawful Internet traffic on the basis of Internet content, application, or service or the use of a nonharmful device, subject to reasonable network management.

(C) Engaging in paid prioritization, unless this prohibition is waived pursuant to subsection (c) of this section.

(D) Unreasonably interfering with or unreasonably disadvantaging either a customer's ability to select, access, and use broadband Internet access service or lawful Internet content, applications, services, or devices of the customer's choice or an edge provider's ability to make lawful content, applications, services, or devices available to a customer. Reasonable network management shall not be considered a violation of this prohibition.

(E) Engaging in deceptive or misleading marketing practices that misrepresent the treatment of Internet traffic or content to its customers.

(2) Publicly discloses to consumers accurate information regarding the network management practices, performance, and commercial terms of its broadband Internet access services sufficient for consumers to make informed choices regarding use of such services and for content, application, service, and device providers to develop, market, and maintain Internet offerings.

(c) The Secretary may waive the ban on paid prioritization under subdivision (b)(1)(C) of this section only if the Internet service provider demonstrates and the Secretary finds that the practice would provide some significant public interest benefit and would not harm the open nature of the Internet in Vermont.

(d) As used in this section:

(1) "Broadband Internet access service" means a mass-market retail service by wire or radio in Vermont that provides the capability to transmit data to and receive data from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up Internet access service. The term also encompasses any service in Vermont that the Secretary finds to be providing a functional equivalent of the service described in this subdivision, or that is used to evade the protections established in this chapter.

(2) "Edge provider" means any person in Vermont that provides any content, application, or service over the Internet and any person in Vermont that provides a device used for accessing any content, application, or service over the Internet.

(3) "Internet service provider" or "provider" means a business that provides broadband Internet access service to any person in Vermont.

(4) "Paid prioritization" means the management of an Internet service provider's network to favor directly or indirectly some traffic over other traffic, including through the use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either in exchange for consideration, monetary or otherwise, from a third party or to benefit an affiliated entity, or both.

(5) "Reasonable network management" means a practice that has a primarily technical network management justification but does not include other business practices and that is primarily used for and tailored to achieving a legitimate network management purpose, taking into account the particular network architecture and technology of the broadband Internet access service.

(e) The terms and definitions of this section shall be interpreted broadly and any exceptions interpreted narrowly, using relevant Federal Communications Commission orders, advisory opinions, rulings, and regulations as persuasive guidance.

* * * Executive, Legislative, Judicial Branches; Contracts for Internet Service; Certification of Net Neutrality Compliance * * *

Sec. 3. 3 V.S.A. § 349 is added to read:

§ 349. STATE CONTRACTING; INTERNET SERVICE

The Secretary of Administration shall include in Administrative Bulletin 3.5 a requirement that State procurement contracts for broadband Internet access service, as defined in subdivision 348(d)(3) of this title, include terms and conditions requiring that the Internet service provider certify that it is in

compliance with the consumer protection and net neutrality standards established in section 348 of this title.

Sec. 4. 22 V.S.A. § 901 is amended to read:

§ 901. ~~DEPARTMENT OF INFORMATION AND INNOVATION~~ AGENCY OF DIGITAL SERVICES

(a) The ~~Department of Information and Innovation~~ Agency of Digital Services, created in 3 V.S.A. § 2283b, shall have all the responsibilities assigned to it by law, including the following:

* * *

(15) To ensure that any State government contract for broadband Internet access service, as defined in 3 V.S.A. § 348(d)(1), contains terms and conditions requiring that the Internet service provider certify that it is in compliance with the consumer protection and net neutrality standards established in 3 V.S.A. § 348.

(b) As used in this section, "State government" means the agencies of the Executive Branch of State government.

Sec. 5. 2 V.S.A. § 754 is added to read:

§ 754. CONTRACTS FOR INTERNET SERVICE

Every contract for broadband Internet access service, as defined in 3 V.S.A. § 348(d)(1), for the Legislative Branch shall include terms and conditions requiring that the Internet service provider certify that it is in compliance with the consumer protection and net neutrality standards established in 3 V.S.A. § 348.

Sec. 6. 4 V.S.A. § 27a is added to read:

§ 27a. CONTRACTS FOR INTERNET SERVICE

Every contract to provide broadband Internet access service, as defined in 3 V.S.A. § 348(d)(1), for the Judicial Branch shall include terms and conditions requiring that the Internet service provider certify that it is in compliance with the consumer protection and net neutrality standards established in 3 V.S.A. § 348.

Sec. 7. APPLICATION; GOVERNMENT CONTRACTS

The requirements of Secs. 3–6 of this act shall apply to all government contracts for Internet service entered into or renewed on or after either April 15, 2019 or the date on which the Governor's Executive Order No. 2-18 (Internet neutrality in State procurement) is revoked and rescinded, whichever is earlier.

* * * Consumer Protection; Disclosure; Net Neutrality Compliance * * *

Sec. 8. 9 V.S.A. § 2466c is added to read:

§ 2466c. INTERNET SERVICE; NETWORK MANAGEMENT; ATTORNEY GENERAL REVIEW AND DISCLOSURE

(a) The Attorney General shall review the network management practices of Internet service providers in Vermont and, to the extent possible, make a determination as to whether the provider's broadband Internet access service complies with the open Internet rules contained in the Federal Communications Commission's 2015 Open Internet Order, "Protecting and Promoting the Open Internet," WC Docket No. 14-28, Report and Order on Remand, Declaratory Ruling and Order, 30 FCC Rcd 5601.

(b) The Attorney General shall disclose his or her findings under this section on a publicly available, easily accessible website maintained by his or her office.

* * * Net Neutrality Study; Attorney General * * *

Sec. 9. NET NEUTRALITY STUDY

On or before December 15, 2018, the Attorney General, in consultation with the Commissioner of Public Service and with input from industry and consumer stakeholders, shall submit findings and recommendations in the form of a report or draft legislation to the Senate Committees on Finance and on Economic Development, Housing and General Affairs and the House Committees on Energy and Technology and on Commerce and Economic Development reflecting whether and to what extent the State should enact net neutrality rules applicable to Internet service providers offering broadband Internet access service in Vermont. Among other things, the Attorney General shall consider:

(1) the scope and status of federal law related to net neutrality and ISP regulation;

(2) the scope and status of net neutrality rules proposed or enacted in state and local jurisdictions;

(3) methods for and recommendations pertaining to the enforcement of net neutrality requirements;

(4) the economic impact of federal or state changes to net neutrality policy, including to the extent practicable methods for and recommendations pertaining to tracking broadband investment and deployment in Vermont and otherwise monitoring market conditions in the State;

(5) the efficacy of requiring all State agency contracts with Internet service providers to include net neutrality protections;

(6) proposed courses of action that balance the benefits to society that the communications industry brings with actual and potential harms the industry may pose to consumers; and

(7) any other factors and considerations the Attorney General deems relevant to making recommendations pursuant to this section.

* * * Connectivity Initiative; Grant Eligibility; H.581 * * *

Sec. 10. 30 V.S.A. § 7515b is amended to read:

§ 7515b. CONNECTIVITY INITIATIVE

(a) The purpose of the Connectivity Initiative is to provide each service location in Vermont access to Internet service that is capable of speeds of at least 10 Mbps download and 1 Mbps upload, or the FCC speed requirements established under Connect America Fund Phase II, whichever is higher, beginning with locations not served as of December 31, 2013 according to the minimum technical service characteristic objectives applicable at that time. Within this category of service locations, priority shall be given first to unserved and then to underserved locations. As used in this section, "unserved" means a location having access to only satellite or dial-up Internet service and "underserved" means a location having access to Internet service with speeds that exceed satellite and dial-up speeds but are less than 4 Mbps download and 1 Mbps upload. Any new services funded in whole or in part by monies from this Initiative shall be capable of being continuously upgraded to reflect the best available, most economically feasible service capabilities.

(b) The Department of Public Service shall publish annually a list of census blocks eligible for funding based on the Department's most recent broadband mapping data. The Department annually shall solicit proposals from service providers to deploy broadband to eligible census blocks. Funding shall be available for capital improvements only, not for operating and maintenance expenses. The Department shall give priority to proposals that reflect the lowest cost of providing services to unserved and underserved locations; however, the Department also shall consider:

(1) the proposed data transfer rates and other data transmission characteristics of services that would be available to consumers;

(2) the price to consumers of services;

(3) the proposed cost to consumers of any new construction, equipment installation service, or facility required to obtain service;

(4) whether the proposal would use the best available technology that is economically feasible;

(5) the availability of service of comparable quality and speed; and

(6) the objectives of the State's Telecommunications Plan.

* * * Effective Date * * *

Sec. 11. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

VIRGINIA V. LYONS
BRIAN A. CAMPION
MICHAEL D. SIROTKIN

Committee on the part of the Senate

STEPHEN A. CARR
ROBIN J. CHESNUT-TANGERMAN
LAURA H. SIBILIA

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 913.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to boards and commissions.

Was taken up for immediate consideration.

Senator Ayer, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 913. An act relating to boards and commissions.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its first and third proposals of amendment to the House proposal of amendment to the Senate proposal of

amendment (regarding the Joint Information Technology Oversight Committee and its effective date) and that the House accede to the second Senate proposal of amendment to the House proposal of amendment to the Senate proposal of amendment (regarding the Labor Board Review Panel).

CLAIRE D. AYER
ALISON CLARKSON
CHRISTOPHER A. PEARSON

Committee on the part of the Senate

JOHN M. GANNON
ROBERT B. LACLAIR
MARCIA L. GARDNER

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; House Proposal of Amendment Concurred in With an Amendment

H. 675.

Appearing on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and House proposal of amendment to Senate bill entitled:

An act relating to conditions of release prior to trial.

Was taken up for immediate consideration.

The House proposes to the Senate to amend the bill by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. RESTORATIVE JUSTICE PRINCIPLES FOR RESPONDING TO SCHOOL DISCIPLINE PROBLEMS

On or before July 1, 2019, the Agency of Education shall issue guidance to all public school boards and boards of approved independent schools that sets out restorative justice principles for responding to school discipline problems. Each public school board and each board of an approved independent school shall consider this guidance and whether to adopt a policy on the use of restorative justice principles for responding to school discipline problems. The restorative justice principles contained in the Agency guidance shall be designed to:

(1) decrease the use of exclusionary discipline;

(2) ensure that disciplinary measures are applied fairly and do not target students based on race, ethnicity, gender, family income level, sexual

orientation, immigration status, or disability status; and

(3) provide students with the opportunity to make academic progress while suspended or expelled.

Sec. 2. IMPLEMENTATION OF RESTORATIVE JUSTICE PRINCIPLES; GRANT PROGRAM

(a) The Agency of Education shall use funding under 16 V.S.A. § 2969(c) to assist public and approved independent schools with the adoption and implementation of restorative justice principles for responding to school discipline problems. The Agency shall determine the eligibility criteria for receiving a grant and determining the grant amount, and shall monitor the use of grant monies.

(b) On or before December 1, 2018, 2019, and 2020, the Secretary of Education shall submit a written report to the House Committees on Education and on Judiciary and the Senate Committees on Education and on Judiciary describing the eligibility criteria for receiving a grant and for determining the grant amount, identifying the grant recipients and the amounts they received in grant monies, and the use of grant monies by the recipients.

(c) The sum of $250,000.00 is appropriated from the General Fund in fiscal year 2018 to be carried forward for fiscal year 2019 under 16 V.S.A. § 2969(c) for the Agency to administer the grant program in accordance with this section. The Agency is authorized to make a net-neutral appropriation transfer with education funds appropriated to the Agency in fiscal year 2018 to effectuate this one-time increase in grant funding.

Sec. 3. 13 V.S.A. § 3251 is amended to read:

§ 3251. DEFINITIONS

As used in this chapter:

* * *

(9) "Law enforcement officer" means a person certified as a law enforcement officer under the provisions of 20 V.S.A. chapter 151.

Sec. 4. 13 V.S.A. § 3259 is added to read:

§ 3259. SEXUAL EXPLOITATION OF A PERSON IN THE CUSTODY OF A LAW ENFORCEMENT OFFICER

(a) No law enforcement officer shall engage in a sexual act with a person whom the officer is detaining, arresting, or otherwise holding in custody or who the officer knows is being detained, arrested, or otherwise held in custody by another officer.

(b) A person who violates subsection (a) of this section shall be imprisoned for not more than five years or fined not more than $10,000.00, or both.

Sec. 5. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to restorative justice principles in school discipline and sexual exploitation of a person in the custody of a law enforcement officer"

Thereupon, pending the question, Shall the Senate concur in the House proposal of amendment? Senator Sears moved that the Senate concur in the House proposal of amendment with further proposal of amendment as follows:

First: By adding a Sec. 4a to read as follows:

Sec. 4a. 13 V.S.A. § 1702 is amended to read:

§ 1702. CRIMINAL THREATENING

(a) A person shall not by words or conduct knowingly:

(1) threaten another person; and

(2) as a result of the threat, place the other person in reasonable apprehension of death or serious bodily injury.

(b) A person who violates subsection (a) of this section shall be imprisoned not more than one year or fined not more than $1,000.00, or both.

(c) A person who violates subsection (a) of this section with the intent to prevent another person from reporting to the Department for Children and Families the suspected abuse or neglect of a child shall be imprisoned not more than two years or fined not more than $1,000.00, or both.

(d)(1) A person shall not by words or conduct knowingly:

(A) threaten to use a firearm or an explosive device to harm another person in a school building, on school property, or in an institution of higher education; and

(B) as a result of the threat, place any person in reasonable apprehension of death or serious bodily injury.

(2) A person who violates this subsection shall be imprisoned not more than three years or fined not more than $5,000.00, or both.

~~(d)~~(e) As used in this section:

(1) "Serious bodily injury" shall have the same meaning as in section 1021 of this title.

(2) "Threat" and "threaten" shall not include constitutionally protected activity.

(3) "Firearm" shall have the same meaning as in section 4016 of this title.

(4) "School property" shall have the same meaning as in section 4004 of this title.

~~(e)~~(f) Any person charged under this section who is under 18 years of age shall be adjudicated as a juvenile delinquent.

~~(f)~~(g) It shall be an affirmative defense to a charge under this section that the person did not have the ability to carry out the threat. The burden shall be on the defendant to prove the affirmative defense by a preponderance of the evidence.

Second: By striking out Sec. 5 in its entirety and inserting in lieu thereof the following:

Sec. 5. EFFECTIVE DATES

This act shall take effect on passage except Sec. 4a shall take effect on July 1, 2018.

Which was agreed to.

Rules Suspended; Report of Committee of Conference; Consideration Posted by Recess

H. 571.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to creating the Department of Liquor and Lottery and the Board of Liquor and Lottery.

Was taken up for immediate consideration.

Senator McCormack, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 571. An act relating to creating the Department of Liquor and Lottery and the Board of Liquor and Lottery.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate's proposals of amendment and that the bill be further amended as follows:

First: In Sec. 113, 13 V.S.A. § 2143, by striking out subdivision (B) in its entirety and inserting in lieu thereof a new subdivision (B) to read:

(B)(i) A nonprofit organization, as defined in 31 V.S.A. § 1201(5), may organize and execute, and a member of that organization may participate in, lotteries, raffles, or other games of chance in which all of the funds raised are awarded as prizes to the members who participated.

(ii) Lotteries, raffles, and other games of chance organized under this subdivision (B) shall be limited as follows:

(I) an individual who is not a member of the nonprofit organization shall not be allowed to participate;

(II) a nonprofit organization shall not offer or award any prize worth more than $500.00.

Second: In Sec. 113, 13 V.S.A. § 2143, after subdivision (d)(4) and prior to the ellipsis, by inserting the following:

(e) Games of chance shall be limited as follows:

(1) ~~All~~ Except as otherwise provided pursuant to subdivision (a)(1)(B) of this section, all proceeds raised by a game of chance shall be used exclusively for charitable, religious, educational, and civic undertakings after deducting:

Third: In Sec. 115, lottery agent sales practices, in subdivision (a)(1) after the words "purchased by the owner or" by striking out the word "of"

Fourth: In Sec. 115, lottery agent sales practices, by striking out subsection (b) in its entirety and inserting a new subsection (b) to read:

(b) On or before October 1, 2018, the Commissioner shall submit a written report on the findings of the review conducted pursuant to subsection (a) of this section to the Joint Fiscal Committee. The report shall include a recommendation regarding whether a lottery sales agent, the owner or employee of a sales agent, and the members of the immediate household of a sales agent or owner or employee of a sales agent should be prohibited from purchasing lottery tickets from the agent's licensed sales location.

RICHARD J. MCCORMACK
ALISON CLARKSON
TIMOTHY R. ASHE

Committee on the part of the Senate

THOMAS S. STEVENS
TOMMY J. WALZ
DIANA E. GONZALEZ

Committee on the part of the House

Senator Ashe Assumes the Chair

President Resumes the Chair

Thereupon, on motion of Senator Ashe, the Senate recessed until the fall of the gavel.

Called to Order

The Senate was called to order by the President *pro tempore*.

Consideration Resumed; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 23, Nays 5.

Senator Sears having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ayer, Balint, Baruth, Benning, Bray, Brock, Clarkson, Collamore, Cummings, Flory, Ingram, Kitchel, Lyons, Mazza, McCormack, Nitka, Pearson, Pollina, Rodgers, Sirotkin, Soucy, Starr, White.

Those Senators who voted in the negative were: Branagan, Brooks, Campion, MacDonald, Sears.

Those Senators absent or not voting were: Ashe (presiding), Westman.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 917.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to the Transportation Program and miscellaneous changes to transportation-related law.

Was taken up for immediate consideration.

Senator Mazza, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 917. An act relating to the Transportation Program and miscellaneous changes to transportation-related law.

Respectfully reports that it has met and considered the same and recommends that the House recede from its first, second, fourth, and fifth proposals of amendment to the Senate proposal of amendment, that the Senate accede to the House's third proposal of amendment to the Senate proposal of amendment, and that the Senate proposal of amendment be further amended as follows:

First: By striking out Sec. 5 (program development; bike & pedestrian facilities) and the reader assistance thereto in their entireties and by inserting in lieu thereof three sections, Secs. 5, 5a, and 5b, as follows:

* * * Program Development; Bike & Pedestrian Facilities * * *

Sec. 5. PROGRAM DEVELOPMENT—BIKE & PEDESTRIAN FACILITIES PROGRAM

Within the fiscal year 2019 Program Development—Bike & Pedestrian Facilities Program, the sources of funds for the Swanton—St. Johnsbury project (STP LVRT(6)) are amended as follows:

FY19	As Proposed	As Amended	Change
Sources of funds			
State	0	75,000	75,000
Local	427,274	352,274	-75,000
Federal	1,709,098	1,709,098	0
Total	2,136,372	2,136,372	0

* * * Program Development; Paving Program * * *

Sec. 5a. PROGRAM DEVELOPMENT—PAVING PROGRAM

In the fiscal year 2019 Program Development—Paving Program, in addition to the adjustments made pursuant to Sec. 8 of this act, spending authority for the Statewide—State Resurfacing (District Leveling) paving activity is increased by $75,000.00 in transportation funds.

* * * Program Development—Roadway Program * * *

Sec. 5b. PROGRAM DEVELOPMENT—ROADWAY PROGRAM

The following project is added to the development and evaluation (D&E) list of the fiscal year 2019 Program Development—Roadway Program: improvements to the intersection of VT 67A, Matteson Road, Silk Road, and College Drive in the town of Bennington. The Agency shall evaluate alternatives to improve the safety and functionality of the intersection as a result of ongoing safety issues that have been identified at this intersection over the last 10 years.

Second: By striking out Sec. 32 (signs indicating weight limits) and the reader assistance thereto in their entireties and by inserting in lieu thereof the following:

Sec. 32. [Deleted.]

Third: In Sec. 43 (effective dates), in subsection (a), by striking out "PUC investigation" and inserting in lieu thereof "PUC report", and in subsection (b), by striking out "Secs. 30–32 (town highway weight limits; signs)" and inserting in lieu thereof the following: "Secs. 30–31 (town highway weight limits)"

RICHARD T. MAZZA
RICHARD A. WESTMAN
MARGARET K FLORY

Committee on the part of the Senate

PATRICK M. BRENNAN
DAVID E. POTTER
TIMOTHY R. CORCORAN

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 919.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to workforce development.

Was taken up for immediate consideration.

Senator Kitchel, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 919. An act relating to workforce development.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Stakeholder Alignment, Coordination, and Engagement * * *

Sec. 1. FINDINGS AND INTENT

(a) Findings. The General Assembly finds:

(1) A skilled and productive workforce is critical for the economic vitality of Vermont. However, as with all states throughout New England, Vermont currently faces several key labor market challenges:

(A) Employers throughout our State are facing an extremely serious and ongoing skills gap due to the lack of qualified workers to fill a wide range of jobs across multiple sectors, today and into the future.

(B) Vermont has one of the lowest unemployment rates in the country, and there are not enough workers at all skill levels to fill current job vacancies.

(C) Many Vermonters are underemployed and require training to update their skills and find job opportunities that match their interests.

(D) Many Vermonters who are unemployed or underemployed face significant barriers to employment and require more support to overcome these barriers.

(E) Vermont youth currently access postsecondary learning at the lowest rates in New England and with significant inequities of access that are correlated with family income and background. A strategic focus on addressing equity in postsecondary learning opportunities, in alignment with workforce needs, will ensure Vermont maximizes the potential of every Vermonter to participate in the labor market.

(F) Parents, youths, and families are facing a future in which the next generation of workers may not have the same opportunities to prosper as the previous generation.

(G) Vermont has a series of fragmented workforce development programs, but not a unified workforce development system. The recently reconstituted State Workforce Development Board is central to creating such a system.

(2) A major part of the solution to these challenges lies in Vermont's building an effective and efficient State workforce development system that is a diverse public-private partnership among employers, government, and education and training providers designed to ensure that individuals have the skills businesses need.

(b) Intent. In adopting this act, it is the intent of the General Assembly:

(1) to commit to a redesign of Vermont's workforce development and training system through a concerted three-year effort led by the Commissioner of Labor in collaboration with key administration partners, the education and training communities, and other stakeholders from business and government.

(2) to create a framework for this three-year process that will result in a more coherent, efficient, and effective workforce development system within which:

(A) all Vermonters who want to work and all employers who want workers can connect, through education and training, with what they need to thrive; and

(B) stakeholders and programs, both inside and outside State government, are optimally connected and aligned.

Sec. 2. STAKEHOLDER ALIGNMENT, COORDINATION, AND ENGAGEMENT PROCESS; VISION; GOALS

(a) Stakeholder alignment, coordination, and engagement. The State Workforce Development Board, in cooperation with the Department of Labor and the Agencies of Commerce and Community Development, of Education, of Human Services, of Agriculture, Food and Markets, of Natural Resources, and of Transportation shall:

(1) conduct a stakeholder alignment, coordination, and engagement process, consistent with 20 C.F.R. §§ 679.100 and 679.130 and 10 V.S.A. § 541a, to ensure and promote better coordination and agreement around the State's vision and shared goals for meeting Vermont's 21st-century workforce education, training, recruitment, and retention needs;

(2) design the stakeholder alignment, coordination, and engagement process to inform workforce-related aspects of other State strategic plans and reports, including the Workforce Innovation and Opportunity Act State Plan, the State Economic Development Marketing Plan, and the Statewide

Comprehensive Economic Development Strategy; and

(3) in the course of the stakeholder alignment, coordination, and engagement process, solicit the perspectives of job seekers, incumbent workers, employers, industry representatives, program administrators, and workforce service delivery providers.

(b) Action plan. In adopting an action plan, the State Workforce Development Board shall:

(1) on or before February 1, 2020, describe the State's collective vision and goals for workforce development, which shall serve as the basis for an action plan to revitalize Vermont's workforce development system;

(2) post online the vision, goals, and any findings or recommendations; and

(3) provide advance notice to the Chair and Vice Chair of the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs if the recommendations may require legislative action during the 2020 legislative session.

(c) Regional delivery systems. The State Workforce Development Board shall review how functions performed by local workforce investment boards, career technical education regional advisory boards, regional planning commissions, regional development corporations, and other regional economic development and workforce-related boards could be more equitably executed from region to region and recommend structures that would foster better regional collaboration, alignment, and employer participation.

(d) Information sharing. The Department of Labor, with assistance from the State Workforce Development Board, shall facilitate the sharing of information among workforce development and training-delivery organizations during and following the stakeholder alignment, coordination, and engagement process so they may stay current with initiatives and plans related to building an effective workforce development system.

(e) Board authority; permissive activities. The State Workforce Development Board may:

(1) create a workforce development social network map of workforce service delivery providers, employers, workforce program administrators, and industry representatives to:

(A) develop baseline data in conformance with the Workforce Innovation and Opportunity Act about how individuals, including new Americans, and organizations, both within and outside State government, are

involved with workforce development and training around the State;

(B) analyze the relative level of connectivity of people and programs managed inside and outside State government; and

(C) identify opportunities to strengthen connectivity to achieve greater program alignment toward, and realize the Board's vision for, the State's workforce development and training system;

(2) identify the resources necessary to maintain the workforce development social network map over time and track changes in levels of connectivity and alignment across the stakeholder community;

(3) in compliance with employment and confidentiality regulations, and after reviewing currently available data and resources, collect information from:

(A) "front line" service delivery providers to understand how the current system is and is not serving the needs of job seekers and employers;

(B) employers and employees to understand the effectiveness of existing workforce programs; and

(C) past and present participants of training programs to understand whether the program met their expectations and led to a job in their field of interest or training;

(4) initiate activities to improve stakeholders' understanding concerning:

(A) the workforce development system;

(B) the Workforce Investment and Opportunity Act (Act);

(C) the role of the Board; and

(D) how the Act governs workforce development funding and policies implemented by the State;

(5) recommend strategies to improve:

(A) how employer-outreach positions in each of the State-funded field offices might be shared;

(B) what type of coordination is needed between the State-level employer-outreach staff and local workforce organizations, including staff of the regional development corporations and regional planning commissions, to better serve employers;

(C) whether establishing a One-Stop American Job Center in each region to provide comprehensive customer-driven services for employers and job seekers could better serve businesses, improve responsiveness to the needs

of emerging sectors, and increase access to qualified, available workers through direct outreach and recruitment;

(D) scaling or expanding pilot projects that link experts who have career and industry knowledge directly with middle schools or high schools, or both, to foster career readiness and exploration;

(E) ways to share data and information collected from employers among parties who implement workforce development programs; and

(F) what knowledge and education employers may require better to respond to their employees as workers and as members of a family; and

(6) following the stakeholder alignment, coordination, and engagement process outlined in subsection (a) of this section, make recommendations to align relevant funding sources to promote:

(A) employer-driven workforce education and training opportunities;

(B) results-based outcomes;

(C) innovative and effective initiatives, pilots, or demonstration programs that can be scaled to the rest of the State;

(D) access to federal resources that enable more innovative programs and initiatives in Vermont;

(E) equitable access to employment and training opportunities for women and underrepresented populations in Vermont; and

(F) best practices aligned with a two-generation approach to eliminating poverty, as identified by the Vermont Work Group on Whole Family Approach to Jobs.

Sec. 3. 10 V.S.A. § 541a is amended to read:

§ 541a. STATE WORKFORCE DEVELOPMENT BOARD

(a) Board established; duties. Pursuant to the requirements of 29 U.S.C. § 3111, the Governor shall establish ~~a~~ the State Workforce Development Board to assist the Governor in the execution of his or her duties under the Workforce Innovation and Opportunity Act of 2014 and to assist the Commissioner of Labor as specified in section 540 of this title.

(b) Additional duties; planning; process.

(1) ~~In order to~~ To inform its ~~decision-making~~ decision making and to provide effective assistance under subsection (a) of this section, the Board shall:

~~(1)~~(A) conduct an ongoing public engagement process throughout the State that brings together employers and potential employees, including students, the unemployed, and incumbent employees seeking further training, to provide feedback and information concerning their workforce education and training needs; and

~~(2)~~(B) maintain familiarity and promote alignment with the federal, State, and regional Comprehensive Economic Development ~~Strategy (CEDS)~~ Strategies and other economic development planning processes~~,~~ and coordinate workforce and education activities in the State, including the development and implementation of the State plan required under the Workforce Innovation and Opportunity Act of 2014, with economic development planning processes occurring in the State, as appropriate.

(2) To ensure that State-funded and federally funded workforce development and training efforts are of the highest quality and aligned with the State's workforce and economic goals, the Board shall regularly:

(A) review and approve State-endorsed Career Pathways that reflect a shared vision across multiple sectors and agencies for improving employment outcomes, meeting employers' and workers' needs, and leveraging available State and federal funding; and

(B) publicize the State-endorsed Career Pathways, including on websites managed by the Agency of Education, Department of Labor, and Department of Economic Development.

(3) The Board shall have the authority to approve State-endorsed and industry-recognized credentials and certificates, excluding high school diplomas and postsecondary academic degrees, that are aligned with the Career Pathways.

* * *

Sec. 4. RESERVATION OF FUNDS; IMPLEMENTATION

In fiscal year 2019, the Department of Labor shall reserve the amount of $40,000.00 from the Workforce Development Council Fund and the amount of $40,000.00 of federal Workforce Innovation and Opportunity Act funds reserved by the Governor for statewide workforce investment activities, subject to permissible use, to assist the State Workforce Development Board in performing the duties specified in this act.

* * * CTE and Adult Technical Education; Career Pathways * * *

Sec. 5. CAREER PATHWAYS

(a) Definition. As used in this section, "Career Pathways" means a combination of rigorous and high-quality educational, training, and other

experiences and services, beginning not later than seventh grade, that:

(1) at the secondary level, integrates the academic and technical skills required for postsecondary success;

(2) is developed in partnership with business and industry and aligns with the skill needs of industries in the local, regional, and State economies;

(3) prepares an individual to transition seamlessly from secondary to postsecondary or adult technical education experiences and be successful in any of a full range of secondary, postsecondary, or adult technical education options, including registered apprenticeships;

(4) includes career counseling and work-based learning experiences to support an individual in achieving the individual's educational and career goals;

(5) includes, as appropriate, education offered concurrently with, and in the same context as, workforce preparation activities and training for a specific occupation or occupational cluster;

(6) organizes educational, training, and other experiences and services, with multiple entry and exit points along a training progression, to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable;

(7) enables an individual to gain a secondary-school diploma or its recognized equivalent and allow postsecondary credit and industry certifications to be earned in high school; and

(8) prepares an individual to enter, or to advance within, a specific occupation or occupational cluster.

(b) Development of Career Pathways. The Agency of Education, in collaboration with the State Workforce Development Board, shall implement a process for developing Career Pathways that considers:

(1) State and local labor market demands;

(2) the recommendations of regional career technical education advisory boards or other employer-based boards;

(3) alignment with postsecondary education and training opportunities; and

(4) students' ability to gain credentials of value, dual enrollment credits, postsecondary credentials or degrees, and employment.

(c) Reporting. The Agency of Education shall report its progress in developing Career Pathways to the Board on at least an annual basis.

(d) The Board may identify opportunities to leverage Workforce Innovation and Opportunity Act funds, Carl D. Perkins Act postsecondary funds, Next Generation funds, Vermont Training Program funds, and other relevant funding to develop community-based Career Pathways that respond to local occupational demands.

Sec. 6. CAREER READINESS; CTE PILOTS

(a) Collaboration. The Agency of Education, in collaboration with the State Workforce Development Board, shall promote collaboration among middle schools and regional career technical education (CTE) centers to engage in activities including:

(1) developing and delivering introductory CTE courses or lessons to middle school students that are part of broader career education, exploration, and development programs and that are connected to Career Pathways and CTE programs, as appropriate;

(2) increasing student exposure to local career opportunities through activities such as business tours, guest lectures, career fairs, and career-awareness days; and

(3) increasing student exposure to CTE programs through activities such as tours of regional CTE centers, virtual field trips, and CTE guest visits.

(b) Pilot projects. The Agency of Education shall approve up to four pilot projects in a variety of CTE settings. These pilot projects shall propose novel ways of integrating funding for CTE and general education and new governance structures for regional CTE centers, including unified governance structures between regional CTE centers and high schools, or both. Pilot projects shall require both high school and regional CTE center involvement, and shall be designed to enhance the delivery of educational experiences to both high school students and CTE students while addressing the current competitive nature of funding CTE programs.

(1) A pilot project shall extend not longer than two years.

(2) The Agency shall establish guidelines, proposal submission requirements, and a review process to approve pilot projects.

(3) On or before January 15, 2020, the Agency shall report on the outcomes of the pilot projects to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development, Housing and General Affairs.

(c) Recommendation on CTE pre-tech programs. On or before January 15, 2020, the Agency of Education, in collaboration with the State Workforce

Development Board, shall recommend to the House and Senate Committees on Education, the House Committee on Commerce and Economic Development, and the Senate Committee on Economic Development flexible and student-centered policies that support equitable access and opportunity to participate in CTE pre-tech foundation and exploratory programs for students in grades 9 and 10. This recommendation shall include building such activities into students' personalized learning plans when appropriate, so that students are exposed to a wide variety of career choices in their areas of interest. In making its recommendation, the Agency shall consider:

(1) the existing practices of regional CTE centers currently offering CTE pre-tech foundation and exploratory programs for students in grades 9 and 10;

(2) the results of the collaborative efforts made between regional CTE centers and middle schools as required under subsection (a) of this section; and

(3) the results of the pilot projects under subsection (b) of this section.

(d) Technical assistance.

(1) The Agency of Education shall provide technical assistance to schools to help them develop career education, exploration, and development, beginning in middle school, and introduce opportunities available through the regional CTE centers.

(2) The Agency of Education shall offer technical assistance so that regional CTE centers provide rigorous programs of study to students that are aligned with approved Career Pathways. Such programs of study may be combined with a registered apprenticeship program when the registered apprenticeship program is included in a student's personalized learning plan.

(3) The Agency of Education shall offer technical assistance to local education agencies to ensure that each high school student has the opportunity to experience meaningful work-based learning when included in the student's personalized learning plan, and that high schools coordinate effectively with regional CTE centers to avoid unnecessary duplication of programs of student placements and study already provided by the centers.

(e) Definition. As used in this section, "Career Pathways" shall have the same meaning as in Sec. 4 of this act.

Sec. 7. ADULT TRAINING PROGRAMS

(a) Effective use of State investments. The Department of Labor shall ensure that the State's investments in adult training programs are part of a system that is responsive to labor-market demands, provides equitable access to a broad variety of training opportunities, and provides to those jobseekers

with barriers to employment the accommodations or services they need to be successful.

(b) Delivery of training programs. Training programs delivered by regional CTE centers, nonprofit and private entities, and institutions of higher education shall be included in the system.

(c) Technical assistance. The Agency of Education shall provide technical and programmatic guidance and assistance, as appropriate, to the Department of Labor to ensure alignment between secondary and postsecondary programs, policies, funding, and institutions.

Sec. 8. ADULT CAREER TECHNICAL EDUCATION

(a) Regional career technical education (CTE) centers. Vermont's regional CTE centers shall offer adult CTE programs that:

(1) develop technical courses for adults, aligned with a career pathway when possible, that support the occupational training needs of Vermonters seeking to up-skill, re-skill, and obtain credentials leading to employment;

(2) ensure that new and existing training responds to local or Statewide labor market demands;

(3) coordinate with State and regional partners, including other CTE centers, high schools, postsecondary educational institutions, and private training providers, to ensure quality, consistency, efficiency, and efficacy of State and federally funded training opportunities;

(4) support expansion of adult work-based learning experiences, such as registered apprenticeships, by providing related instruction, as appropriate; and

(5) maximize use of federal and State funds by aligning with the State's goals, priorities, and strategies outlined in Vermont's Workforce Innovation and Opportunity Act Unified plan.

(b) Evaluation of technical and occupational training. The State Workforce Development Board shall review how technical and occupational training is delivered to adults throughout the State and consider how adult CTE programs, delivered through the regional CTE centers, contribute to this system. The Board shall make recommendations on:

(1) staffing levels and structures that best support a strong adult technical education system;

(2) optimal hours of operation and facility availability for adult programs; and

(3) any other issues it finds relevant to enhancing support for adult technical education.

(c) Reporting. On or before January 15, 2019, the Board shall report its findings and recommendations to the House Committee on Commerce and Economic Development, the Senate Committees on Economic Development, Housing and General Affairs, and the House and Senate Committees on Education.

(d) Partnering with employers. Nothing in this section shall prevent an adult CTE program or regional CTE center from partnering directly with employers to design and deliver programs meeting specific needs of employers or provide additional courses that meet a State or community need.

(e) Definition. As used in this section, "Career Pathways" shall have the same meaning as in Sec. 4 of this act.

* * * Workforce Training * * *

Sec. 9. STRENGTHENING AND ALIGNING WORKFORCE TRAINING PROGRAMS

The State Workforce Development Board shall:

(1) promote the creation of registered apprenticeship programs, pre-apprenticeship programs, paid internships, occupational trainings, and other work-based and on-the-job learning opportunities that lead to industry-recognized certificates and credentials;

(2) consider ways to meet employers' immediate and long-term employment needs in a variety of ways that can include:

(A) expanding the number and diversity of employer-sponsored registered apprenticeships;

(B) promoting the development of and access to preapprenticeship programs in high schools and career and technical education centers;

(C) engaging Vermont's colleges and universities in delivering the related instructional components of registered apprenticeship programs;

(D) expanding the number of internships and returnships available in current and new sectors;

(E) developing partnerships and alignment between training programs offered in correctional facilities and those offered in business or community settings; and

(F) developing registered apprenticeship programs that guarantee offers of continued employment or consideration for future employment upon completion of the program;

(3) create a process for identifying, monitoring, and evaluating occupational trainings and industry-recognized credentials, which may include a mechanism for endorsing programs that offer credentials or certificates in order to facilitate targeted investments in programs that meet industry needs, ensuring that:

(A) business and industry are participants and are engaged early in the process;

(B) the credential review process involves relevant stakeholders;

(C) credentials are differentiated based on rigor and industry demand; and

(D) systems are designed to be responsive to the changing needs of industry;

(4) create and periodically review publicly available documents that list:

(A) current industry-recognized, State-recognized, and federally recognized credentials;

(B) the requirements to obtain these credentials;

(C) training programs that lead to these credentials; and

(D) the cost of training and educational programs required to obtain the credential; and

(5) work with the Office of Professional Regulation:

(A) to increase recognition of professional skills and credentialing across states; and

(B) to support professional paths that involve more than one industry-recognized, State-recognized, or federally recognized credential and rules adopted by the Office.

Sec. 10. 10 V.S.A. § 543 is amended to read:

§ 543. WORKFORCE EDUCATION AND TRAINING FUND; GRANT PROGRAMS

* * *

(f) Awards. The Commissioner of Labor, in consultation with the Chair of the State Workforce Development Board, shall develop award criteria and may grant awards to the following:

* * *

(2) Vermont ~~Strong~~ Internship Program. Funding for eligible internship programs and activities under the Vermont ~~Strong~~ Internship Program

established in section 544 of this title.

(3) Vermont Returnship Program. Funding for eligible returnship programs and activities under the Vermont Returnship Program established in section 545 of this title.

(4) Apprenticeship Program. The Vermont Apprenticeship Program established under 21 V.S.A. chapter 13. Awards under this subdivision may be used to fund the cost of apprenticeship-related instruction provided by the Department of Labor.

~~(4)~~(5) Career Focus and Planning programs. In collaboration with the Agency of Education, funding for one or more programs that institute career training and planning for young Vermonters, beginning in middle school.

(g) Career Pathways. Programs that are funded under this section resulting in a credit, certificate, or credential shall demonstrate alignment with a Career Pathway.

(h) Expanding offerings. A regional career and technical education center that develops an adult technical education program of study using funding under this section shall:

(1) make the program materials available to other regional career and technical education centers and adult technical education programs;

(2) to the extent possible, align the program with subsequent programs offered through the Vermont State College System, the University of Vermont and State Agricultural College, or an accredited independent college located in Vermont; and

(3) respond to current or projected occupational demands.

* * * Growing the Workforce and Increasing Workforce Participation * * *

Sec. 11. 10 V.S.A. § 544 is amended to read:

§ 544. VERMONT ~~STRONG~~ INTERNSHIP PROGRAM

(a)(1) The Department of Labor, in consultation with the Agency of Education, shall develop, and the Department shall implement, a statewide Vermont ~~Strong~~ Internship Program for students who are in high school or in college and for those who are recent graduates of 24 months or less.

(2) The Department of Labor shall coordinate and provide funding to public and private entities for internship programs that match Vermont employers with students from public and private secondary schools, regional technical centers, the Community High School of Vermont, colleges, and recent graduates of 24 months or less.

(3) Funding awarded through the Vermont ~~Strong~~ Internship Program may be used to build and administer an internship program and to provide participants with a stipend during the internship, based on need. Funds may be made only to programs or projects that:

(A) do not replace or supplant existing positions;

(B) expose students to the workplace or create real workplace expectations and consequences;

(C) provide a process that measures progress toward mastery of skills, attitude, behavior, and sense of responsibility required for success in that workplace;

(D) are designed to motivate and educate participants through work-based learning opportunities with Vermont employers;

(E) include mechanisms that promote employer involvement with secondary and postsecondary students and curriculum and the delivery of education at the participating schools; or

(F) offer participants a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for graduates to continue to work and live in Vermont.

(4) As used in this section, "internship" means a learning experience working with an employer where the intern may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these.

(b) The Department of Labor, in collaboration with the Agencies of Agriculture, Food and Markets and of Education, State-funded postsecondary educational institutions, the State Workforce Development Board, and other State agencies and departments that have workforce education and training and training monies, shall:

(1) identify new and existing funding sources that may be allocated to the Vermont ~~Strong~~ Internship Program;

(2) collect data and establish program goals and performance measures that demonstrate program results for internship programs funded through the Vermont ~~Strong~~ Internship Program;

(3) develop or enhance a website that will connect students and graduates with internship opportunities with Vermont employers;

(4) engage appropriate agencies and departments of the State in the Internship Program to expand internship opportunities with State government and with entities awarded State contracts; and

(5) work with other public and private entities to develop and enhance internship programs, opportunities, and activities throughout the State.

Sec. 12. 10 V.S.A. § 545 is added to read:

§ 545. VERMONT RETURNSHIP PROGRAM

(a) As used in this section, "returnship" means an on-the-job learning experience working with an employer where an individual may, but does not necessarily, receive academic credit, financial remuneration, a stipend, or any combination of these for an individual who is returning to the workforce after an extended absence or are seeking a limited-duration on-the-job work experience in a different occupation or occupational setting.

(b)(1) The Department of Labor shall develop and implement the statewide Vermont Returnship Program.

(2) The Department of Labor shall coordinate and provide funding to public and private entities for returnship programs and opportunities that match experienced workers with Vermont employers.

(3) Funding awarded through the Program may be used to build and administer coordinated and cohesive programs and to provide participants with a stipend during the returnship, based on need. Funds may be made available only to programs or projects that:

(A) do not replace or supplant existing positions;

(B) expose individuals to real and meaningful workplace experiences;

(C) provide a process that measures progress toward mastery of hard and soft professional skills and other factors that indicate a likelihood of success in the workplace;

(D) are designed to motivate and educate participants through work-based learning opportunities with Vermont employers; or

(E) offer participants a continuum of learning, experience, and relationships with employers that will make it financially possible and attractive for individuals to continue to work and live in Vermont.

(c) The Department of Labor shall:

(1) identify new and existing funding sources that may be allocated to the Program;

(2) collect data and establish program goals and performance measures that demonstrate program results for returnship programs funded through the Program;

(3) engage appropriate agencies and departments of the State in the Program to expand returnship opportunities within State government and with entities awarded State contracts; and

(4) work with other public and private entities to develop and enhance returnship programs, opportunities, and activities throughout the State.

Sec. 13. VERMONT RETURNSHIP PROGRAM; APPROPRIATION

The amount of $100,000.00 is appropriated from the General Fund in fiscal year 2018 to the Department of Labor, to be carried forward for fiscal year 2019 and used for the Vermont Returnship Program created in 10 V.S.A. § 545.

Sec. 14. GROWING THE SIZE AND QUALITY OF THE WORKFORCE

(a) Increasing participation. The Department of Labor and the Agencies of Commerce and Community Development, of Education, and of Human Services, in partnership with the State Workforce Development Board, shall:

(1) increase Vermonters' labor force participation by creating multitiered engagement, training, and support activities that help working-age Vermonters who are able to participate or to participate to a greater degree in the workforce;

(2) recruit and relocate new workers and employers to Vermont; and

(3) assist businesses in locating and retaining qualified workers.

(b) Methods. The Department of Labor and the Agencies of Commerce and Community Development, of Education, and of Human Services shall:

(1) engage regional and statewide stakeholders, including regional CTE centers, regional development corporations, and regional planning commissions, to identify needs and strategies, and define success;

(2) identify targets and methods of recruitment, relocation, retraining, and retention;

(3) leverage resources available in current State and federal programs to support more workers from within and outside Vermont entering and staying in the Vermont workforce;

(4) create metrics for tracking the success of outreach efforts and economic impact; and

(5) develop policies and identify tools that support a two-generation approach to successful employment, addressing the needs of children in the lives of working adults.

(c) Board authority; identifying potential incentives. The State Workforce Development Board may identify incentives to enable and encourage targeted populations to participate in the labor force, including unemployment insurance waivers, income tax reductions, exemption of State tax on Social Security, housing and transportation vouchers, greater access to mental health and addiction treatment, and tuition and training reimbursements. The Board shall notify the House Committees on Commerce and Economic Development and on Human Services of any findings or recommendations, as appropriate.

Sec. 15. 10 V.S.A. § 540 is amended to read:

§ 540. WORKFORCE EDUCATION AND TRAINING LEADER

The Commissioner of Labor shall be the leader of workforce education and training in the State~~,~~ and shall have the authority and responsibility for the coordination of workforce education and training within State government, including the following duties:

(1) Perform the following duties in consultation with the State Workforce Development Board:

* * *

(G) design and implement criteria and performance measures for workforce education and training activities; ~~and~~

(H) establish goals for the integrated workforce education and training system; and

(I) with the assistance of the Secretaries of Commerce and Community Development, of Human Services, of Education, of Agriculture, Food and Markets, and of Transportation and of the Commissioner of Public Safety, develop and implement a coordinated system to recruit, relocate, and train workers to ensure the labor force needs of Vermont's businesses are met.

* * *

(8) Coordinate intentional outreach and connections between students graduating from Vermont's colleges and universities and employment opportunities in Vermont.

* * *

Sec. 16. VERMONT TALENT PIPELINE MANAGEMENT PROJECT

(a)(1) The Vermont Talent Pipeline Management Project (VTPM) is a statewide public and private partnership among the Agency of Commerce and Community Development, Brattleboro Development Credit Corporation, Franklin/Grand Isle Workforce Investment Board, Lake Champlain Regional Chamber of Commerce, and Vermont Business Roundtable that is also

informed by resource partners, including the Agency of Education, Department of Labor, Greater Burlington Industrial Corporation, State Workforce Development Board, Vermont Chamber of Commerce, and Vermont Student Assistance Corporation.

(2) The Project is an employer-oriented strategy that expands the role of employers as end customers of the education and workforce systems. The Project seeks to improve the employability of Vermonters and the alignment of employers' needs with education and workforce development and training programs.

(b) The Agency of Education, Department of Labor, State Workforce Development Board, and Vermont Talent Pipeline Management Project may collaborate to support the development, scale-up, funding, and roll out of Career Pathways across appropriate sectors, businesses of various size, and regions of the State.

* * * Accountability; Data Collection and Monitoring; Reporting * * *

Sec. 17. RESULTS-BASED MONITORING AND DATA COLLECTION

(a)(1) The Department of Labor, with the assistance of the Government Accountability Committee and the State Workforce Development Board, shall develop a framework to evaluate workforce education, training, and support programs and services.

(2) The Department shall apply the framework to the State's workforce system inventory and shall distinguish programs and services based on method of delivery, customer, program administrator, goal, or other appropriate category.

(3) The framework shall:

(A) establish population-level indicators based on desired outcomes for the workforce development delivery system;

(B) along with workforce development social network mapping work that the Board may pursue, support program and service alignment of State-grant-funded projects with the State Workforce Innovation and Opportunity Act Plan;

(C) align with the Board's vision;

(D) note performance measures that already exist in the workforce system and identify where State-specific measures would help monitor progress in achieving the State's goals; and

(E) identify gaps in service delivery and areas of duplication in services.

(b) The State Workforce Development Board shall:

(1) consider whether the information and data currently collected and reported throughout the workforce development system are useful;

(2) identify what information and data are not available or not readily accessible;

(3) make its findings publicly available; and

(4) recommend a process to improve the collection and reporting of data.

(c) The State Workforce Development Board may:

(1) create a process and a timeline to collect program-level data for the purposes of updating the State's workforce system inventory and use a data-driven process to evaluate the current workforce service delivery system;

(2) develop tools for program and service delivery providers that support continuous improvement using data-driven decision making, common information-sharing systems, and a customer-focused service delivery system; and

(3) review methods of engaging employers and evaluate data-related and other tools available to employers to facilitate their access to and retention of workers.

Sec. 18. REPORTING

(a) On or before January 15, 2019, the State Workforce Development Board shall submit to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the House and Senate Committees on Education a report that specifically addresses the implementation of each section of this act.

(b) On or before January 15, 2019, the Department of Labor, in collaboration with the Agency of Education and the State Workforce Development Board, shall report to the House Committee on Commerce and Economic Development, the Senate Committee on Economic Development, Housing and General Affairs, and the House and Senate Committees on Education concerning:

(1) how to encourage more businesses to offer apprenticeships;

(2) how to encourage more labor force participation in apprenticeships; and

(3) of the myriad federal and private apprenticeship opportunities available, what additional opportunities in what industry sectors should be

offered or enhanced in Vermont.

* * * WIOA Youth Funds * * *

Sec. 19. PROCESS FOR AWARDING WIOA YOUTH FUNDS

(a) On or before December 1, 2018, the Department of Labor shall review the current delivery of youth workforce investment activities funded by WIOA Youth Funds and consider whether more youth might be better served through awards or grants to youth service providers, consistent with section 123 of the federal Workforce Innovation and Opportunity Act.

(b)(1) If the Department decides not to provide directly some or all of the youth workforce investment activities, the State Workforce Development Board shall award grants or contracts for specific elements or activities on a competitive basis, consistent with 20 C.F.R. § 681.400.

(2) The providers of youth services shall meet criteria established in the State Plan and be able to meet performance accountability measures for the federally established primary indicators of performance for youth programs.

* * * Workforce Development in Particular Sectors;

Television and Film Production * * *

Sec. 20. WORKFORCE DEVELOPMENT; FILM AND TELEVISION TRADES

(a) The Vermont Department of Labor, in partnership with the Vermont Film Institute, Vermont Technical College, and local institutes of higher education shall explore and pursue opportunities to access current federal ApprenticeshipUSA funds to develop and offer registered apprenticeships in the film and television production trades industry, including electrical work, lighting, set building, and art direction.

(b) Related instruction that is developed and administered as part of a registered apprenticeship program shall also provide the registered apprentice with college credit that is recognized by an accredited post-secondary institution in Vermont.

(c) The Department of Labor, in partnership with the Agency of Education, Agency of Commerce and Community Development, and the regional CTE centers shall:

(1) promote other work-based learning experiences, including internships, job shadowing, returnships, and on-the-job training, in the film and television production trades industry;

(2) build connections with and among industry professionals; and

(3) conduct outreach to middle school, high school, and postsecondary students.

* * * Workforce Development in Particular Sectors;

Green Energy and Technology * * *

Sec. 21. WORKFORCE DEVELOPMENT; GREEN ENERGY AND TECHNOLOGY

The Department of Labor, in partnership with the Agency of Education, the Agency of Commerce and Community Development, the Agency of Natural Resources, and interested stakeholders, shall:

(1) develop Career Pathways, beginning in middle school, that lead to employment in the green energy sector;

(2) work with employers in the green energy sector to explore opportunities to create registered apprenticeships,

(3) identify certifications and credentials that support workforce expansion in the green energy sector; and

(4) collaborate, to the extent possible, to create, fund, and offer instruction that leads to industry recognized credentials in the green energy sector.

* * * Effective Date * * *

Sec. 23. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

M. JANE KITCHEL
ALISON CLARKSON
ALICE W. NITKA

Committee on the part of the Senate

WILLIAM G. F. BOTZOW
MICHAEL J. MARCOTTE
JANET ANCEL

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 593.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to miscellaneous consumer protection provisions.

Was taken up for immediate consideration.

Senator Sirotkin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 593. An act relating to miscellaneous consumer protection provisions.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment to the Senate proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Automatic Renewal Provisions in Consumer Contracts * * *

Sec. 1. 9 V.S.A. § 2454a is added to read:

§ 2454a. CONSUMER CONTRACTS; AUTOMATIC RENEWAL

(a) A contract between a consumer and a seller or a lessor with an initial term of one year or longer that renews for a subsequent term that is longer than one month shall not renew automatically unless:

(1) the contract states clearly and conspicuously the terms of the automatic renewal provision in plain, unambiguous language in bold-face type;

(2) in addition to accepting the contract, the consumer takes an affirmative action to opt in to the automatic renewal provision; and

(3) if the consumer opts in to the automatic renewal provision, the seller or lessor provides a written or electronic notice to the consumer:

(A) not less than 30 days and not more than 60 days before the earliest of:

(i) the automatic renewal date;

(ii) the termination date; or

(iii) the date by which the consumer must provide notice to cancel the contract; and

(B) that includes:

(i) the date the contract will terminate and a clear statement that the contract will renew automatically unless the consumer cancels the contract on or before the termination date;

(ii) the length and any additional terms of the renewal period;

(iii) one or more methods by which the consumer can cancel the contract; and

(iv) contact information for the seller or lessor.

(b) A person who violates a provision of subsection (a) of this section commits an unfair and deceptive act in commerce in violation of section 2453 of this title.

(c) The provisions of this section do not apply to:

(1) a contract between a consumer and a financial institution, as defined in 8 V.S.A. § 11101, or between a consumer and a credit union, as defined in 8 V.S.A. § 30101; or

(2) a contract for insurance, as defined in 8 V.S.A. § 3301a.

Sec. 2. AUTOMATIC RENEWAL OF CONTRACTS; APPLICABILITY TO EXISTING CONTRACTS

(a) A contract between a consumer and a seller or lessor in effect on July 1, 2019 with an initial term of one year or longer that renews for a subsequent term that is longer than one month shall not renew automatically unless the seller or lessor sends written or electronic notice to the consumer with the information required in 9 V.S.A. § 2454a(a)(3)(B):

(1) not less than 30 days and not more than 60 days before the earliest of:

(A) the automatic renewal date;

(B) the termination date; or

(C) the date by which the consumer must provide notice to cancel the contract; or

(2) if the contract will automatically renew on or before July 31, 2019, then as soon as is commercially reasonable after this section takes effect.

(b) The Attorney General shall have the same authority to enforce this section as set forth in 9 V.S.A. § 2454a.

(c) The provisions of this section do not apply to:

(1) a contract between a consumer and a financial institution, as defined in 8 V.S.A. § 11101, or between a consumer and a credit union, as defined in 8 V.S.A. § 30101; or

(2) a contract for insurance, as defined in 8 V.S.A. § 3301a.

* * * Retainage of Payment for Construction Materials * * *

Sec. 3. 9 V.S.A. § 4005 is amended to read:

§ 4005. RETAINAGE

(a) If payments under a construction contract are subject to retainage, any amounts ~~which~~ that have been retained during the performance of the contract and ~~which~~ that are due to be released to the contractor upon final completion shall be paid within 30 days after final acceptance of the work.

(b) If an owner is not withholding retainage, a contractor or subcontractor may withhold retainage from its subcontractor in accordance with their agreement. The retainage shall be paid within 30 days after final acceptance of the work.

(c) Notwithstanding any contrary agreement, a contractor shall pay to its subcontractors, and each subcontractor shall in turn pay to its subcontractors, within seven days after receipt of the retainage, the full amount due to each such subcontractor.

(d) If an owner, contractor, or subcontractor unreasonably withholds acceptance of the work or fails to pay retainage as required by this section, the owner, contractor, or subcontractor shall be subject to the interest, penalty, and attorney's fees provisions of sections 4002, 4003, and 4007 of this title.

(e) Notwithstanding any provision of this section or an agreement to the contrary, except in the case of a contractor or subcontractor who is both a materialman who delivers materials and is contracted to perform work using those materials, a contractor or subcontractor shall not hold retainage for contracted materials that:

(1) have been delivered by a materialman and accepted by the contractor at the site or off site; and

(2) are covered by a manufacturer's warranty or graded to meet industry standards, or both.

* * * Credit Protection for Vulnerable Persons * * *

Sec. 4. 9 V.S.A. § 2480a is amended to read:

§ 2480a. DEFINITIONS

~~For purposes of~~ As used in this subchapter and subchapter 9 of this chapter:

(1) "Consumer" means a natural person ~~residing in this State~~ other than a protected consumer.

(2) "Consumer who is subject to a protected consumer security freeze" means a natural person:

(A) for whom a credit reporting agency placed a security freeze under section 2480h of this title; and

(B) who, on the day on which a request for the removal of the security freeze is submitted under section 2480h of this title, is not a protected consumer.

~~(2)~~(3) "Credit report" means ~~any written, oral, or other communication of any information by a credit reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living, including an investigative credit report. The term does not include:~~

~~(A) a report containing information solely as to transactions or experiences between the consumer and the person making the report; or~~

~~(B) an authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device~~ a consumer report, as defined in 15 U.S.C. § 1681a, that is used or collected in whole or in part for the purpose of serving as a factor in establishing a consumer's eligibility for credit for personal, family, or household purposes.

~~(3)~~(4) "Credit reporting agency" or "agency" means ~~any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of reporting to third parties on the credit rating or creditworthiness of any consumer~~ a person who, for fees, dues, or on a cooperative basis, regularly engages in whole or in part in the practice of assembling or evaluating information concerning a consumer's credit or other information for the purpose of furnishing a credit report to another person.

(5) "File" shall have the same meaning as in 15 U.S.C. § 1681a.

~~(4)~~(6) "Identity theft" means the unauthorized use of another person's personal identifying information to obtain credit, goods, services, money, or property.

(7) "Incapacitated person" shall have the same meaning as in 14 V.S.A. § 3152.

~~(5)~~(8) "Investigative credit report" means a report in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom the consumer is acquainted or who may have knowledge concerning any such items of information. The term does not include reports of specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a credit reporting agency when such information was obtained directly from a creditor of the consumer or from the consumer.

(9)(A) "Personal information" means personally identifiable financial information:

(i) provided by a consumer to another person;

(ii) resulting from any transaction with the consumer or any service performed for the consumer; or

(iii) otherwise obtained by another person.

(B) "Personal information" does not include:

(i) publicly available information, as that term is defined by the regulations prescribed under 15 U.S.C. § 6804; or

(ii) any list, description, or other grouping of consumers and publicly available information pertaining to the consumers that is derived without using any nonpublic personal information.

(C) Notwithstanding subdivision (B) of this subdivision (11), "personal information" includes any list, description, or other grouping of consumers and publicly available information pertaining to the consumers that is derived using any nonpublic personal information other than publicly available information.

(10) "Proper authority" means:

(A) in the case that it is required of a protected consumer's representative:

(i) sufficient proof of identification of the protected consumer;

(ii) sufficient proof of identification of the protected consumer's representative; and

(iii) sufficient proof of authority to act on behalf of the protected consumer; and

(B) in the case that it is required of a consumer who is subject to a protected consumer security freeze:

(i) sufficient proof of identification of the consumer who is subject to a protected consumer security freeze; and

(ii) proof that the consumer who is subject to a protected consumer security freeze is not a protected consumer.

~~(6)~~(11) "Proper identification~~,~~" ~~as used in this subchapter, means that information generally deemed sufficient to identify a person~~ shall have the same meaning as in 15 U.S.C. § 1681h(a)(1), and includes:

(A) the consumer's full name, including first, last, and middle names and any suffix;

(B) any name the consumer previously used;

(C) the consumer's current and recent full addresses, including street address, any apartment number, city, state, and zip code;

(D) the consumer's Social Security number; and

(E) the consumer's date of birth.

(12) "Protected consumer" means a natural person who, at the time a request for a security freeze is made, is:

(A) under 16 years of age;

(B) an incapacitated person; or

(C) a protected person.

(13) "Protected consumer security freeze" means:

(A) if a consumer reporting agency does not have a file that pertains to a protected consumer, a restriction that:

(i) is placed on the protected consumer's record in accordance with this subchapter; and

(ii) except as otherwise provided in this subchapter, prohibits the consumer reporting agency from releasing the protected consumer's record; or

(B) if a consumer reporting agency has a file that pertains to the protected consumer, a restriction that:

(i) is placed on the protected consumer's credit report in accordance with this subchapter; and

(ii) except as otherwise provided in this subchapter, prohibits the consumer reporting agency from releasing the protected consumer's credit report or any information derived from the protected consumer's credit report.

(14) "Protected person" shall have the same meaning as in 14 V.S.A. § 3152.

(15) "Record" means a compilation of information that:

(A) identifies a protected consumer;

(B) is created by a consumer reporting agency solely for the purpose of complying with this section; and

(C) may not be created or used to consider the protected consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

(16) "Representative" means a person who provides to a consumer reporting agency sufficient proof of authority to act on behalf of a protected consumer.

~~(7)~~(17) "Security freeze" means a notice placed in a credit report, at the request of the consumer, pursuant to section 2480h of this title.

(18) "Sufficient proof of authority" means documentation that shows that a person has authority to act on behalf of a protected consumer, including:

(A) a birth certificate;

(B) a court order;

(C) a lawfully executed power of attorney; or

(D) a written, notarized statement signed by the person that expressly describes the person's authority to act on behalf of the protected consumer.

(19) "Sufficient proof of identification" means information or documentation that identifies a protected consumer or a representative, including:

(A) a Social Security number or a copy of a Social Security card issued by the U.S. Social Security Administration;

(B) a certified or official copy of a birth certificate; or

(C) a copy of a government-issued driver's license or identification card.

Sec. 5. 9 V.S.A. chapter 63, subchapter 9 is added to read:

Subchapter 9. Credit Protection for Minors

§ 2483. APPLICABILITY

This subchapter does not apply to the use of a protected consumer's credit report or record by:

(1) a person administering a credit file monitoring subscription service to which:

(A) the protected consumer has subscribed; or

(B) the protected consumer's representative has subscribed on the protected consumer's behalf;

(2) a person who, upon request from the protected consumer or the protected consumer's representative, provides the protected consumer or the protected consumer's representative with a copy of the protected consumer's credit report;

(3) a check services or fraud prevention services company that issues:

(A) reports on incidents of fraud; or

(B) authorization for the purpose of approving or processing negotiable instruments, electronic funds transfers, or similar payment methods;

(4) a deposit account information service company that issues reports regarding account closures due to fraud, substantial overdrafts, automated teller machine abuse, or similar information regarding an individual to inquiring banks or other financial institutions for use only in reviewing an individual's request for a deposit account at the inquiring bank or financial institution;

(5) an insurance company for the purpose of conducting the insurance company's ordinary business;

(6) a consumer reporting agency that:

(A) only resells credit information by assembling and merging information contained in a database of another consumer reporting agency or multiple consumer reporting agencies; and

(B) does not maintain a permanent database of credit information from which new credit reports are produced; or

(7) a consumer reporting agency's database or file that consists of information that:

(A) concerns and is used for:

(i) criminal record information;

(ii) fraud prevention or detection;

(iii) personal loss history information; or

(iv) employment, tenant, or individual background screening; and

(B) is not used for credit granting purposes.

§ 2483a. SECURITY FREEZE FOR PROTECTED CONSUMER; TIME IN EFFECT

(a) A consumer reporting agency shall place a security freeze for a protected consumer if the protected consumer's representative submits a request, including proper authority, to the address and in the manner specified by the consumer reporting agency.

(b) If a consumer reporting agency does not have a file that pertains to a protected consumer when the consumer reporting agency receives a request described in subsection (a) of this section, the consumer reporting agency shall create a record for the protected consumer.

(c) The credit reporting agency shall:

(1) place a security freeze not later than 30 days after the date the agency receives a request pursuant to subsection (a) of this section; and

(2) not later than 10 business days after placing the freeze:

(A) send a written confirmation of the security freeze to the protected consumer or the protected consumer's representative; and

(B) provide a unique personal identification number or password, other than a Social Security number, or another method of authentication that is equally or more secure than a PIN or password, to be used to authorize the release of the protected consumer's credit for a specific party, parties, or period of time.

(d)(1) A credit reporting agency shall lift temporarily a protected consumer security freeze to allow access by a specific party or parties or for a specific period of time, upon a request from the protected consumer's representative.

(2) The protected consumer's representative shall submit the request to the address and in the manner specified by the consumer reporting agency.

(3) The request shall include:

(A) proper authority; and

(B) the unique personal identification number, password, or other method of authentication provided by the credit reporting agency pursuant to subsection (c) of this section.

(e) A credit reporting agency may develop procedures involving the use of telephone, fax, the Internet, or other electronic media to receive and process a request to lift temporarily a freeze on a credit report pursuant to subsection (d) of this section in an expedited manner.

(f) A credit reporting agency that receives a request to lift temporarily a freeze on a credit report pursuant to subsection (d) of this section shall comply with the request not later than three business days after receiving the request.

(g) A credit reporting agency shall remove or lift temporarily a freeze placed on a protected consumer's credit report only in the following cases:

(1) Upon request, pursuant to subsection (d) or (j) of this section.

(2) If the protected consumer's credit report was frozen due to a material misrepresentation of fact by the protected consumer or by his or her representative. If a credit reporting agency intends to remove a freeze upon a protected consumer's credit report pursuant to this subdivision, the credit reporting agency shall notify the protected consumer and his or her representative in writing prior to removing the freeze on the consumer's credit report.

(h) If a third party requests access to a credit report on which a protected consumer security freeze is in effect and this request is in connection with an application for credit or any other use and neither the consumer subject to the protected consumer security freeze nor the protected consumer's representative allows the credit report to be accessed for that specific party or period of time, the third party may treat the application as incomplete.

(i) A credit reporting agency that receives a request to place a protected consumer security freeze pursuant to this section shall disclose to the protected consumer and his or her representative the process of placing and lifting temporarily a security freeze and the process for allowing access to information from the protected consumer's credit report for a specific party, parties, or period of time while the protected consumer security freeze is in place.

(j)(1) A protected consumer security freeze shall remain in place until the credit reporting agency receives a request to remove the freeze from:

(A) the protected consumer's representative; or

(B) the consumer who is subject to the protected consumer security freeze.

(2) A credit reporting agency shall remove a protected consumer security freeze within three business days after receiving a proper request for removal.

(3) The party requesting the removal of a protected consumer security freeze pursuant to subdivision (1) of this subsection shall submit the request to the address and in the manner specified by the consumer reporting agency.

(4) The request shall include:

(A) proper authority; and

(B) the unique personal identification number, password, or other method of authentication provided by the credit reporting agency pursuant to subsection (c) of this section.

(k) A credit reporting agency shall require proper identification of the person making a request to place or remove a protected consumer security freeze.

(l) The provisions of this section, including the protected consumer security freeze, do not apply to the use of a consumer report by the following:

(1) A person, or the person's subsidiary, affiliate, agent, or assignee with which the protected consumer has or, prior to assignment, had an account, contract, or debtor-creditor relationship for the purposes of reviewing the account or collecting the financial obligation owing for the account, contract, or debt, or extending credit to a consumer with a prior or existing account, contract, or debtor-creditor relationship, subject to the requirements of section 2480e of this title. As used in this subdivision, "reviewing the account" includes activities related to account maintenance, monitoring, credit line increases, and account upgrades and enhancements.

(2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to whom access has been granted under subsection (d) of this section for purposes of facilitating the extension of credit or other permissible use.

(3) Any person acting pursuant to a court order, warrant, or subpoena.

(4) The Office of Child Support when investigating a child support case pursuant to Title IV-D of the Social Security Act (42 U.S.C. §§ 651–669b) and 33 V.S.A. § 4102.

(5) The Economic Services Division of the Department for Children and Families or the Department of Vermont Health Access or its agents or assignees acting to investigate welfare or Medicaid fraud.

(6) The Department of Taxes, municipal taxing authorities, or the Department of Motor Vehicles or any of their agents or assignees acting to investigate or collect delinquent taxes or assessments, including interest and penalties or unpaid court orders, or to fulfill any of their other statutory or charter responsibilities.

(7) A person's use of credit information for the purposes of prescreening as provided by the federal Fair Credit Reporting Act.

(8) Any person for the sole purpose of providing a credit file monitoring subscription service to which the consumer has subscribed.

(9) A credit reporting agency for the sole purpose of providing a consumer with a copy of his or her credit report upon the consumer's request.

(10) Any property and casualty insurance company for use in setting or adjusting a rate or underwriting for property and casualty insurance purposes.

§ 2483b. FEES

A consumer reporting agency shall not charge a fee for any service performed under this subchapter.

* * * Use of Credit Information for Personal Insurance * * *

Sec. 6. 8 V.S.A. § 4727 is added to read:

§ 4727. PERSONAL INSURANCE; USE OF CREDIT INFORMATION

(a) Purpose. The purpose of this section is to regulate the use of credit information for personal insurance so that consumers are afforded certain protections with respect to the use of such information.

(b) Scope. This section applies to personal insurance and not to commercial insurance. As used in this section, "personal insurance" means private passenger automobile, homeowners, motorcycle, mobile home owners, and noncommercial dwelling fire insurance policies. Such policies must be underwritten for personal, family, or household use. No other types of insurance shall be included as personal insurance for the purpose of this section.

(c) Definitions. As used in this section:

(1) "Adverse action" means a denial or cancellation of, an increase in any charge for, or a reduction or other adverse or unfavorable change in the terms of coverage or amount of, any insurance, existing or applied for, in connection with the underwriting of personal insurance.

(2) "Affiliate" means any company that controls, is controlled by, or is under common control with another company.

(3) "Applicant" means an individual who has applied to be covered by a personal insurance policy with an insurer.

(4) "Consumer" means an insured whose credit information is used or whose insurance score is calculated in the underwriting or rating of a personal insurance policy or an applicant for such a policy.

(5) "Consumer reporting agency" means any person who, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports

to third parties.

(6) "Credit information" means any credit-related information derived from a credit report, found on a credit report itself, or provided on an application for personal insurance. Information that is not credit-related shall not be considered "credit information," regardless of whether it is contained in a credit report or in an application or is used to calculate an insurance score.

(7) "Credit report" means any written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, or credit capacity that is used or expected to be used or collected in whole or in part for the purpose of serving as a factor to determine personal insurance premiums, eligibility for coverage, or tier placement.

(8) "Insurance score" means a number or rating that is derived from an algorithm, computer application, model, or other process that is based in whole or in part on credit information for the purposes of predicting the future insurance loss exposure of an individual applicant or insured.

(d) Use of credit information. An insurer authorized to do business in this State that uses credit information to underwrite or rate risks shall not:

(1) Use an insurance score that is calculated using income, gender, address, zip code, ethnic group, religion, marital status, or nationality of the consumer as a factor.

(2) Deny, cancel, or nonrenew a policy of personal insurance solely on the basis of credit information without consideration of any other applicable underwriting factor independent of credit information and not expressly prohibited by subdivision (1) of this subsection.

(3) Base an insured's renewal rates for personal insurance solely upon credit information without consideration of any other applicable factor independent of credit information.

(4) Take an adverse action against a consumer solely because he or she does not have a credit card account without consideration of any other applicable factor independent of credit information.

(5) Consider an absence of credit information or an inability to calculate an insurance score in underwriting or rating personal insurance unless the insurer does one of the following:

(A) treats the consumer as otherwise approved by the Commissioner if the insurer presents information that such an absence or inability relates to the risk for the insurer;

(B) treats the consumer as if the applicant or insured had neutral

credit information, as defined by the insurer; or

(C) excludes the use of credit information as a factor and uses only other underwriting criteria.

(6) Take an adverse action against a consumer based on credit information unless an insurer obtains and uses a credit report issued or an insurance score calculated within 90 days from the date the policy is first written or renewal is issued.

(7) Use credit information unless not later than every 36 months following the last time that the insurer obtained current credit information for the insured, the insurer recalculates the insurance score or obtains an updated credit report. Regardless of the requirements of this subsection:

(A) At annual renewal, upon the request of a consumer or the consumer's agent, the insurer shall reunderwrite and rerate the policy based upon a current credit report or insurance score. An insurer need not recalculate the insurance score or obtain the updated credit report of a consumer more frequently than once in a 12-month period.

(B) The insurer shall have the discretion to obtain current credit information upon any renewal before the 36 months if consistent with its underwriting guidelines.

(C) No insurer need obtain current credit information for an insured, despite the requirements of subdivision (A) of this subdivision (7), if one of the following applies:

(i) The insurer is treating the consumer as otherwise approved by the Commissioner.

(ii) The insured is in the most favorably priced tier of the insurer within a group of affiliated insurers. However, the insurer shall have the discretion to order such report if consistent with its underwriting guidelines.

(iii) Credit was not used for underwriting or rating such insured when the policy was initially written. However, the insurer shall have the discretion to use credit for underwriting or rating such insured upon renewal if consistent with its underwriting guidelines.

(iv) The insurer reevaluates the insured beginning not later than 36 months after inception and thereafter based upon other underwriting or rating factors, excluding credit information.

(8) Use the following as a negative factor in any insurance scoring methodology or in reviewing credit information for the purpose of underwriting or rating a policy of personal insurance:

(A) credit inquiries not initiated by the consumer or inquiries requested by the consumer for his or her own credit information;

(B) inquiries relating to insurance coverage, if so identified on a consumer's credit report;

(C) collection accounts with a medical industry code, if so identified on the consumer's credit report;

(D) multiple lender inquiries if coded by the consumer reporting agency on the consumer's credit report as being from the home mortgage industry and made within 30 days of one another unless only one inquiry is considered; and

(E) multiple lender inquiries if coded by the consumer reporting agency on the consumer's credit report as being from the automobile lending industry and made within 30 days of one another unless only one inquiry is considered.

(e)(1) Extraordinary life circumstances. Notwithstanding any other law or rule to the contrary, an insurer that uses credit information shall, on written request from an applicant for insurance coverage or an insured, provide reasonable exceptions to the insurer's rates, rating classifications, company or tier placement, or underwriting rules or guidelines for a consumer who has experienced and whose credit information has been directly influenced by any of the following events:

(A) a catastrophic event, as declared by the federal or State government;

(B) a serious illness or injury or a serious illness or injury to an immediate family member;

(C) the death of a spouse, child, or parent;

(D) divorce or involuntary interruption of legally owed alimony or support payments;

(E) identity theft;

(F) the temporary loss of employment for a period of three months or more if it results from involuntary termination;

(G) military deployment overseas; or

(H) other events as determined by the insurer.

(2) If an applicant or insured submits a request for an exception as set forth in subdivision (1) of this subsection, an insurer may, in its sole discretion, but is not mandated to:

(A) require the consumer to provide reasonable written and independently verifiable documentation of the event;

(B) require the consumer to demonstrate that the event had direct and meaningful impact on the consumer's credit information;

(C) require such request be made not more than 60 days from the date of the application for insurance or the policy renewal;

(D) grant an exception despite the consumer not providing the initial request for an exception in writing; or

(E) grant an exception where the consumer asks for consideration of repeated events or the insurer has considered this event previously.

(3) An insurer is not out of compliance with any law or rule relating to underwriting, rating, or rate filing as a result of granting an exception under this section. Nothing in this section shall be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of this section.

(4) The insurer shall provide notice to consumers that reasonable exceptions are available and information about how the consumer may inquire further.

(5) Within 30 days following the insurer's receipt of sufficient documentation of an event described in subdivision (1) of this subsection, the insurer shall inform the consumer of the outcome of the request for a reasonable exception. Such communication shall be in writing or provided to an applicant in the same medium as the request.

(f) Dispute resolution and error correction. If it is determined through the dispute resolution process set forth in the federal Fair Credit Reporting Act, 15 U.S.C. § 1681i(a)(5), that the credit information of a current insured was incorrect or incomplete and if the insurer receives notice of such determination from either the consumer reporting agency or from the insured, the insurer shall reunderwrite and rerate the consumer within 30 days following receiving the notice. After reunderwriting or rerating the insured, the insurer shall make any adjustments necessary, consistent with its underwriting and rating guidelines. If an insurer determines that the insured has overpaid the premium, the insurer shall refund to the insured the amount of overpayment calculated back to the shorter of either the last 12 months of coverage or the actual policy period.

(g)(1) Initial notification. If an insurer writing personal insurance uses credit information in underwriting or rating a consumer, the insurer or its agent shall disclose, either on the insurance application or at the time the insurance application is taken, that it may obtain credit information in connection with

such application. Such disclosure shall be either written or provided to an applicant in the same medium as the application for insurance. The insurer need not provide the disclosure statement required under this section to any insured on a renewal policy if such consumer has previously been provided a disclosure statement.

(2) Use of the following example disclosure statement constitutes compliance with this section: "In connection with this application for insurance, we may review your credit report or obtain or use a credit-based insurance score based on the information contained in that credit report. We may use a third party in connection with the development of your insurance score."

(h) Adverse action notification. If an insurer takes an adverse action based upon credit information, the insurer must meet the notice requirements of this subsection. Such insurer shall:

(1) Provide notification to the consumer that an adverse action has been taken, in accordance with the requirements of the federal Fair Credit Reporting Act, 15 U.S.C. § 1681m(a).

(2) Provide notification to the consumer explaining the reason for the adverse action. The reasons must be provided in sufficiently clear and specific language so that a person can identify the basis for the insurer's decision to take an adverse action. Such notification shall include a description of up to four factors that were the primary influences of the adverse action. The use of generalized terms such as "poor credit history," "poor credit rating," or "poor insurance score" does not meet the explanation requirements of this subsection. Standardized credit explanations provided by consumer reporting agencies or other third-party vendors are deemed to comply with this section.

(i) Plain language. In any written communication or notification to a consumer pursuant to this section, an insurer shall use clear and plain language that is understandable to the average consumer.

(j) Filing. Insurers that use insurance scores to underwrite and rate risks must file their scoring models, or other scoring processes, with the Department of Financial Regulation. A third party may file scoring models on behalf of insurers. A filing that includes insurance scoring may include loss experience justifying the use of credit information. Any filing relating to credit information is considered a trade secret and is not subject to disclosure under Vermont's Public Records Act.

(k) Indemnification. An insurer shall indemnify, defend, and hold agents harmless from and against all liability, fees, and costs arising out of or relating to the actions, errors, or omissions of a producer who obtains or uses credit

information or insurance scores, or both, for an insurer, provided the producer follows the instructions of or procedures established by the insurer and complies with any applicable law or rule. Nothing in this section shall be construed to provide a consumer or other insured with a cause of action that does not exist in the absence of this section.

(l) Sale of policy term information by consumer reporting agency. A consumer reporting agency shall not provide or sell data or lists that include any information that in whole or in part was submitted in conjunction with an insurance inquiry about a consumer's credit information or a request for a credit report or insurance score. Such information includes the expiration dates of an insurance policy or any other information that may identify time periods during which a consumer's insurance may expire and the terms and conditions of the consumer's insurance coverage. The restrictions provided in this subsection do not apply to data or lists the consumer reporting agency supplies to the insurance producer from whom information was received, the insurer on whose behalf such producer acted, or such insurer's affiliates or holding companies. Nothing in this section shall be construed to restrict any insurer from being able to obtain a claims history report or a motor vehicle report.

* * * Effective Dates * * *

Sec. 7. EFFECTIVE DATES

(a) This section shall take effect on passage.

(b) Sec. 6 (credit information for personal insurance) shall take effect on passage and apply to personal insurance policies that either are written to be effective or are renewed on or after nine months after the date of passage.

(c) Secs. 4–5 (credit protection for vulnerable persons) shall take effect on January 1, 2019.

(d) Sec. 3 (retainage for construction materials) shall take effect on July 1, 2018.

(e) Secs. 1–2 (automatic renewal provisions) shall take effect on July 1, 2019.

TIMOTHY R. ASHE
REBECCA A. BALINT
MICHAEL D. SIROTKIN

Committee on the part of the Senate

MICHAEL J. MARCOTTE
WILLIAM G. F. BOTZOW
CHARLES "CHIP" W. CONQUEST

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 696.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to establishing a State individual mandate.

Was taken up for immediate consideration.

Senator Lyons, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 696. An act relating to establishing a State individual mandate

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 32 V.S.A. chapter 244 is added to read:

CHAPTER 244. REQUIREMENT TO MAINTAIN MINIMUM ESSENTIAL COVERAGE

§ 10451. DEFINITIONS

As used in this chapter:

(1) "Applicable individual" means, with respect to any month, an individual other than the following:

(A) an individual with a religious conscience exemption;

(B) an individual not lawfully present in the United States; or

(C) an individual for any month if for the month the individual is

incarcerated, other than incarceration pending the disposition of charges.

(2) "Eligible employer-sponsored plan" shall have the same meaning as in 26 U.S.C. § 5000A, as amended, and as in effect on December 31, 2017, and any related regulations.

(3) "Minimum essential coverage" shall have the same meaning as in 26 U.S.C. § 5000A, as amended, and as in effect on December 31, 2017, and any related regulations.

§ 10452. REQUIREMENT TO MAINTAIN MINIMUM ESSENTIAL COVERAGE

An applicable individual shall ensure that the individual and any dependent of the individual who is also an applicable individual is covered at all times under minimum essential coverage.

Sec. 2. PENALTY FOR FAILURE TO MAINTAIN MINIMUM ESSENTIAL COVERAGE; LEGISLATIVE INTENT

It is the intent of the General Assembly that the individual mandate to maintain minimum essential coverage established by this act should be enforced by means of a financial penalty or other enforcement mechanism and that the enforcement mechanism or mechanisms should be enacted during the 2019 legislative session in order to provide notice of the penalty to all Vermont residents prior to the open enrollment period for coverage for the 2020 plan year.

Sec. 3. INDIVIDUAL MANDATE WORKING GROUP; REPORT

(a) Creation. There is created the Individual Mandate Working Group to develop recommendations regarding administration and enforcement of the individual mandate to maintain minimum essential coverage.

(b) Membership. The Working Group shall be composed of the following members:

(1) the Secretary of Human Services or designee;

(2) the Commissioner of Financial Regulation or designee;

(3) the Commissioner of Taxes or designee;

(4) the Chair of the Green Mountain Care Board or designee;

(5) the Chief Health Care Advocate or designee; and

(6) one representative of each health insurer offering qualified health benefit plans through the Vermont Health Benefit Exchange.

(c) Powers and duties. The Working Group shall develop recommendations regarding administration and enforcement of the individual mandate to maintain minimum essential coverage, including:

(1) enforcement mechanisms, such as financial penalties for failure to maintain minimum essential coverage;

(2) additional forms of coverage that should or should not be considered minimum essential coverage;

(3) exemptions from compliance with the individual mandate, including exemptions related to religion, affordability, hardship, and short gaps in coverage; and

(4) procedures for administration of the individual mandate and for collection of any financial penalties by the Department of Taxes.

(d) Assistance. The Working Group shall have the administrative, technical, and legal assistance of the Green Mountain Care Board, the Department of Vermont Health Access, the Department of Financial Regulation, and the Department of Taxes.

(e) Report. On or before November 1, 2018, the Working Group shall provide its recommendations for administration and enforcement of the individual mandate to the House Committees on Health Care and on Ways and Means, the Senate Committees on Health and Welfare and on Finance, the Joint Fiscal Committee, and the Health Reform Oversight Committee.

(f) Meetings.

(1) The Chair of the Green Mountain Care Board or designee shall call the first meeting of the Working Group to occur on or before July 1, 2018.

(2) The Working Group shall cease to exist on November 1, 2018.

Sec. 4. PLAN YEARS 2019 AND 2020 HEALTH COVERAGE OUTREACH EFFORTS

(a) Before and during the open enrollment period for 2019 health benefit plans, the Department of Vermont Health Access, in consultation with the Office of the Health Care Advocate and other interested stakeholders, shall engage in coordinated outreach efforts to educate Vermont residents about the importance of health insurance coverage and shall assist Vermont residents with identifying the coverage options for which they are eligible and with selecting and enrolling in coverage.

(b) Before and during the open enrollment period for 2020 health benefit plans, the Department of Vermont Health Access and the Department of Taxes, in consultation with the Office of the Health Care Advocate and other

interested stakeholders, shall engage in coordinated outreach efforts to educate Vermont residents about their responsibilities beginning on January 1, 2020 under Vermont's individual mandate to maintain minimum essential coverage and about the penalties for failure to maintain such coverage.

Sec. 5. EFFECTIVE DATES

(a) Sec. 1 (32 V.S.A. chapter 244) shall take effect on January 1, 2020.

(b) The remaining sections shall take effect on passage.

VIRGINIA V. LYONS
MARK A. MACDONALD
MICHAEL D. SIROTKIN

Committee on the part of the Senate

TIMOTHY C. BRIGLIN
ANNE B. DONAHUE
BENJAMIN R. JICKLING

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 27.

Pending entry on the Calendar for notice, on motion of Senator Sears, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to eliminating the statute of limitations on prosecutions for sexual assault.

Was taken up for immediate consideration.

Senator Sears, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 27. An act relating to eliminating the statute of limitations on prosecutions for sexual assault.

Respectfully reports that it has considered the same and recommends that the House accede to the Senate Proposal of Amendment and that the bill be further amended as follows:

First: In Sec. 1, amending 13 V.S.A. § 1386, by striking out in its entirety the phrase "or responsible licensing entities" and inserting in lieu thereof "and responsible licensing entities"

Second: In Sec. 2, amending 16 V.S.A. § 253, in subsection (c), in the first sentence, by striking out in its entirety the phrase "or responsible licensing entities" and inserting in lieu thereof "and responsible licensing entities"

Third: In Sec. 2, amending 16 V.S.A. § 253, in subsection (c), by striking out the fourth sentence in its entirety and inserting in lieu thereof the following: "Notwithstanding any provision of law to the contrary, a person shall not be subject to civil or criminal liability for disclosing information that is required by this section to be disclosed if the person was acting in good faith. This immunity from liability shall not apply when the information supplied by a person is knowingly false or rendered with a malicious purpose."

Fourth: By striking out in its entirety Sec. 3, Committee for Protecting Students from Sexual Exploitation, and inserting in lieu thereof the following:

Sec. 3. COMMITTEE FOR PROTECTING STUDENTS FROM SEXUAL EXPLOITATION

(a) Creation. There is created the Committee for Protecting Students from Sexual Exploitation.

(b) Membership. The Committee shall be composed of the following 12 members:

(1) the Attorney General or designee;

(2) the Secretary of Education or designee;

(3) the Executive Director of the Vermont School Boards Association or designee;

(4) the Executive Director of the Vermont Independent Schools Association or designee;

(5) the Executive Director of Vermont-National Educators Association or designee;

(6) the Executive Director of Child Abuse Vermont or designee;

(7) the Executive Director of the Vermont Network Against Domestic and Sexual Violence or designee;

(8) the Executive Director of the Department of State's Attorneys and Sheriffs or designee;

(9) the Defender General or designee;

(10) the Commissioner for Children and Families or designee;

(11) the Executive Director of the Vermont Superintendents Association or designee; and

(12) a member appointed by the Northwest Unit of the Special Investigation Units with experience in investigating grooming behaviors.

(c) Powers and duties. The Committee, in consultation with school personnel, shall recommend whether behaviors by an employee of, or contractor for, a public school or recognized or approved independent school designed to establish a romantic or sexual relationship with a child or a student, so-called "grooming behaviors," should be unlawful under Vermont law, and, if the Committee recommends that grooming behaviors should be unlawful, shall include in its recommendation:

(1) how grooming behaviors should be defined;

(2) whether all students or children in a school environment should be covered;

(3) whether the behavior should result in a misdemeanor or a felony, and the related punishment; and

(4) the statute of limitations for bringing a related action.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of the Attorney General.

(e) Report. On or before October 15, 2019, the Committee shall submit a written report to the House and Senate Committees on Education and on Judiciary with its findings and any recommendations.

(f) Meetings.

(1) The Office of the Attorney General or designee shall call the first meeting of the Committee to occur on or before July 15, 2018.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on October 16, 2019.

Fifth: In Sec. 4, amending 21 V.S.A. § 306, by striking out in its entirety the phrase "or responsible licensing entities" and inserting in lieu thereof "and

responsible licensing entities"

Sixth: By adding a new section, to be Sec. 5, to read:

Sec. 5. MODEL POLICY ON ELECTRONIC COMMUNICATIONS

On or before July 1, 2019, the Agency of Education, in collaboration with the Vermont School Boards' Association and the Council of Independent Schools, shall develop a model policy on electronic communications between school employees and students designed to prevent exploitation of children. This policy shall be adopted by public schools and recognized and approved independent schools, as defined in 16 V.S.A. § 11, for the 2019-2020 school year and shall be maintained for future school years.

And by renumbering the remaining section to be numerically correct.

TIMOTHY R. ASHE
RICHARD W. SEARS
DEBORAH J. INGRAM

Committee on the part of the Senate

KATHRYN L. WEBB
BEN W. JOSEPH
CHRISTOPHER P. MATTOS

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Third Reading Ordered; Rules Suspended; Bill Passed in Concurrence

H. 716.

Pending entry on the Calendar for notice, on motion of Senator White, the rules were suspended and House bill entitled:

An act relating to approval of the adoption of the charter of the Edward Farrar Utility District and the merger of the Village of Waterbury into the District.

Was taken up for immediate consideration.

Senator White, for the Committee on Government Operations, to which the bill was referred, reported that the bill ought to pass in concurrence.

Thereupon, the bill was read the second time by title only pursuant to Rule 43, and third reading of the bill was ordered.

Thereupon, on motion of Senator White, the rules were suspended and the bill was placed on all remaining stages of its passage forthwith.

Thereupon, the bill was read the third time and passed in concurrence.

Rules Suspended; Bills Delivered

On motion of Senator Balint, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 285, S. 289.

Rules Not Suspended; Bill Not Messaged

Senator Balint, moved the rules be suspended, and **H. 559** be messaged to the House forthwith which was disagreed to on a roll call, Yeas 17, Nays 11 (the necessary 3/4ths not having been attained).

Senator Rodgers having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ayer, Balint, Baruth, Bray, Campion, Clarkson, Cummings, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Pearson, Pollina, Sirotkin, White.

Those Senators who voted in the negative were: Benning, Branagan, Brock, Brooks, Collamore, Flory, Nitka, Rodgers, Sears, Soucy, Starr.

Those Senators absent or not voting were: Ashe (presiding), Westman.

Appointments Confirmed

Under suspension of the rules (and particularly, Senate Rule 93), as moved by Senator White, the following Gubernatorial appointments were confirmed together as a group by the Senate, without reports given by the Committees to which they were referred and without debate:

The nomination of

Heald, Francis of Rutland - Member, Travel Information Council - May 4, 2018 to February 29, 2020.

Was confirmed by the Senate.

The nomination of

Kennett, Elizabeth of Rochester - Member, Travel Information Council - May 4, 2018 to February 29, 2020.

Was confirmed by the Senate.

The nomination of

LaBarge, John of Grand Isle - Member, Travel Information Council - May 4, 2018 to February 29, 2020.

Was confirmed by the Senate.

The nomination of

Lang, Lisa of Waitsfield - Member, Travel Information Council - May 4, 2018 to February 28, 2019.

Was confirmed by the Senate.

The nomination of

Sheahan, Nancy of South Burlington - Member, State Police Advisory Commission - May 4, 2018 to February 28, 2022.

Was confirmed by the Senate.

The nomination of

Benoit, John of Barre - Member, Electricians' Licensing Board - August 5, 2017 to June 30, 2020.

Was confirmed by the Senate.

The nomination of

Gentile, Betsy of Brattleboro - Member, Vermont Economic Progress Council - June 26, 2017 to March 21, 2021.

Was confirmed by the Senate.

The nomination of

Horn, Patricia of Windsor - Member, Vermont Economic Progress Council - June 6, 2017 to March 31, 2021.

Was confirmed by the Senate.

The nomination of

Keane, Michael of Bennington - Member, Vermont Economic Progress Council - June 26, 2017 to March 31, 2021.

Was confirmed by the Senate.

The nomination of

Mock, Casey of Burlington - Executive Director, Vermont Economic Progress Council - November 27, 2017 to March 31, 2019.

Was confirmed by the Senate.

The nomination of

Smith, Rachel of St. Albans - Member, Vermont Economic Progress Council - June 26, 2017 to March 31, 2021.

Was confirmed by the Senate.

The nomination of

Voigt, Steven of Norwich - Member, Vermont Economic Development Authority - January 12, 2018 to June 30, 2020.

Was confirmed by the Senate.

The nomination of

Jagielski, Tom of Grand Isle - Member, Occupational Safety and Health Review Board - July 12, 2017 to February 28, 2023.

Was confirmed by the Senate.

The nomination of

Metz, Janet of Jericho - Member, Employment Security Board - August 5, 2017 to February 28, 2023.

Was confirmed by the Senate.

The nomination of

Nesbitt, Thomas of Waterbury Center - Member, Plumbers' Examining Board - October 2, 2017 to February 28, 2021.

Was confirmed by the Senate.

The nomination of

Troiano, Jo Ann of Montpelier - Member, Vermont State Housing Authority - December 5, 2017 to February 28, 2022.

Was confirmed by the Senate.

The nomination of

Thomas, Brian of Shrewsbury - Member, Plumbers' Examining Board - August 5, 2017 to February 29, 2020.

Was confirmed by the Senate.

The nomination of

Fischer, Robert of Barre - Member, VT Citizens' Advisory Council on Lake Champlain's Future - April 15, 2018 to February 28, 2021.

Was confirmed by the Senate.

The nomination of

Naud, Mark of South Hero - Member, VT Citizens' Advisory Council on Lake Champlain's Future - April 15, 2018 to April 28, 2021.

Was confirmed by the Senate.

Appointment Not Confirmed

The following Gubernatorial appointment was not confirmed by the Senate, upon full report given by the Committee to which it was referred:

The nomination of

O'Neill, Karen of Hinesburg - Member, State Labor Relations Board - February 26, 2018 to June 30, 2021.

Was not confirmed by the Senate.

Recess

The Chair declared a recess until the fall of the gavel.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 911.

Appearing on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on House bill entitled:

An act relating to changes in Vermont's personal income tax and education financing system.

Was taken up for immediate consideration.

Senator Cummings, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 911. An act relating to changes in Vermont's personal income tax and education financing system.

Respectfully reports that it has met and considered the same and recommends that the bill be amended by striking out all after the enacting

clause and inserting in lieu thereof the following:

* * * Personal Income Tax Changes * * *
* * * Taxable Income * * *

Sec. 1. 32 V.S.A. § 5811 is amended to read:

§ 5811. DEFINITIONS

* * *

(21) "Taxable income" means, in the case of an individual, federal adjusted gross income determined without regard to 26 U.S.C. § 168(k) and:

* * *

(B) Decreased by the following items of income (to the extent such income is included in federal adjusted gross income):

(i) income from U.S. government obligations;

(ii) with respect to adjusted net capital gain income as defined in 26 U.S.C. § 1(h) reduced by the total amount of any qualified dividend income: either the first $5,000.00 of such adjusted net capital gain income; or 40 percent of adjusted net capital gain income from the sale of assets held by the taxpayer for more than three years, except not adjusted net capital gain income from:

(I) the sale of any real estate or portion of real estate used by the taxpayer as a primary or nonprimary residence; or

(II) the sale of depreciable personal property other than farm property and standing timber; or stocks or bonds publicly traded or traded on an exchange, or any other financial instruments; regardless of whether sold by an individual or business; and provided that the total amount of decrease under this subdivision (21)(B)(ii) shall not exceed 40 percent of federal taxable income; ~~and~~

(iii) recapture of State and local income tax deductions not taken against Vermont income tax; <u>and</u>

<u>(iv) the portion of federally taxable benefits received under the federal Social Security Act that is required to be excluded under section 5830e of this chapter;</u> and

(C) Decreased by the following exemptions and deductions:

(i) ~~the amount of personal exemptions taken at the federal level~~ <u>a personal exemption of $4,150.00 per person for the taxpayer, for the spouse or the deceased spouse of the taxpayer whose filing status under section 5822 of this chapter is married filing a joint return or surviving spouse, and for each</u>

individual qualifying as a dependent of the taxpayer under 26 U.S.C. § 152, provided that no exemption may be claimed for an individual who is a dependent of another taxpayer;

(ii) ~~for taxpayers who do not itemize at the federal level, the amount of the~~ a standard deduction ~~taken at the federal level~~ determined as follows:

(I) for taxpayers whose filing status under section 5822 of this chapter is unmarried (other than surviving spouses or heads of households) or married filing separate returns, $6,000.00;

(II) for taxpayers whose filing status under section 5822 of this chapter is head of household, $9,000.00;

(III) for taxpayers whose filing status under section 5822 of this chapter is married filing joint return or surviving spouse, $12,000.00; ~~and~~

(iii) ~~for taxpayers who itemize at the federal level:~~

~~(I) the amount of federally itemized deductions for medical and dental expenses and charitable contributions;~~

~~(II) the total amount of federally itemized deductions, other than deductions for State and local income taxes, medical and dental expenses, and charitable contributions, deducted from federal adjusted gross income for the taxable year, but in no event shall the amount under this subdivision exceed two and one-half times the federal standard deduction allowable to the taxpayer; and~~

~~(III) in no event shall the total amount of deductions allowed under subdivisions (I) and (II) of this subdivision (21)(C)(iii) reduce the total amount of itemized deductions below the federal standard deduction allowable to the taxpayer~~ an additional deduction of $1,000.00 for each federal deduction for which the taxpayer qualified and received under 26 U.S.C. § 63(f); and

(iv) the dollar amounts of the personal exemption allowed under subdivision (i) of this subdivision (21)(C), the standard deduction allowed under subdivision (ii) of this subdivision (21)(C), and the additional deduction allowed under subdivision (iii) of this subdivision (21)(C) shall be adjusted annually for inflation by the Commissioner of Taxes beginning with taxable year 2018 by using the Consumer Price Index and the same methodology as used for adjustments under 26 U.S.C. § 1(f)(3); provided however, that as used in this subdivision "consumer price index" means the last Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor.

* * *

* * * Personal Income Tax Rates * * *

Sec. 2. PERSONAL INCOME TAX RATES

(a) 2009 Spec. Sess. Acts and Resolves No. 2, Sec. 20 is repealed.

(b) For taxable year 2018 and after, income tax rates under 32 V.S.A. § 5822(a)(1)-(5), after taking into consideration any inflation adjustments to taxable income as required by 32 V.S.A. § 5822(b)(2), shall be as follows:

(1) taxable income that without the passage of this act would have been subject to a rate of 3.55 percent shall be taxed at the rate of 3.35 percent instead;

(2) taxable income that without the passage of this act would have been subject to a rate of 6.80 percent shall be taxed at the rate of 6.60 percent instead;

(3) taxable income that without the passage of this act would have been subject to a rate of 7.80 percent shall be taxed at the rate of 7.60 percent instead;

(4) taxable income that without the passage of this act would have been subject to a rate of 8.80 percent or 8.95 percent shall be taxed at the rate of 8.75 percent instead; the tax brackets for taxable income taxed at 8.80 percent and 8.95 percent in taxable year 2017 shall be combined to be taxed at a rate of 8.75 percent for taxable year 2018 and after.

(c) When preparing the Vermont Statutes Annotated for publication, the Office of Legislative Council shall revise the tables in 32 V.S.A. § 5822(a)(1)-(5) to reflect the changes to the tax rates and tax brackets made in this section.

* * * Charitable Credit; Earned Income Tax Credit; Social Security Income; Other Adjustments * * *

Sec. 3. 32 V.S.A. § 5822 is amended to read:

§ 5822. TAX ON INCOME OF INDIVIDUALS, ESTATES, AND TRUSTS

(a) A tax is imposed for each taxable year upon the taxable income earned or received in that year by every individual, estate, and trust, subject to income taxation under the laws of the United States, in an amount determined by the following tables, and adjusted as required under this section:

* * *

(b) As used in this section:

(1) "Married individuals," "surviving spouse," "head of household," "unmarried individual," "estate," and "trust" have the same meaning as under the Internal Revenue Code.

(2) The amounts of taxable income shown in the tables in this section shall be adjusted annually for inflation by the Commissioner of Taxes~~,~~ using the Consumer Price Index adjustment percentage, in the manner prescribed for inflation adjustment of federal income tax tables for the taxable year by the Commissioner of Internal Revenue, beginning with taxable year 2003; provided, however, notwithstanding 26 U.S.C. § 1(f)(3), as used in this subdivision, "consumer price index" means the last Consumer Price Index for All Urban Consumers published by the U.S. Department of Labor.

* * *

(d)(1) A taxpayer shall be entitled to a credit against the tax imposed under this section of 24 percent of each of the credits allowed against the taxpayer's federal income tax for the taxable year as follows: credit for people who are elderly or permanently totally disabled, investment tax credit attributable to the Vermont-property portion of the investment, and child care and dependent care credits.

* * *

(3) Individuals shall receive a nonrefundable charitable contribution credit against the tax imposed under this section for the taxable year. The credit shall be five percent of the first $20,000.00 in charitable contributions made during the taxable year that are allowable under 26 U.S.C. § 170. This credit shall be available irrespective of a taxpayer's election not to itemize at the federal level.

* * *

Sec. 4. 32 V.S.A. § 5828b(a) is amended to read:

(a) A resident individual or part-year resident individual who is entitled to an earned income tax credit granted under the laws of the United States shall be entitled to a credit against the tax imposed for each year by section 5822 of this title. The credit shall be ~~32~~ 36 percent of the earned income tax credit granted to the individual under the laws of the United States, multiplied by the percentage ~~which~~ that the individual's earned income that is earned or received during the period of the individual's residency in this State bears to the individual's total earned income.

Sec. 5. 32 V.S.A. § 5830e is added to read:

§ 5830e. SOCIAL SECURITY INCOME

The portion of federally taxable Social Security benefits excluded from taxable income under subdivision 5811(21)(B)(iv) of this chapter shall be as follows:

(1) For taxpayers whose filing status is single, married filing separately, head of household, or qualifying widow or widower:

(A) If the federal adjusted gross income of the taxpayer is less than or equal to $45,000.00, all federally taxable benefits received under the federal Social Security Act shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than $45,000.00 but less than $55,000.00, the percentage of federally taxable benefits received under the Social Security Act to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over $45,000.00, determined by:

(i) subtracting the federal adjusted gross income of the taxpayer from $55,000.00;

(ii) dividing the value under subdivision (i) of this subdivision (B) by $10,000.00; and

(iii) multiplying the value under subdivision (ii) of this subdivision (B) by the federally taxable benefits received under the Social Security Act.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than $55,000.00, no amount of the federally taxable benefits received under the Social Security Act shall be excluded under this section.

(2) For taxpayers whose filing status is married filing jointly:

(A) If the federal adjusted gross income of the taxpayer is less than or equal to $60,000.00, all federally taxable benefits received under the Social Security Act shall be excluded.

(B) If the federal adjusted gross income of the taxpayer is greater than $60,000.00 but less than $70,000.00, the percentage of federally taxable benefits received under the Social Security Act to be excluded shall be proportional to the amount of the taxpayer's federal adjusted gross income over $60,000.00, determined by:

(i) subtracting the federal adjusted gross income of the taxpayer from $70,000.00;

(ii) dividing the value under subdivision (i) of this subdivision (B) by $10,000.00; and

(iii) multiplying the value under subdivision (ii) of this subdivision (B) by the federally taxable benefits received under the Social Security Act.

(C) If the federal adjusted gross income of the taxpayer is equal to or greater than $70,000.00, no amount of the federally taxable benefits received under the Social Security Act shall be excluded under this section.

Sec. 6. 32 V.S.A. § 5813 is amended to read:

§ 5813. STATUTORY PURPOSES

* * *

(w) The statutory purpose of the partial exemption of federally taxable benefits under the Social Security Act in section 5830e of this title is to lessen the tax burden on Vermonters with low to moderate income who derive part of their income from Social Security payments.

(x) The statutory purpose of the charitable contribution credit in subdivision 5822(d)(3) of this title is to reduce the tax liability for Vemonters who contribute to charitable causes.

Sec. 7. 32 V.S.A. § 5824 is amended to read:

§ 5824. ADOPTION OF FEDERAL INCOME TAX LAWS

The statutes of the United States relating to the federal income tax, as in effect ~~for taxable year 2016~~ on December 31, 2017, but without regard to federal income tax rates under 26 U.S.C. § 1, are hereby adopted for the purpose of computing the tax liability under subchapter 2 of this chapter. For purposes of computing the tax liability for any taxable year under subchapter 3 of this chapter, the statutes of the United States relating to the federal income tax in effect for that taxable year, whether enacted before or after this chapter, are hereby adopted, unless otherwise provided.

* * * Allocation of Education Funds * * *

Sec. 8. 16 V.S.A. § 4025 is amended to read:

§ 4025. EDUCATION FUND

(a) The Education Fund is established to comprise the following:

(1) ~~All~~ all revenue paid to the State from the statewide education tax on nonresidential and homestead property under 32 V.S.A. chapter 135~~.~~;

(2) ~~For each fiscal year, the amount of the general funds appropriated and transferred to the Education Fund shall be $305,900,000.00, to be increased annually beginning for fiscal year 2018 by the consensus Joint Fiscal Office and Administration determination of the National Income and Product Accounts (NIPA) Implicit Price Deflator for State and Local Government Consumption Expenditures and Gross Investment as reported by the U.S. Department of Commerce, Bureau of Economic Analysis through the fiscal~~

~~year for which the payment is being determined, plus an additional one-tenth of one percent.~~ [Repealed.]

(3) ~~Revenues~~ revenues from State lotteries under 31 V.S.A. chapter 14~~,~~ and from any multijurisdictional lottery game authorized under that chapter~~.~~;

(4) 25 percent of the revenues from the meals and rooms taxes imposed under 32 V.S.A. chapter 225;

(5) ~~One-third~~ one-third of the revenues raised from the purchase and use tax imposed by 32 V.S.A. chapter 219, notwithstanding 19 V.S.A. § 11(1)~~.~~;

(6) ~~Thirty-six percent of the~~ revenues raised from the sales and use tax imposed by 32 V.S.A. chapter 233~~.~~;

(7) Medicaid reimbursement funds pursuant to subsection 2959a(f) of this title.

(b) Monies in the Education Fund shall be used for the following:

(1) To make payments to school districts and supervisory unions for the support of education in accordance with the provisions of section 4028 of this title, other provisions of this chapter, and the provisions of 32 V.S.A. chapter 135~~, to make payments to carry out programs of adult education in accordance with section 945 of this title, and to provide funding for the community high school of Vermont~~; the Flexible Pathways Initiative established by 16 V.S.A. § 941, but excluding adult education and literacy programs under 16 V.S.A. § 945.

* * *

(3) To make payments required under 32 V.S.A. § 6066(a)(1) ~~and (2)~~ and only that portion attributable to education taxes, as determined by the Commissioner of Taxes, of payments required under 32 V.S.A. § 6066(a)(3) and (4) ~~and 6066(b)~~. The State Treasurer shall withdraw funds from the Education Fund upon warrants issued by the Commissioner of Finance and Management based on information supplied by the Commissioner of Taxes. The Commissioner of Finance and Management may draw warrants for disbursements from the Fund in anticipation of receipts. All balances in the Fund at the end of any fiscal year shall be carried forward and remain a part of the Fund. Interest accruing from the Fund shall remain in the Fund.

* * *

(c) ~~An equalization and reappraisal account is established within the Education Fund. Monies from this account are to be used by the Division of Property Valuation and Review to assist towns with maintenance or reappraisal on a case-by-case basis; and for reappraisal and grand list maintenance assistance payments pursuant to 32 V.S.A. §§ 4041a and 5405(f).~~ [Repealed.]

Sec. 9. 32 V.S.A. § 435(b) is amended to read:

(b) The General Fund shall be composed of revenues from the following sources:

* * *

(7) ~~Meals~~ 75 percent of the meals and rooms taxes levied pursuant to chapter 225 of this title;

* * *

(11) ~~64 percent of the revenue from sales and use taxes levied pursuant to chapter 233 of this title;~~ [Repealed.]

* * *

Sec. 9a. REPORT

On or before January 1, 2024, the Joint Fiscal Office shall report to the House Committees on Appropriations and on Ways and Means and the Senate Committees on Appropriations and on Finance on the impact of the changes in Secs. 8 and 9 of this act reallocating the revenues generated for the General Fund and Education Fund.

* * * Yield and Nonresidential Rate for Fiscal Year 2019 * * *

Sec. 10. PROPERTY DOLLAR EQUIVALENT YIELD, INCOME DOLLAR EQUIVALENT YIELD AND NONRESIDENTIAL RATE FOR FISCAL YEAR 2019

(a) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2019 only, the property dollar equivalent yield shall be $10,032.00.

(b) Pursuant to 32 V.S.A. § 5402b(b), for fiscal year 2019 only, the income dollar equivalent yield shall be $12,135.00.

(c) The nonresidential rate for fiscal year 2019 shall be the statutory default rate of $1.59 per $100.00 of equalized education property value under 32 V.S.A. § 5402(a)(2).

Sec. 11. 32 V.S.A. § 5402b(a)(4) is amended to read:

(4) the percentage change in the ~~median~~ average education tax bill applied to nonresidential property~~,~~ and the percentage change in the ~~median~~ average education tax bill of homestead property, and the percentage change in the ~~median~~ average education tax bill for taxpayers who claim an adjustment under subsection 6066(a) of this title are equal.

* * * Statewide Education Property Tax Bills * * *

Sec. 12. 32 V.S.A. § 5402(b) is amended to read:

(b) The statewide education tax shall be calculated as follows:

* * *

(2) Taxes assessed under this section shall be assessed and collected in the same manner as taxes assessed under chapter 133 of this title with no tax classification other than as homestead or nonresidential property; provided, however, that the tax levied under this chapter shall be billed to each taxpayer by the municipality in a manner that clearly indicates the tax is separate from any other tax assessed and collected under chapter 133, including an itemization of the separate taxes due. The bill may be on a single sheet of paper with the statewide education tax and other taxes presented separately and side by side.

* * *

Sec. 13. 32 V.S.A. § 6066a(f) is amended to read:

(f) Property tax bills.

(1) For taxpayers and amounts stated in the notice to towns on July 1, municipalities shall create and send to taxpayers a homestead property tax bill, instead of the bill required under subdivision 5402(b)(1) of this title, providing the total amount allocated to payment of homestead education property tax liabilities and notice of the balance due. Nothing in this subdivision, however, shall be interpreted as altering the requirement under subdivision 5402(b)(1) of this title that the statewide education homestead tax be billed in a manner that is stated clearly and separately from any other tax. Municipalities shall apply the amount allocated under this chapter to current-year property taxes in equal amounts to each of the taxpayers' property tax installments that include education taxes. Notwithstanding section 4772 of this title, if a town issues a corrected bill as a result of the November 1 notice sent by the Commissioner under subsection (a) of this section, issuance of ~~such~~ the corrected new bill does not extend the time for payment of the original bill, nor relieve the taxpayer of any interest or penalties associated with the original bill. If the corrected bill is less than the original bill, and there are also no unpaid ~~current year~~ current-year taxes, interest, or penalties and no ~~past year~~ past-year delinquent taxes or penalties and interest charges, any overpayment shall be reflected on the corrected tax bill and refunded to the taxpayer.

* * *

* * * Property Tax Adjustments * * *

Sec. 14. 32 V.S.A. § 6066 is amended to read:

§ 6066. COMPUTATION OF ADJUSTMENT

(a) An eligible claimant who owned the homestead on April 1 of the year in which the claim is filed shall be entitled to an adjustment amount determined as follows:

(1)(A) For a claimant with household income of $90,000.00 or more:

(i) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year;

(ii) minus (if less) the sum of:

(I) the income percentage of household income for the taxable year; plus

(II) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of ~~$250,000.00~~$200,000.00.

(B) For a claimant with household income of less than $90,000.00 but more than $47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus (if less) the sum of:

(i) the income percentage of household income for the taxable year; plus

(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of ~~$500,000.00~~ $400,000.00.

(C) For a claimant whose household income does not exceed $47,000.00, the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year, minus the lesser of:

(i) the sum of the income percentage of household income for the taxable year plus the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year in excess of ~~$500,000.00~~ $400,000.00; or

(ii) the statewide education tax rate, multiplied by the equalized value of the housesite in the taxable year reduced by $15,000.00.

* * *

(3) A claimant whose household income does not exceed $47,000.00 shall also be entitled to an additional adjustment amount from the claimant's

municipal taxes for the upcoming fiscal year that is equal to the amount by which the municipal property taxes for the municipal fiscal year ~~which~~ that began in the taxable year upon the claimant's housesite~~, reduced by the adjustment amount determined under subdivisions (1) and (2) of this subsection,~~ exceeds a percentage of the claimant's household income for the taxable year as follows:

If household income (rounded to the nearest dollar) is:	then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:
$0.00 - 9,999.00	~~2.0~~ 1.50
~~$10,000.00 - 24,999.00~~	~~4.5~~
~~$25,000.00 - 47,000.00~~	~~5.0~~
$10,000.00 - 47,000.00	3.00

(4) A claimant whose household income does not exceed $47,000.00 shall also be entitled to an additional adjustment amount from the claimant's statewide education tax for the upcoming fiscal year that is equal to the amount by which the education property tax for the municipal fiscal year that began in the taxable year upon the claimant's housesite, reduced by the adjustment amount determined under subdivisions (1) and (2) of this subsection, exceeds a percentage of the claimant's household income for the taxable year as follows:

If household income (rounded to the nearest dollar) is:	then the taxpayer is entitled to credit for the reduced property tax in excess of this percent of that income:
$0.00 - 9,999.00	0.5
$10,000.00 - 24,999.00	1.5
$25,000.00 - 47,000.00	2.0

~~(4)~~(5) In no event shall the credit provided for in subdivision (3) or (4) of this subsection exceed the amount of the reduced property tax. The adjustments under subdivisions (3) and (4) of this subsection shall be calculated considering only the tax due on the first $400,000.00 in equalized housesite value.

* * *

Sec. 14a. 32 V.S.A. § 6067 is amended to read:

§ 6067. CREDIT LIMITATIONS

Only one individual per household per taxable year shall be entitled to a benefit under this chapter. An individual who received a homestead exemption

or adjustment with respect to property taxes assessed by another state for the taxable year shall not be entitled to receive an adjustment under this chapter. No taxpayer shall receive an adjustment under subsection 6066(b) of this title in excess of $3,000.00. No taxpayer shall receive ~~total adjustments under this chapter in excess of $8,000.00 related to any one property tax year~~ an adjustment under 6066(a)(3) of this title greater than $2,400.00 or cumulative adjustment under 6066(a)(1)-(2) and (4) of this title greater than $5,600.00.

* * * Vermont Tax Structure Commission * * *

Sec. 15. VERMONT TAX STRUCTURE COMMISSION

(a) There is hereby established the Vermont Tax Structure Commission composed of three to five members to be selected as follows:

(1) the Speaker of the House, the President Pro Tempore of the Senate, and the Governor shall each appoint one member; and

(2) the three members appointed pursuant to subdivision (1) of this subsection may select one or two additional members, based on a majority vote.

(b) The Commission shall be appointed as soon as possible after the effective date of this act. The Commission shall elect a chair and a vice chair from among its members.

(c) The Commission shall prepare a structural analysis of the State's revenue system and offer recommendations for improvements and modernization and provide a long-term vision for the tax structure. The Commission's analysis shall include a review of Vermont's income taxes, consumption-based taxes, the education financing system, tax expenditures, and property and asset-based taxes. The Commission shall have as its goal a tax system that provides sustainability, appropriateness, and equity. For guidance, the Commission may use the Principles of a High-Quality State Revenue System as prepared by the National Conference of State Legislatures. A high-quality revenue system:

(1) Comprises elements that are complementary, including the finances of both state and local governments.

(2) Produces revenue in a reliable manner. Reliability involves stability, certainty, and sufficiency.

(3) Relies on a balanced variety of revenue sources.

(4) Treats individuals equitably. Minimum requirements of an equitable system are that it imposes similar tax burdens on people in similar circumstances, it minimizes regressivity, and it minimizes taxes on individuals with low income.

(5) Facilitates taxpayer compliance. It is easy to understand and minimizes compliance costs.

(6) Promotes fair, efficient, and effective administration. It is as simple as possible to administer, raises revenue efficiently, is administered professionally, and is applied uniformly.

(7) Is responsive to interstate and international economic competition.

(8) Minimizes its involvement in spending decisions and makes any such involvement explicit.

(9) Is accountable to taxpayers.

(d) It is the intent of the General Assembly that the work of the Commission not supplant or delay the normal Legislative and Executive Branch review and alteration of tax and revenue issues under State law.

(e) The Commission shall begin its work by:

(1) updating and incorporating the relevant work of the Blue Ribbon Tax Structure Commission created by the 2009 S.S. Acts and Resolves, No. 1;

(2) updating and incorporating work from the existing studies of Vermont's education finance system since the enactment of the 1998 Acts and Resolves, No. 60 and 2004 Acts and Resolves, No. 68;

(f) The Commission shall submit a two-year work plan and budget to the Joint Fiscal Committee, the Senate Committee on Finance, and the House Committee on Ways and Means by February 15, 2019. The work plan shall outline the work the Commission intends to complete in its review of Vermont's income taxes, consumption-based taxes, education financing system, tax expenditures, and property and asset-based taxes. The final report of the Commission shall be made to the General Assembly on or before January 15, 2021.

(g) The Commission shall receive technical support from the Department of Taxes, the legislative Joint Fiscal Office, and consultants.

(h) The Joint Fiscal Office with the assistance of the Legislative Council and the Department of Taxes may contract with one or more consultants or hire a limited service position to provide assistance with achieving the goals for the Commission. The consultants shall have extensive experience with state tax systems and shall have participated in at least one other study of a state tax system.

(i) Members of the Commission shall be entitled to compensation as provided under 32 V.S.A. § 1010.

* * * JFO Report * * *

Sec. 16. 24 V.S.A. § 1892(g) is amended to read:

(g) Beginning in ~~2019 and annually~~ 2021 and every four years thereafter, on or before January 15 ~~of each year~~, the Joint Fiscal Office, with the assistance of the consulting Legislative Economist, the Department of Taxes, and the Agency of Commerce and Community Development in consultation with the Vermont Economic Progress Council, shall examine the recommendations and conclusions of the tax increment financing capacity study and report created pursuant to subsection (e) of this section, and shall submit to the Emergency Board and to the House Committees on Commerce and Economic Development and on Ways and Means and the Senate Committees on Economic Development, Housing and General Affairs and on Finance an updated summary report that includes:

* * *

* * * Staff-to-Student Ratios Task Force * * *

Sec. 17. STAFF-TO-STUDENT RATIOS TASK FORCE

(a) Creation. There is created the Staff-to-Student Ratios Task Force, a collaborative effort among government, nonprofit organizations, research experts, and other education stakeholders, that will strive best to ensure education quality while simultaneously ensuring fiscal efficiency in the context of the State's declining student population. Specifically, the Task Force is charged with:

(1) reviewing current staff-to-student count ratios for specific categories of schools and school district configurations, and establishing optimal target ratios for different school district configurations;

(2) identifying barriers that hamper staffing flexibility at the local level, including whether aspects of the regulatory environment, including mandatory staffing requirements and collective bargaining or other contractual obligations, contribute to lower staff-to-student ratios;

(3) aligning to the greatest extent possible the work of the Task Force with existing research findings and reports, based on studies conducted either nationally or in New England, concerning optimal classroom practices and resources, and class and school sizes for successful learning outcomes, and the impact of population decline on rural schools;

(4) attending to compliance with federal rules and regulations, so as to avoid jeopardizing the State's federal funding;

(5) determining a mechanism or mechanisms that account for the effects of familial and community level poverty and human services need, including

student experiences of trauma and familial or community level addiction, on staffing ratios;

(6) considering the impact on staff-to-student ratios due to students' enrollment with independent schools; and

(7) developing recommended strategies for districts to help them meet targets.

(b) Membership. The Task Force shall be composed of the following members:

(1) the Secretary of Education or designee;

(2) the Executive Director of the Vermont Superintendents Association or designee;

(3) the Executive Director of the Vermont School Boards Association or designee;

(4) the Executive Director of the Vermont Principals' Association or designee;

(5) the Executive Director of the Vermont-National Education Association or designee;

(6) one member selected by the Vermont Association of School Business Officials;

(7) two to four members from Vermont postsecondary institutions, selected by the Task Force, who have expertise in areas among the following: multi-age classrooms and teaching strategies, interdisciplinary instruction, school realignment and reconfiguration, and the impact of community poverty, trauma, or addiction on education staffing; and

(8) a national expert in rural education, selected by the Task Force.

(c) The Task Force shall have technical assistance from the Agency of Education.

(d) Report. On or before December 15, 2018, the Task Force shall present to the House and Senate Committees on Education its findings concerning optimum staff-to-student ratios, including optimum ratios for a variety of school and school district sizes and configurations. The Task Force shall include in its report a recommendation as to whether staff-to-student target ratios should be included in statute for fiscal year 2021.

(e) Meetings.

(1) The Secretary of Education or designee shall call the first meeting of the Task Force to occur on or before July 1, 2018.

(2) The Task Force shall select a chair from among its members at the first meeting.

(3) The Task Force shall cease to exist on December 31, 2018.

(f) Compensation and reimbursement. Members of the Task Force who are not employees of the State of Vermont and who are not otherwise compensated or reimbursed for their attendance shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010 for not more than ten meetings. These payments shall be made from monies appropriated to the Agency of Education.

(g) Appropriation. The sum of $7,320.00 is appropriated from the General Fund to the Agency of Education to provide funding for the purposes set forth in this section.

* * * Effective Dates; Transition * * *

Sec. 18. EFFECTIVE DATES AND TRANSITION

This act shall take effect on passage, except:

(1) Notwithstanding 1 V.S.A. § 214, Secs. 1–6 (income tax changes) shall take effect retroactively on January 1, 2018 and apply to taxable year 2018 and after.

(2) Notwithstanding 1 V.S.A. § 214, Sec. 7 (income tax link to the federal tax statutes) shall take effect retroactively on January 1, 2018 and apply to taxable years beginning on January 1, 2017 and after.

(3) Sec. 8–9 (General Fund and Education Fund revenues) shall take effect July 2, 2018, and apply to fiscal year 2019 and after. It is the intent of the General Assembly that the changes in Secs. 8 and 9 of this Act shall take effect notwithstanding any provisions passed in H.924 to the contrary.

(4) Secs. 10 (yields for fiscal year 2019) and 12–13 (property tax bill requirements) shall take effect on July 1, 2018 and apply to fiscal year 2019.

(5) Notwithstanding 1 V.S.A. § 214, Sec. 14 (calculation of property tax adjustments) shall take effect retroactively to the taxable year starting January 1, 2017 and apply to property tax adjustment claims filed for fiscal year 2019 (claim year 2018) and after.

ANN E. CUMMINGS
MARK A. MACDONALD
RANDOLPH D. BROCK

Committee on the part of the Senate

JANET ANCEL
DAVID D. SHARPE
SCOTT L. BECK

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

H. 924.

Pending entry on the Calendar for notice, on motion of Senator Balint, the rules were suspended and the report of the Committee of Conference on House bill entitled:

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

Was taken up for immediate consideration.

Senator Kitchel, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon House bill entitled:

H. 924. An act relating to making appropriations for the support of government.

Respectfully reports that it has met and considered the same and recommends that the Senate recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. A.100 SHORT TITLE

(a) This bill may be referred to as the BIG BILL – Fiscal Year 2019 Appropriations Act.

Sec. A.101 PURPOSE

(a) The purpose of this act is to provide appropriations for the operations of State government during fiscal year 2019. It is the express intent of the General Assembly that activities of the various agencies, departments, divisions, boards, and commissions be limited to those which can be supported by funds appropriated in this act or other acts passed prior to June 30, 2018. Agency and department heads are directed to implement staffing and service

levels at the beginning of fiscal year 2019 so as to meet this condition unless otherwise directed by specific language in this act or other acts of the General Assembly.

Sec. A.102 APPROPRIATIONS

(a) It is the intent of the General Assembly that this act serves as the primary source and reference for appropriations for fiscal year 2019.

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

(c) Unless codified or otherwise specified, all narrative portions of this act apply only to the fiscal year ending on June 30, 2019.

Sec. A.103 DEFINITIONS

(a) As used in this act:

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

(2) "Grants" means subsidies, aid, or payments to local governments, to community and quasi-public agencies for providing local services, and to persons who are not wards of the State for services or supplies and means cash or other direct assistance, including pension contributions.

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

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

Sec. A.104 RELATIONSHIP TO EXISTING LAWS

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

Sec. A.105 OFFSETTING APPROPRIATIONS

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

Sec. A.106 FEDERAL FUNDS

(a) In fiscal year 2019, the Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may accept federal funds available to the State of Vermont, including block grants in lieu of or in addition to funds herein designated as federal. The Governor, with the approval of the Legislature or the Joint Fiscal Committee if the Legislature is not in session, may allocate all or any portion of such federal funds for any purpose consistent with the purposes for which the basic appropriations in this act have been made.

(b) If, during fiscal year 2019, federal funds available to the State of Vermont and designated as federal in this and other acts of the 2018 session of the Vermont General Assembly are converted into block grants or are abolished under their current title in federal law and reestablished under a new title in federal law, the Governor may continue to accept such federal funds for any purpose consistent with the purposes for which the federal funds were appropriated. The Governor may spend such funds for such purposes for no more than 45 days prior to Legislative or Joint Fiscal Committee approval. Notice shall be given to the Joint Fiscal Committee without delay if the Governor intends to use the authority granted by this section, and the Joint Fiscal Committee shall meet in an expedited manner to review the Governor's request for approval.

Sec. A.107 NEW POSITIONS

(a) Notwithstanding any other provision of law, the total number of authorized State positions, both classified and exempt, excluding temporary positions as defined in 3 V.S.A. § 311(11), shall not be increased during fiscal year 2019 except for new positions authorized by the 2018 session. Limited service positions approved pursuant to 32 V.S.A. § 5 shall not be subject to this restriction, nor shall positions created pursuant to the Position Pilot Program authorized in 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, by 2016 Acts and Resolves No. 172, Sec. E.100.2, and by 2017 Acts and Resolves No. 85, Sec. E.100.1, and as further amended by Sec. E.100.1 of this act.

Sec. A.108 LEGEND

(a) The bill is organized by functions of government. The sections between B.100 and B.9999 contain appropriations of funds for the upcoming budget

year. The sections between E.100 and E.9999 contain language that relates to specific appropriations or government functions, or both. The function areas by section numbers are as follows:

B.100–B.199 and E.100–E.199	General Government
B.200–B.299 and E.200–E.299	Protection to Persons and Property
B.300–B.399 and E.300–E.399	Human Services
B.400–B.499 and E.400–E.499	Labor
B.500–B.599 and E.500–E.599	General Education
B.600–B.699 and E.600–E.699	Higher Education
B.700–B.799 and E.700–E.799	Natural Resources
B.800–B.899 and E.800–E.899	Commerce and Community Development
B.900–B.999 and E.900–E.999	Transportation
B.1000–B.1099 and E.1000–E.1099	Debt Service
B.1100–B.1199 and E.1100–E.1199	One-time and other appropriation actions

(b) The C sections contain any amendments to the current fiscal year, the D sections contain fund transfers and reserve allocations for the upcoming budget year, and the F sections contain miscellaneous and technical statutory corrections.

Sec. B.100 Secretary of administration - secretary's office

Personal services	783,191
Operating expenses	203,429
Total	986,620
Source of funds	
General fund	886,620
Special funds	100,000
Total	986,620

Sec. B.101 Secretary of administration - finance

Personal services	1,144,274
Operating expenses	135,457
Total	1,279,731
Source of funds	
Interdepartmental transfers	1,279,731
Total	1,279,731

Sec. B.102 Secretary of administration - workers' compensation insurance

Personal services	537,944
Operating expenses	238,973
Total	776,917
Source of funds	
Internal service funds	776,917
Total	776,917

Sec. B.103 Secretary of administration - general liability insurance

Personal services	573,575
Operating expenses	73,548
Total	647,123
Source of funds	
Internal service funds	647,123
Total	647,123

Sec. B.104 Secretary of administration - all other insurance

Personal services	22,982
Operating expenses	16,066
Total	39,048
Source of funds	
Internal service funds	39,048
Total	39,048

Sec. B.105 Agency of digital services - communications and information technology

Personal services	47,776,877
Operating expenses	21,008,573
Total	68,785,450
Source of funds	
General fund	177,615
Special funds	383,700
Internal service funds	67,963,553
Interdepartmental transfers	260,582
Total	68,785,450

Sec. B.106 Finance and management - budget and management

Personal services	1,404,712
Operating expenses	202,070
Total	1,606,782
Source of funds	
General fund	1,258,956

Internal service funds	347,826
Total	1,606,782

Sec. B.107 Finance and management - financial operations

Personal services	2,156,558
Operating expenses	654,972
Total	2,811,530
Source of funds	
Internal service funds	2,811,530
Total	2,811,530

Sec. B.108 Human resources - operations

Personal services	7,996,814
Operating expenses	964,845
Total	8,961,659
Source of funds	
General fund	1,940,451
Special funds	277,462
Internal service funds	6,206,438
Interdepartmental transfers	537,308
Total	8,961,659

Sec. B.108.1 Human resources - VTHR operations

Personal services	1,742,267
Operating expenses	826,247
Total	2,568,514
Source of funds	
Internal service funds	2,568,514
Total	2,568,514

Sec. B.109 Human resources - employee benefits & wellness

Personal services	1,086,810
Operating expenses	588,021
Total	1,674,831
Source of funds	
Internal service funds	1,674,831
Total	1,674,831

Sec. B.110 Libraries

Personal services	1,896,316
Operating expenses	1,141,410
Grants	246,453
Total	3,284,179

Source of funds	
General fund	2,025,918
Special funds	97,571
Federal funds	1,064,162
Interdepartmental transfers	96,528
Total	3,284,179

Sec. B.111 Tax - administration/collection

Personal services	13,739,129
Operating expenses	6,661,305
Total	20,400,434
Source of funds	
General fund	18,686,980
Special funds	1,570,888
Interdepartmental transfers	142,566
Total	20,400,434

Sec. B.112 Buildings and general services - administration

Personal services	658,069
Operating expenses	98,172
Total	756,241
Source of funds	
Interdepartmental transfers	756,241
Total	756,241

Sec. B.113 Buildings and general services - engineering

Personal services	2,580,949
Operating expenses	851,576
Total	3,432,525
Source of funds	
Interdepartmental transfers	3,432,525
Total	3,432,525

Sec. B.114 Buildings and general services - information centers

Personal services	3,360,294
Operating expenses	1,566,365
Grants	35,750
Total	4,962,409
Source of funds	
General fund	642,885
Transportation fund	3,868,566
Special funds	450,958
Total	4,962,409

Sec. B.115 Buildings and general services - purchasing

Personal services	1,035,471
Operating expenses	194,860
Total	1,230,331
Source of funds	
General fund	1,230,331
Total	1,230,331

Sec. B.116 Buildings and general services - postal services

Personal services	744,615
Operating expenses	116,495
Total	861,110
Source of funds	
General fund	85,063
Internal service funds	776,047
Total	861,110

Sec. B.117 Buildings and general services - copy center

Personal services	744,283
Operating expenses	127,416
Total	871,699
Source of funds	
Internal service funds	871,699
Total	871,699

Sec. B.118 Buildings and general services - fleet management services

Personal services	698,806
Operating expenses	234,969
Total	933,775
Source of funds	
Internal service funds	933,775
Total	933,775

Sec. B.119 Buildings and general services - federal surplus property

Personal services	20,052
Operating expenses	6,239
Total	26,291
Source of funds	
Enterprise funds	26,291
Total	26,291

Sec. B.120 Buildings and general services - state surplus property

Personal services	160,360
Operating expenses	110,630
Total	270,990
Source of funds	
Internal service funds	270,990
Total	270,990

Sec. B.121 Buildings and general services - property management

Personal services	1,197,164
Operating expenses	457,316
Total	1,654,480
Source of funds	
Internal service funds	1,654,480
Total	1,654,480

Sec. B.122 Buildings and general services - fee for space

Personal services	16,277,217
Operating expenses	13,710,792
Total	29,988,009
Source of funds	
Internal service funds	29,988,009
Total	29,988,009

Sec. B.124 Executive office - governor's office

Personal services	1,384,251
Operating expenses	460,831
Total	1,845,082
Source of funds	
General fund	1,658,582
Interdepartmental transfers	186,500
Total	1,845,082

Sec. B.125 Legislative council

Personal services	4,063,930
Operating expenses	827,857
Total	4,891,787
Source of funds	
General fund	4,891,787
Total	4,891,787

Sec. B.126 Legislature

Personal services	4,091,578
Operating expenses	3,809,338
Total	7,900,916
Source of funds	
General fund	7,900,916
Total	7,900,916

Sec. B.127 Joint fiscal committee

Personal services	1,696,568
Operating expenses	159,358
Total	1,855,926
Source of funds	
General fund	1,855,926
Total	1,855,926

Sec. B.128 Sergeant at arms

Personal services	737,216
Operating expenses	68,612
Total	805,828
Source of funds	
General fund	805,828
Total	805,828

Sec. B.129 Lieutenant governor

Personal services	223,583
Operating expenses	30,968
Total	254,551
Source of funds	
General fund	254,551
Total	254,551

Sec. B.130 Auditor of accounts

Personal services	3,343,827
Operating expenses	158,619
Total	3,502,446
Source of funds	
General fund	390,871
Special funds	53,145
Internal service funds	3,058,430
Total	3,502,446

Sec. B.131 State treasurer

Personal services	3,653,014
Operating expenses	211,031
Total	3,864,045
Source of funds	
General fund	969,366
Special funds	2,781,017
Interdepartmental transfers	113,662
Total	3,864,045

Sec. B.132 State treasurer - unclaimed property

Personal services	821,158
Operating expenses	304,543
Total	1,125,701
Source of funds	
Private purpose trust funds	1,125,701
Total	1,125,701

Sec. B.133 Vermont state retirement system

Personal services	6,111,601
Operating expenses	1,365,073
Total	7,476,674
Source of funds	
Pension trust funds	7,476,674
Total	7,476,674

Sec. B.134 Municipal employees' retirement system

Personal services	2,215,683
Operating expenses	789,980
Total	3,005,663
Source of funds	
Pension trust funds	3,005,663
Total	3,005,663

Sec. B.135 State labor relations board

Personal services	212,663
Operating expenses	48,378
Total	261,041
Source of funds	
General fund	251,465
Special funds	6,788
Interdepartmental transfers	2,788
Total	261,041

Sec. B.136 VOSHA review board

Personal services	75,650
Operating expenses	13,016
Total	88,666
Source of funds	
General fund	44,333
Interdepartmental transfers	44,333
Total	88,666

Sec. B.136.1 Ethics Commission

Personal services	106,862
Operating expenses	13,981
Total	120,843
Source of funds	
Internal service funds	120,843
Total	120,843

Sec. B.137 Homeowner rebate

Grants	16,600,000
Total	16,600,000
Source of funds	
General fund	16,600,000
Total	16,600,000

Sec. B.138 Renter rebate

Grants	10,500,000
Total	10,500,000
Source of funds	
General fund	10,500,000
Education fund	0
Total	10,500,000

Sec. B.139 Tax department - reappraisal and listing payments

Grants	3,295,021
Total	3,295,021
Source of funds	
General fund	3,295,021
Education fund	0
Total	3,295,021

Sec. B.140 Municipal current use

Grants	15,981,672
Total	15,981,672

Source of funds	
General fund	15,981,672
Total	15,981,672

Sec. B.141 Lottery commission

Personal services	1,881,368
Operating expenses	1,427,706
Grants	100,000
Total	3,409,074
Source of funds	
Enterprise funds	3,409,074
Total	3,409,074

Sec. B.142 Payments in lieu of taxes

Grants	8,036,000
Total	8,036,000
Source of funds	
Special funds	8,036,000
Total	8,036,000

Sec. B.143 Payments in lieu of taxes - Montpelier

Grants	184,000
Total	184,000
Source of funds	
Special funds	184,000
Total	184,000

Sec. B.144 Payments in lieu of taxes - correctional facilities

Grants	40,000
Total	40,000
Source of funds	
Special funds	40,000
Total	40,000

Sec. B.145 Total general government

Source of funds	
General fund	92,335,137
Transportation fund	3,868,566
Special funds	13,981,529
Education fund	0
Federal funds	1,064,162
Internal service funds	120,710,053
Interdepartmental transfers	6,852,764

Enterprise funds	3,435,365
Pension trust funds	10,482,337
Private purpose trust funds	1,125,701
Total	253,855,614

Sec. B.200 Attorney general

Personal services	10,228,901
Operating expenses	1,423,414
Grants	26,894
Total	11,679,209
Source of funds	
General fund	5,206,635
Special funds	1,960,836
Tobacco fund	348,000
Federal funds	1,220,634
Interdepartmental transfers	2,943,104
Total	11,679,209

Sec. B.201 Vermont court diversion

Personal services	874,000
Grants	1,996,483
Total	2,870,483
Source of funds	
General fund	2,270,486
Special funds	599,997
Total	2,870,483

Sec. B.202 Defender general - public defense

Personal services	11,613,891
Operating expenses	1,082,613
Total	12,696,504
Source of funds	
General fund	12,106,851
Special funds	589,653
Total	12,696,504

Sec. B.203 Defender general - assigned counsel

Personal services	5,679,410
Operating expenses	49,819
Total	5,729,229
Source of funds	
General fund	5,729,229
Total	5,729,229

Sec. B.204 Judiciary

Personal services	40,424,989
Operating expenses	9,550,786
Grants	76,030
Total	50,051,805
Source of funds	
General fund	43,911,694
Special funds	3,174,315
Federal funds	640,524
Interdepartmental transfers	2,325,272
Total	50,051,805

Sec. B.205 State's attorneys

Personal services	13,277,576
Operating expenses	1,834,103
Total	15,111,679
Source of funds	
General fund	12,291,761
Special funds	106,471
Federal funds	31,000
Interdepartmental transfers	2,682,447
Total	15,111,679

Sec. B.206 Special investigative unit

Personal services	85,000
Operating expenses	1,100
Grants	1,913,000
Total	1,999,100
Source of funds	
General fund	1,999,100
Total	1,999,100

Sec. B.207 Sheriffs

Personal services	4,111,739
Operating expenses	395,623
Total	4,507,362
Source of funds	
General fund	4,507,362
Total	4,507,362

Sec. B.208 Public safety - administration

Personal services	2,686,370
Operating expenses	2,992,157

Total	5,678,527
Source of funds	
General fund	2,671,645
Special funds	5,000
Federal funds	263,124
Interdepartmental transfers	2,738,758
Total	5,678,527

Sec. B.209 Public safety - state police

Personal services	54,187,733
Operating expenses	10,167,293
Grants	1,356,805
Total	65,711,831
Source of funds	
General fund	36,604,914
Transportation fund	20,250,000
Special funds	2,984,667
Federal funds	3,798,422
Interdepartmental transfers	2,073,828
Total	65,711,831

Sec. B.210 Public safety - criminal justice services

Personal services	4,541,909
Operating expenses	3,505,387
Grants	120,000
Total	8,167,296
Source of funds	
General fund	4,302,246
Special funds	1,930,061
Federal funds	1,754,848
Interdepartmental transfers	180,141
Total	8,167,296

Sec. B.211 Public safety - emergency management

Personal services	2,943,888
Operating expenses	1,351,913
Grants	9,555,611
Total	13,851,412
Source of funds	
General fund	421,265
Special funds	230,000
Federal funds	13,002,034

Interdepartmental transfers	198,113
Total	13,851,412

Sec. B.212 Public safety - fire safety

Personal services	6,507,997
Operating expenses	3,372,767
Grants	107,000
Total	9,987,764
Source of funds	
General fund	399,264
Special funds	8,667,177
Federal funds	876,323
Interdepartmental transfers	45,000
Total	9,987,764

Sec. B.213 Public safety - Forensic Laboratory

Personal services	2,979,721
Operating expenses	1,345,832
Total	4,325,553
Source of funds	
General fund	3,032,024
Special funds	94,238
Federal funds	414,702
Interdepartmental transfers	784,589
Total	4,325,553

Sec. B.215 Military - administration

Personal services	780,557
Operating expenses	364,404
Grants	324,000
Total	1,468,961
Source of funds	
General fund	1,468,961
Total	1,468,961

Sec. B.216 Military - air service contract

Personal services	5,849,570
Operating expenses	892,643
Total	6,742,213
Source of funds	
General fund	575,144
Federal funds	6,167,069
Total	6,742,213

Sec. B.217 Military - army service contract

Personal services	7,823,655
Operating expenses	6,155,064
Total	13,978,719
Source of funds	
Federal funds	13,978,719
Total	13,978,719

Sec. B.218 Military - building maintenance

Personal services	752,009
Operating expenses	745,028
Total	1,497,037
Source of funds	
General fund	1,437,037
Special funds	60,000
Total	1,497,037

Sec. B.219 Military - veterans' affairs

Personal services	784,278
Operating expenses	169,972
Grants	85,484
Total	1,039,734
Source of funds	
General fund	799,724
Special funds	140,010
Federal funds	100,000
Total	1,039,734

Sec. B.220 Center for crime victim services

Personal services	1,908,428
Operating expenses	345,834
Grants	10,632,103
Total	12,886,365
Source of funds	
General fund	1,264,158
Special funds	5,341,178
Federal funds	6,281,029
Total	12,886,365

Sec. B.221 Criminal justice training council

Personal services	1,193,040
Operating expenses	1,283,697
Total	2,476,737

Source of funds	
General fund	2,355,582
Interdepartmental transfers	121,155
Total	2,476,737

Sec. B.222 Agriculture, food and markets - administration

Personal services	1,419,565
Operating expenses	499,463
Grants	272,972
Total	2,192,000
Source of funds	
General fund	969,921
Special funds	809,473
Federal funds	412,606
Total	2,192,000

Sec. B.223 Agriculture, food and markets - food safety and consumer protection

Personal services	4,228,755
Operating expenses	866,590
Grants	2,750,000
Total	7,845,345
Source of funds	
General fund	2,829,250
Special funds	3,743,410
Federal funds	1,265,685
Interdepartmental transfers	7,000
Total	7,845,345

Sec. B.224 Agriculture, food and markets - agricultural development

Personal services	1,478,216
Operating expenses	1,045,214
Grants	1,240,875
Total	3,764,305
Source of funds	
General fund	1,920,068
Special funds	666,160
Federal funds	1,136,040
Interdepartmental transfers	42,037
Total	3,764,305

Sec. B.225 Agriculture, food and markets - agricultural resource management and environmental stewardship

Personal services	2,047,494
Operating expenses	488,054
Grants	140,000
Total	2,675,548
Source of funds	
General fund	662,248
Special funds	1,515,661
Federal funds	397,224
Interdepartmental transfers	100,415
Total	2,675,548

Sec. B.225.1 Agriculture, food and markets - Vermont Agriculture and Environmental Lab

Personal services	1,422,582
Operating expenses	2,350,767
Total	3,773,349
Source of funds	
General fund	857,420
Special funds	2,505,055
Federal funds	350,000
Interdepartmental transfers	60,874
Total	3,773,349

Sec. B.225.2 Agriculture, Food and Markets - Clean Water

Personal services	2,460,376
Operating expenses	415,019
Grants	1,707,000
Total	4,582,395
Source of funds	
General fund	1,149,854
Special funds	3,145,906
Federal funds	48,812
Interdepartmental transfers	237,823
Total	4,582,395

Sec. B.226 Financial regulation - administration

Personal services	1,848,070
Operating expenses	394,685
Total	2,242,755
Source of funds	

Special funds	2,242,755
Total	2,242,755

Sec. B.227 Financial regulation - banking

Personal services	1,723,226
Operating expenses	400,714
Total	2,123,940
Source of funds	
Special funds	2,123,940
Total	2,123,940

Sec. B.228 Financial regulation - insurance

Personal services	3,982,567
Operating expenses	579,112
Total	4,561,679
Source of funds	
Special funds	4,561,679
Total	4,561,679

Sec. B.229 Financial regulation - captive insurance

Personal services	4,528,647
Operating expenses	568,615
Total	5,097,262
Source of funds	
Special funds	5,097,262
Total	5,097,262

Sec. B.230 Financial regulation - securities

Personal services	884,305
Operating expenses	191,805
Total	1,076,110
Source of funds	
Special funds	1,076,110
Total	1,076,110

Sec. B.232 Secretary of state

Personal services	9,247,500
Operating expenses	2,501,529
Total	11,749,029
Source of funds	
Special funds	10,453,613
Federal funds	1,220,416

Interdepartmental transfers	75,000
Total	11,749,029

Sec. B.233 Public service - regulation and energy

Personal services	10,977,385
Operating expenses	1,818,966
Grants	3,768,878
Total	16,565,229
Source of funds	
Special funds	14,296,660
Federal funds	1,182,983
ARRA funds	1,010,000
Interdepartmental transfers	50,000
Enterprise funds	25,586
Total	16,565,229

Sec. B.234 Public utility commission

Personal services	3,238,861
Operating expenses	461,954
Total	3,700,815
Source of funds	
Special funds	3,700,815
Total	3,700,815

Sec. B.235 Enhanced 9-1-1 Board

Personal services	3,715,294
Operating expenses	395,889
Grants	720,000
Total	4,831,183
Source of funds	
Special funds	4,831,183
Total	4,831,183

Sec. B.236 Human rights commission

Personal services	497,679
Operating expenses	70,557
Total	568,236
Source of funds	
General fund	492,122
Federal funds	76,114
Total	568,236

Sec. B.237 Liquor control - administration

Personal services	5,751,696
Operating expenses	970,391
Total	6,722,087
Source of funds	
Enterprise funds	6,722,087
Total	6,722,087

Sec. B.238 Liquor control - enforcement and licensing

Personal services	2,152,769
Operating expenses	554,933
Total	2,707,702
Source of funds	
Special funds	20,000
Tobacco fund	213,843
Federal funds	312,503
Interdepartmental transfers	16,300
Enterprise funds	2,145,056
Total	2,707,702

Sec. B.239 Liquor control - warehousing and distribution

Personal services	1,020,365
Operating expenses	495,462
Total	1,515,827
Source of funds	
Enterprise funds	1,515,827
Total	1,515,827

Sec. B.240 Total protection to persons and property

Source of funds	
General fund	152,235,965
Transportation fund	20,250,000
Special funds	86,673,285
Tobacco fund	561,843
Federal funds	54,930,811
ARRA funds	1,010,000
Interdepartmental transfers	14,681,856
Enterprise funds	10,408,556
Total	340,752,316

Sec. B.300 Human services - agency of human services - secretary's office

Personal services	8,771,938
Operating expenses	11,443,486

Grants	4,983,315
Total	25,198,739
Source of funds	
General fund	7,387,754
Special funds	91,017
Federal funds	16,056,135
Global Commitment fund	453,000
Interdepartmental transfers	1,210,833
Total	25,198,739

Sec. B.301 Secretary's office - global commitment

Operating expenses	3,156,749
Grants	1,585,123,038
Total	1,588,279,787
Source of funds	
General fund	283,423,430
Special funds	27,902,465
Tobacco fund	20,299,373
State health care resources fund	284,480,725
Federal funds	955,341,512
Interdepartmental transfers	16,832,282
Total	1,588,279,787

Sec. B.302 Rate setting

Personal services	916,668
Operating expenses	96,744
Total	1,013,412
Source of funds	
General fund	506,706
Federal funds	506,706
Total	1,013,412

Sec. B.303 Developmental disabilities council

Personal services	402,333
Operating expenses	71,003
Grants	150,000
Total	623,336
Source of funds	
Federal funds	623,336
Total	623,336

Sec. B.304 Human services board

Personal services	703,725
Operating expenses	83,296
Total	787,021
Source of funds	
General fund	425,466
Federal funds	319,974
Interdepartmental transfers	41,581
Total	787,021

Sec. B.305 AHS - administrative fund

Personal services	350,000
Operating expenses	10,150,000
Total	10,500,000
Source of funds	
Interdepartmental transfers	10,500,000
Total	10,500,000

Sec. B.306 Department of Vermont health access - administration

Personal services	150,000,858
Operating expenses	5,878,419
Grants	7,314,742
Total	163,194,019
Source of funds	
General fund	26,674,061
Special funds	3,522,585
Federal funds	118,955,295
Global Commitment fund	6,795,089
Interdepartmental transfers	7,246,989
Total	163,194,019

Sec. B.307 Department of Vermont health access - Medicaid program - global commitment

Grants	730,388,202
Total	730,388,202
Source of funds	
Global Commitment fund	730,388,202
Total	730,388,202

Sec. B.308 Department of Vermont health access - Medicaid program - long term care waiver

Grants	204,515,915
Total	204,515,915

Source of funds	
Global Commitment fund	204,515,915
Total	204,515,915

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

Grants	47,955,940
Total	47,955,940
Source of funds	
General fund	39,074,163
Global Commitment fund	8,881,777
Total	47,955,940

Sec. B.310 Department of Vermont health access - Medicaid non-waiver matched

Grants	31,345,248
Total	31,345,248
Source of funds	
General fund	11,400,406
Federal funds	19,944,842
Total	31,345,248

Sec. B.311 Health - administration and support

Personal services	5,369,099
Operating expenses	5,125,954
Grants	4,065,000
Total	14,560,053
Source of funds	
General fund	2,756,570
Special funds	1,737,815
Federal funds	6,577,531
Global Commitment fund	3,443,137
Interdepartmental transfers	45,000
Total	14,560,053

Sec. B.312 Health - public health

Personal services	42,670,151
Operating expenses	8,262,008
Grants	36,443,759
Total	87,375,918
Source of funds	
General fund	9,483,976
Special funds	17,368,655

Tobacco fund	1,088,918
Federal funds	45,853,114
Global Commitment fund	12,436,255
Interdepartmental transfers	1,120,000
Permanent trust funds	25,000
Total	87,375,918

Sec. B.313 Health - alcohol and drug abuse programs

Personal services	4,228,751
Operating expenses	255,634
Grants	49,572,962
Total	54,057,347
Source of funds	
General fund	2,468,452
Special funds	1,163,962
Tobacco fund	949,917
Federal funds	14,495,543
Global Commitment fund	34,979,473
Total	54,057,347

Sec. B.314 Mental health - mental health

Personal services	30,983,975
Operating expenses	3,754,146
Grants	208,515,176
Total	243,253,297
Source of funds	
General fund	6,131,693
Special funds	434,904
Federal funds	8,782,053
Global Commitment fund	227,884,647
Interdepartmental transfers	20,000
Total	243,253,297

Sec. B.316 Department for children and families - administration & support services

Personal services	39,883,238
Operating expenses	11,312,882
Grants	3,019,141
Total	54,215,261
Source of funds	
General fund	26,574,313
Special funds	2,591,557
Federal funds	22,956,549

Global Commitment fund	1,875,508
Interdepartmental transfers	217,334
Total	54,215,261

Sec. B.317 Department for children and families - family services

Personal services	33,519,525
Operating expenses	4,951,233
Grants	75,193,282
Total	113,664,040
Source of funds	
General fund	36,682,377
Special funds	967,587
Federal funds	27,125,458
Global Commitment fund	48,754,229
Interdepartmental transfers	134,389
Total	113,664,040

Sec. B.318 Department for children and families - child development

Personal services	4,373,097
Operating expenses	666,405
Grants	78,641,229
Total	83,680,731
Source of funds	
General fund	33,309,452
Special funds	1,820,000
Federal funds	37,067,384
Global Commitment fund	11,483,895
Total	83,680,731

Sec. B.319 Department for children and families - office of child support

Personal services	10,358,904
Operating expenses	3,664,980
Total	14,023,884
Source of funds	
General fund	3,811,164
Special funds	455,719
Federal funds	9,369,401
Interdepartmental transfers	387,600
Total	14,023,884

Sec. B.320 Department for children and families - aid to aged, blind and disabled

Personal services	2,252,206
Grants	11,298,023
Total	13,550,229
Source of funds	
General fund	9,649,899
Global Commitment fund	3,900,330
Total	13,550,229

Sec. B.321 Department for children and families - general assistance

Personal services	15,000
Grants	6,912,360
Total	6,927,360
Source of funds	
General fund	6,530,025
Federal funds	111,320
Global Commitment fund	286,015
Total	6,927,360

Sec. B.322 Department for children and families - 3SquaresVT

Grants	29,827,906
Total	29,827,906
Source of funds	
Federal funds	29,827,906
Total	29,827,906

Sec. B.323 Department for children and families - reach up

Operating expenses	51,519
Grants	32,420,849
Total	32,472,368
Source of funds	
General fund	6,423,546
Special funds	21,024,984
Federal funds	2,342,220
Global Commitment fund	2,681,618
Total	32,472,368

Sec. B.324 Department for children and families - home heating fuel assistance/LIHEAP

Grants	15,019,953
Total	15,019,953
Source of funds	

Special funds	1,434,217
Federal funds	13,585,736
Total	15,019,953

Sec. B.325 Department for children and families - office of economic opportunity

Personal services	496,450
Operating expenses	43,133
Grants	9,610,253
Total	10,149,836
Source of funds	
General fund	4,767,340
Special funds	57,990
Federal funds	4,494,818
Global Commitment fund	829,688
Total	10,149,836

Sec. B.326 Department for children and families - OEO - weatherization assistance

Personal services	321,661
Operating expenses	43,448
Grants	10,554,220
Total	10,919,329
Source of funds	
Special funds	6,325,418
Federal funds	4,593,911
Total	10,919,329

Sec. B.327 Department for children and families - Woodside rehabilitation center

Personal services	5,478,901
Operating expenses	717,907
Total	6,196,808
Source of funds	
General fund	1,134,164
Global Commitment fund	4,965,644
Interdepartmental transfers	97,000
Total	6,196,808

Sec. B.328 Department for children and families - disability determination services

Personal services	5,978,035
Operating expenses	411,111

Total	6,389,146
Source of funds	
General fund	103,081
Federal funds	6,286,065
Total	6,389,146

Sec. B.329 Disabilities, aging, and independent living - administration & support

Personal services	31,585,910
Operating expenses	5,477,387
Total	37,063,297
Source of funds	
General fund	16,304,973
Special funds	1,390,457
Federal funds	18,301,583
Interdepartmental transfers	1,066,284
Total	37,063,297

Sec. B.330 Disabilities, aging, and independent living - advocacy and independent living grants

Grants	20,067,904
Total	20,067,904
Source of funds	
General fund	7,553,375
Federal funds	7,148,466
Global Commitment fund	5,366,063
Total	20,067,904

Sec. B.331 Disabilities, aging, and independent living - blind and visually impaired

Grants	1,451,457
Total	1,451,457
Source of funds	
General fund	389,154
Special funds	223,450
Federal funds	593,853
Global Commitment fund	245,000
Total	1,451,457

Sec. B.332 Disabilities, aging, and independent living - vocational rehabilitation

Grants	7,174,368
Total	7,174,368

Source of funds	
General fund	1,371,845
Federal funds	4,552,523
Interdepartmental transfers	1,250,000
Total	7,174,368

Sec. B.333 Disabilities, aging, and independent living - developmental services

Grants	221,097,985
Total	221,097,985
Source of funds	
General fund	155,125
Special funds	15,463
Federal funds	359,857
Global Commitment fund	220,522,540
Interdepartmental transfers	45,000
Total	221,097,985

Sec. B.334 Disabilities, aging, and independent living - TBI home and community based waiver

Grants	6,005,225
Total	6,005,225
Source of funds	
Global Commitment fund	6,005,225
Total	6,005,225

Sec. B.335 Corrections - administration

Personal services	2,947,820
Operating expenses	238,644
Total	3,186,464
Source of funds	
General fund	3,186,464
Total	3,186,464

Sec. B.336 Corrections - parole board

Personal services	300,845
Operating expenses	81,081
Total	381,926
Source of funds	
General fund	381,926
Total	381,926

Sec. B.337 Corrections - correctional education

Personal services	3,172,318
Operating expenses	244,932
Total	3,417,250
Source of funds	
General fund	3,268,466
Education fund	0
Interdepartmental transfers	148,784
Total	3,417,250

Sec. B.338 Corrections - correctional services

Personal services	109,065,960
Operating expenses	21,128,473
Grants	9,163,138
Total	139,357,571
Source of funds	
General fund	132,472,462
Special funds	629,963
Federal funds	470,962
Global Commitment fund	5,387,869
Interdepartmental transfers	396,315
Total	139,357,571

Sec. B.339 Corrections - Correctional services-out of state beds

Personal services	7,351,324
Total	7,351,324
Source of funds	
General fund	7,351,324
Total	7,351,324

Sec. B.340 Corrections - correctional facilities - recreation

Personal services	406,528
Operating expenses	455,845
Total	862,373
Source of funds	
Special funds	862,373
Total	862,373

Sec. B.341 Corrections - Vermont offender work program

Personal services	1,447,800
Operating expenses	525,784
Total	1,973,584
Source of funds	

Internal service funds	1,973,584
Total	1,973,584

Sec. B.342 Vermont veterans' home - care and support services

Personal services	18,756,245
Operating expenses	4,949,905
Total	23,706,150
Source of funds	
General fund	3,998,789
Special funds	11,281,346
Federal funds	8,426,015
Total	23,706,150

Sec. B.343 Commission on women

Personal services	316,110
Operating expenses	67,352
Total	383,462
Source of funds	
General fund	380,962
Special funds	2,500
Total	383,462

Sec. B.344 Retired senior volunteer program

Grants	151,096
Total	151,096
Source of funds	
General fund	151,096
Total	151,096

Sec. B.345 Green Mountain Care Board

Personal services	7,702,068
Operating expenses	342,708
Total	8,044,776
Source of funds	
General fund	2,032,469
Special funds	3,446,789
Federal funds	70,000
Global Commitment fund	2,495,518
Total	8,044,776

Sec. B.346 Total human services

Source of funds	
General fund	697,716,468

Special funds	104,751,216
Tobacco fund	22,338,208
State health care resources fund	284,480,725
Education fund	0
Federal funds	1,385,140,068
Global Commitment fund	1,544,576,637
Internal service funds	1,973,584
Interdepartmental transfers	40,759,391
Permanent trust funds	25,000
Total	4,081,761,297

Sec. B.400 Labor - programs

Personal services	29,773,882
Operating expenses	9,518,580
Grants	1,876,867
Total	41,169,329
Source of funds	
General fund	2,980,386
Special funds	3,616,477
Federal funds	33,222,466
Interdepartmental transfers	1,350,000
Total	41,169,329

Sec. B.401 Total labor

Source of funds	
General fund	2,980,386
Special funds	3,616,477
Federal funds	33,222,466
Interdepartmental transfers	1,350,000
Total	41,169,329

Sec. B.500 Education - finance and administration

Personal services	7,569,932
Operating expenses	3,575,080
Grants	15,540,935
Total	26,685,947
Source of funds	
General fund	3,795,807
Special funds	16,280,409
Education fund	995,597
Federal funds	2,396,087
Global Commitment fund	260,000

Interdepartmental transfers	2,958,047
Total	26,685,947

Sec. B.501 Education - education services

Personal services	18,451,314
Operating expenses	1,473,983
Grants	126,074,411
Total	145,999,708
Source of funds	
General fund	5,681,029
Special funds	3,202,682
Tobacco fund	750,388
Federal funds	135,118,942
Interdepartmental transfers	1,246,667
Total	145,999,708

Sec. B.502 Education - special education: formula grants

Grants	198,471,642
Total	198,471,642
Source of funds	
Education fund	198,471,642
Total	198,471,642

Sec. B.503 Education - state-placed students

Grants	15,700,000
Total	15,700,000
Source of funds	
Education fund	15,700,000
Total	15,700,000

Sec. B.504 Education - adult education and literacy

Grants	4,371,050
Total	4,371,050
Source of funds	
General fund	3,605,000
Education fund	0
Federal funds	766,050
Total	4,371,050

Sec. B.504.1 Education - Flexible Pathways

Grants	7,346,000
Total	7,346,000
Source of funds	

Education fund	7,346,000
Total	7,346,000

Sec. B.505 Education - adjusted education payment

Grants	1,371,075,706
Total	1,371,075,706
Source of funds	
Education fund	1,371,075,706
Total	1,371,075,706

Sec. B.506 Education - transportation

Grants	19,226,000
Total	19,226,000
Source of funds	
Education fund	19,226,000
Total	19,226,000

Sec. B.507 Education - small school grants

Grants	7,600,000
Total	7,600,000
Source of funds	
Education fund	7,600,000
Total	7,600,000

Sec. B.510 Education - essential early education grant

Grants	6,617,213
Total	6,617,213
Source of funds	
Education fund	6,617,213
Total	6,617,213

Sec. B.511 Education - technical education

Grants	13,932,162
Total	13,932,162
Source of funds	
Education fund	13,932,162
Total	13,932,162

Sec. B.514 State teachers' retirement system

Grants	99,940,777
Total	99,940,777
Source of funds	
General fund	92,241,519

Education fund	7,699,258
Total	99,940,777

Sec. B.514.1 State teachers' retirement system administration

Personal services	6,217,105
Operating expenses	1,564,274
Total	7,781,379
Source of funds	
Pension trust funds	7,781,379
Total	7,781,379

Sec. B.515 Retired teachers' health care and medical benefits

Grants	31,639,205
Total	31,639,205
Source of funds	
General fund	31,639,205
Total	31,639,205

Sec. B.516 Total general education

Source of funds	
General fund	136,962,560
Special funds	19,483,091
Tobacco fund	750,388
Education fund	1,648,663,578
Federal funds	138,281,079
Global Commitment fund	260,000
Interdepartmental transfers	4,204,714
Pension trust funds	7,781,379
Total	1,956,386,789

Sec. B.600 University of Vermont

Grants	42,509,093
Total	42,509,093
Source of funds	
General fund	39,129,876
Global Commitment fund	3,379,217
Total	42,509,093

Sec. B.601 Vermont Public Broadcast System

Grants	1
Total	1
Source of funds	

General fund	1
Total	1

Sec. B.602 Vermont state colleges

Grants	27,300,464
Total	27,300,464
Source of funds	
General fund	27,300,464
Total	27,300,464

Sec. B.602.1 Vermont state colleges - Supplemental Aid

Grants	700,000
Total	700,000
Source of funds	
General fund	700,000
Total	700,000

Sec. B.603 Vermont state colleges - allied health

Grants	1,157,775
Total	1,157,775
Source of funds	
General fund	748,314
Global Commitment fund	409,461
Total	1,157,775

Sec. B.605 Vermont student assistance corporation

Grants	19,414,588
Total	19,414,588
Source of funds	
General fund	19,414,588
Total	19,414,588

Sec. B.606 New England higher education compact

Grants	84,000
Total	84,000
Source of funds	
General fund	84,000
Total	84,000

Sec. B.607 University of Vermont - Morgan Horse Farm

Grants	1
Total	1
Source of funds	

General fund	1
Total	1

Sec. B.608 Total higher education

Source of funds	
General fund	87,377,244
Global Commitment fund	3,788,678
Total	91,165,922

Sec. B.700 Natural resources - agency of natural resources - administration

Personal services	2,179,464
Operating expenses	1,105,224
Grants	34,960
Total	3,319,648
Source of funds	
General fund	2,670,382
Special funds	554,112
Interdepartmental transfers	95,154
Total	3,319,648

Sec. B.701 Natural resources - state land local property tax assessment

Operating expenses	2,532,755
Total	2,532,755
Source of funds	
General fund	2,111,255
Interdepartmental transfers	421,500
Total	2,532,755

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

Personal services	17,559,395
Operating expenses	5,511,383
Grants	1,078,000
Total	24,148,778
Source of funds	
General fund	5,652,621
Special funds	196,212
Fish and wildlife fund	9,505,629
Federal funds	8,691,203
Interdepartmental transfers	93,102
Permanent trust funds	10,011
Total	24,148,778

Sec. B.703 Forests, parks and recreation - administration

Personal services	889,376
Operating expenses	940,315
Total	1,829,691
Source of funds	
General fund	1,829,691
Total	1,829,691

Sec. B.704 Forests, parks and recreation - forestry

Personal services	5,587,322
Operating expenses	761,503
Grants	500,000
Total	6,848,825
Source of funds	
General fund	4,610,156
Special funds	412,999
Federal funds	1,487,097
Interdepartmental transfers	338,573
Total	6,848,825

Sec. B.705 Forests, parks and recreation - state parks

Personal services	8,403,655
Operating expenses	2,621,163
Total	11,024,818
Source of funds	
General fund	434,313
Special funds	10,590,505
Permanent trust funds	0
Total	11,024,818

Sec. B.706 Forests, parks and recreation - lands administration and recreation

Personal services	1,269,132
Operating expenses	1,378,483
Grants	2,506,787
Total	5,154,402
Source of funds	
General fund	673,966
Special funds	2,020,151
Federal funds	2,336,535
Interdepartmental transfers	123,750
Total	5,154,402

Sec. B.708 Forests, parks and recreation - forest and parks access roads

Personal services	65,425
Operating expenses	114,500
Total	179,925
Source of funds	
General fund	179,925
Total	179,925

Sec. B.709 Environmental conservation - management and support services

Personal services	6,288,392
Operating expenses	3,391,844
Grants	150,000
Total	9,830,236
Source of funds	
General fund	1,074,364
Special funds	457,591
Federal funds	744,676
Interdepartmental transfers	7,553,605
Total	9,830,236

Sec. B.710 Environmental conservation - air and waste management

Personal services	12,383,436
Operating expenses	8,691,215
Grants	5,076,000
Total	26,150,651
Source of funds	
General fund	425,825
Special funds	21,875,082
Federal funds	3,655,939
Interdepartmental transfers	193,805
Total	26,150,651

Sec. B.711 Environmental conservation - office of water programs

Personal services	18,292,585
Operating expenses	6,676,548
Grants	23,754,400
Total	48,723,533
Source of funds	
General fund	7,815,563
Special funds	10,333,268
Federal funds	29,486,364

Interdepartmental transfers	1,088,338
Total	48,723,533

Sec. B.713 Natural resources board

Personal services	2,643,689
Operating expenses	495,779
Total	3,139,468
Source of funds	
General fund	608,163
Special funds	2,531,305
Total	3,139,468

Sec. B.714 Total natural resources

Source of funds	
General fund	28,086,224
Special funds	48,971,225
Fish and wildlife fund	9,505,629
Federal funds	46,401,814
Interdepartmental transfers	9,907,827
Permanent trust funds	10,011
Total	142,882,730

Sec. B.800 Commerce and community development - agency of commerce and community development - administration

Personal services	1,717,913
Operating expenses	1,373,839
Grants	452,627
Total	3,544,379
Source of funds	
General fund	3,524,379
Special funds	0
Interdepartmental transfers	20,000
Total	3,544,379

Sec. B.801 Economic development

Personal services	3,512,700
Operating expenses	903,397
Grants	5,554,735
Total	9,970,832
Source of funds	
General fund	4,563,197
Special funds	2,625,350

Federal funds	2,782,285
Total	9,970,832

Sec. B.802 Housing & community development

Personal services	3,677,757
Operating expenses	745,690
Grants	11,167,128
Total	15,590,575
Source of funds	
General fund	2,760,297
Special funds	4,991,756
Federal funds	7,747,771
Interdepartmental transfers	90,751
Total	15,590,575

Sec. B.806 Tourism and marketing

Personal services	1,151,255
Operating expenses	1,743,242
Grants	121,880
Total	3,016,377
Source of funds	
General fund	3,016,377
Total	3,016,377

Sec. B.807 Vermont life

Personal services	604,497
Operating expenses	46,108
Total	650,605
Source of funds	
Enterprise funds	650,605
Total	650,605

Sec. B.808 Vermont council on the arts

Grants	717,735
Total	717,735
Source of funds	
General fund	717,735
Total	717,735

Sec. B.809 Vermont symphony orchestra

Grants	141,214
Total	141,214
Source of funds	

General fund	141,214
Total	141,214

Sec. B.810 Vermont historical society

Grants	961,426
Total	961,426
Source of funds	
General fund	961,426
Total	961,426

Sec. B.811 Vermont housing and conservation board

Grants	26,361,035
Total	26,361,035
Source of funds	
Special funds	10,940,222
Federal funds	15,420,813
Total	26,361,035

Sec. B.812 Vermont humanities council

Grants	217,959
Total	217,959
Source of funds	
General fund	217,959
Total	217,959

Sec. B.813 Total commerce and community development

Source of funds	
General fund	15,902,584
Special funds	18,557,328
Federal funds	25,950,869
Interdepartmental transfers	110,751
Enterprise funds	650,605
Total	61,172,137

Sec. B.900 Transportation - finance and administration

Personal services	11,841,671
Operating expenses	2,759,243
Grants	55,000
Total	14,655,914
Source of funds	
Transportation fund	13,637,714
Federal funds	1,018,200
Total	14,655,914

Sec. B.901 Transportation - aviation

Personal services	5,163,838
Operating expenses	8,404,249
Grants	231,676
Total	13,799,763
Source of funds	
Transportation fund	4,628,763
Federal funds	9,171,000
Total	13,799,763

Sec. B.902 Transportation - buildings

Operating expenses	1,578,050
Total	1,578,050
Source of funds	
Transportation fund	1,578,050
Total	1,578,050

Sec. B.903 Transportation - program development

Personal services	50,457,603
Operating expenses	216,263,480
Grants	34,168,390
Total	300,889,473
Source of funds	
Transportation fund	42,549,882
TIB fund	11,894,706
Federal funds	244,766,072
Interdepartmental transfers	239,345
Local match	1,439,468
Total	300,889,473

Sec. B.904 Transportation - rest areas construction

Personal services	43,000
Operating expenses	701,802
Total	744,802
Source of funds	
Transportation fund	76,242
Federal funds	668,560
Total	744,802

Sec. B.905 Transportation - maintenance state system

Personal services	43,007,903
Operating expenses	44,516,596
Grants	371,780

Total	87,896,279
Source of funds	
Transportation fund	85,018,492
Federal funds	2,777,787
Interdepartmental transfers	100,000
Total	87,896,279

Sec. B.906 Transportation - policy and planning

Personal services	4,258,996
Operating expenses	923,797
Grants	5,903,691
Total	11,086,484
Source of funds	
Transportation fund	2,822,771
Federal funds	8,171,508
Interdepartmental transfers	92,205
Total	11,086,484

Sec. B.907 Transportation - rail

Personal services	5,511,324
Operating expenses	24,087,727
Total	29,599,051
Source of funds	
Transportation fund	18,675,520
TIB fund	760,000
Federal funds	10,163,531
Total	29,599,051

Sec. B.908 Transportation - public transit

Personal services	1,226,680
Operating expenses	244,440
Grants	27,549,109
Total	29,020,229
Source of funds	
Transportation fund	7,795,281
Federal funds	21,224,948
Total	29,020,229

Sec. B.909 Transportation - central garage

Personal services	4,283,427
Operating expenses	16,401,097
Total	20,684,524
Source of funds	

Internal service funds	20,684,524
Total	20,684,524

Sec. B.910 Department of motor vehicles

Personal services	19,894,921
Operating expenses	11,465,811
Total	31,360,732
Source of funds	
Transportation fund	29,760,414
Federal funds	1,458,768
Interdepartmental transfers	141,550
Total	31,360,732

Sec. B.911 Transportation - town highway structures

Grants	6,333,500
Total	6,333,500
Source of funds	
Transportation fund	6,333,500
Total	6,333,500

Sec. B.912 Transportation - town highway local technical assistance program

Personal services	363,490
Operating expenses	40,224
Total	403,714
Source of funds	
Transportation fund	103,714
Federal funds	300,000
Total	403,714

Sec. B.913 Transportation - town highway class 2 roadway

Grants	7,648,750
Total	7,648,750
Source of funds	
Transportation fund	7,648,750
Total	7,648,750

Sec. B.914 Transportation - town highway bridges

Personal services	3,181,488
Operating expenses	8,683,506
Grants	1,460,000
Total	13,324,994
Source of funds	
Transportation fund	1,490,612

TIB fund	547,631
Federal funds	10,594,419
Local match	692,332
Total	13,324,994

Sec. B.915 Transportation - town highway aid program

Grants	25,982,744
Total	25,982,744
Source of funds	
Transportation fund	25,982,744
Total	25,982,744

Sec. B.916 Transportation - town highway class 1 supplemental grants

Grants	128,750
Total	128,750
Source of funds	
Transportation fund	128,750
Total	128,750

Sec. B.917 Transportation - town highway: state aid for nonfederal disasters

Grants	1,150,000
Total	1,150,000
Source of funds	
Transportation fund	1,150,000
Total	1,150,000

Sec. B.918 Transportation - town highway: state aid for federal disasters

Grants	180,000
Total	180,000
Source of funds	
Transportation fund	20,000
Federal funds	160,000
Total	180,000

Sec. B.919 Transportation - municipal mitigation assistance program

Operating expenses	200,000
Grants	8,882,342
Total	9,082,342
Source of funds	
Transportation fund	1,240,000
Special funds	2,400,000
Federal funds	5,442,342
Total	9,082,342

Sec. B.920 Transportation - public assistance grant program

Operating expenses	640,000
Grants	4,419,457
Total	5,059,457
Source of funds	
Transportation fund	160,000
Special funds	1,419,457
Federal funds	3,000,000
Interdepartmental transfers	480,000
Total	5,059,457

Sec. B.921 Transportation board

Personal services	235,619
Operating expenses	35,924
Total	271,543
Source of funds	
Transportation fund	271,543
Total	271,543

Sec. B.922 Total transportation

Source of funds	
Transportation fund	251,072,742
TIB fund	13,202,337
Special funds	3,819,457
Federal funds	318,917,135
Internal service funds	20,684,524
Interdepartmental transfers	1,053,100
Local match	2,131,800
Total	610,881,095

Sec. B.1000 Debt service

Operating expenses	78,097,467
Total	78,097,467
Source of funds	
General fund	72,860,749
Transportation fund	1,629,544
ARRA funds	1,102,486
TIB debt service fund	2,504,688
Total	78,097,467

Sec. B.1001 Total debt service

Source of funds	
General fund	72,860,749

Transportation fund	1,629,544
ARRA funds	1,102,486
TIB debt service fund	2,504,688
Total	78,097,467

Sec. B.1100 NEXT GENERATION; APPROPRIATIONS AND TRANSFERS

(a) In fiscal year 2019, $3,055,900 is appropriated or transferred from the Next Generation Initiative Fund created in 16 V.S.A. § 2887 as prescribed:

(1) Workforce education and training. The amount of $1,605,400 as follows:

(A) Workforce Education and Training Fund (WETF). The amount of $1,045,400 is transferred to the Vermont Workforce Education and Training Fund created in 10 V.S.A. § 543 and subsequently appropriated to the Department of Labor for workforce education and training. Up to seven percent of the funds may be used for administration of the program. Of this amount, $350,000 shall be allocated for competitive grants for internships through the Vermont Strong Internship Program pursuant to 10 V.S.A. § 544.

(B) Adult Career Technical Education Programs. The amount of $360,000 is appropriated to the Department of Labor in consultation with the State Workforce Development Board. This appropriation is for the purpose of awarding competitive grants to regional technical centers and high schools to provide adult career technical education, as that term is defined in 16 V.S.A. § 1522, to unemployed and underemployed Vermont adults.

(C) The amount of $200,000 is appropriated to the Agency of Commerce and Community Development to issue performance grants to the University of Vermont and the Vermont Center for Emerging Technologies for patent development and commercialization of technology and to enhance the development of high-technology businesses and Next Generation employment opportunities throughout Vermont.

(2) Loan repayment. The amount of $30,000 as follows:

(A) Large animal veterinarians' loan repayment. The amount of $30,000 is appropriated to the Agency of Agriculture, Food and Markets for a loan repayment program for large animal veterinarians pursuant to 6 V.S.A. § 20.

(3) Scholarships and grants. The amount of $1,420,500 as follows:

(A) Non-degree VSAC grants. The amount of $494,500 is appropriated to the Vermont Student Assistance Corporation. These funds shall be for the purpose of providing nondegree grants to Vermonters to improve job skills and increase overall employability, enabling them to enroll

in a postsecondary education or training program, with equal emphasis on adult technical education that is not part of a degree or accredited certificate program. A portion of these funds 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 these funds shall be used for administrative overhead.

(B) National Guard Educational Assistance. The amount of $150,000 is appropriated to Military – administration to be transferred to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856.

(C) Dual enrollment programs and need-based stipend. The amount of $740,000 is appropriated to the Agency of Education for dual enrollment programs and $36,000 is appropriated to the Agency of Education to be transferred to the Vermont Student Assistance Corporation for need-based stipends pursuant to Sec. E.605.1 of this act.

Sec. B.1100.1 DEPARTMENT OF LABOR RECOMMENDATION FOR FISCAL YEAR 2020 NEXT GENERATION INITIATIVE FUND DISTRIBUTION

(a) The Department of Labor, in coordination with the Agencies of Commerce and Community Development, of Human Services, and of Education, and in consultation with the State Workforce Development Board, shall recommend to the Governor on or before December 1, 2018 how $3,055,900 from the Next Generation Initiative Fund should be allocated or appropriated in fiscal year 2020 to provide maximum benefit to workforce education and training, participation in secondary or postsecondary education by underrepresented groups, and support for promising economic sectors in Vermont. The State agencies and departments listed herein shall promote actively and publicly the availability of the funds to eligible entities.

Sec. B.1101 FISCAL YEAR 2019 ONE-TIME APPROPRIATION FROM THE ALBERT C. LORD PERMANENT TRUST FUND

(a) The sum of $86,267 is appropriated from the Albert C. Lord Permanent Trust Fund to the Department of Forests, Parks and Recreation – state parks, for conservation education activities, consistent with the intended purpose of the Fund. These funds will be used to pay the cost of one conservation education position and the cost of publishing conservation education outreach materials.

Sec. B.1102 ONE-TIME CLEAN ENERGY DEVELOPMENT FUND APPROPRIATION

(a) In fiscal year 2019, $200,000 is appropriated from the Clean Energy Development Fund created in 30 V.S.A. § 8015 to the Department of Environmental Conservation to increase the amount available for woodstove change outs to improve air quality and reduce air emissions related to woodstoves.

Sec. C.100 2017 Acts and Resolves No. 85, Sec. E.605 is amended to read:

Sec. E.605 Vermont student assistance corporation

(a) Of this appropriation, $25,000 is appropriated from the ~~Education~~ General Fund to the Vermont Student Assistance Corporation to be deposited into the Trust Fund established in 16 V.S.A. § 2845.

* * *

Sec. C.101 REPEAL

(a) 2017 Acts and Resolves No. 85, Sec. E.301.1 (General Fund reversion) is repealed.

Sec. C.102 FISCAL YEAR 2018 MEDICAID AUTHORIZED PAYMENT AND CARRY FORWARD REQUIREMENT

(a) In fiscal year 2018, to the extent funds are available within the funds appropriated in 2017 Acts and Resolves No. 85, Sec. B.301 as amended by 2018 Acts and Resolves No. 87, Sec. 8, as determined by the Secretary of Human Services in consultation with the Commissioner of Finance and Management and the Legislative Chief Fiscal Officer, the Agency of Human Services:

(1) Shall carry forward to fiscal year 2019 a total of $1,500,000 in General Funds for fiscal year 2019 obligations. The Commissioner of Finance and Management is authorized to adjust fiscal year 2018 Federal Fund and Global Commitment Fund appropriations in the Agency of Human Services and Department of Vermont Health Access to comport with this provision.

(A) The Commissioner of Finance and Management and the Secretary of Human Services shall ensure that the budget proposal submitted for Global Commitment as part of the requirement of 32 V.S.A. § 306 does not rely upon anticipated carry forward General Funds, and appropriates general funds in fiscal year 2020 to the Secretary of Human Services in an amount sufficient to fund the most current official Medicaid forecast adopted for fiscal year 2020 under 32 V.S.A. § 305a(c) adjusted for any recommended changes to policy or operations that impact the official forecast.

(2) Is authorized to spend $4,500,000 in General Funds to fund a negotiated agreement to settle financial reconciliation of the 2016 year of the Vermont Health Connect operations.

(3) Shall carry forward to fiscal year 2019 a total of $1,100,000 in General Funds for premium processing by Vermont Health Connect during fiscal year 2019. It is anticipated that premium processing functions will be performed by insurance carriers in the 2020 health insurance year. The Commissioner of Finance and Management is authorized to adjust fiscal year 2018 Federal Fund and Global Commitment Fund appropriations in the Agency of Human Services and Department of Vermont Health Access to comport with this requirement.

Sec. C.103 FISCAL YEAR 2017 ONE-TIME APPROPRIATION CARRY FORWARD

(a) In fiscal year 2018, the sum of $1,300,000 remaining of the amount appropriated to the Secretary of Administration in 2017 Acts and Resolves No. 85, Sec. C.100(a), shall be carried forward into fiscal year 2019 for distribution to the Department for Children and Families to provide funding for changes in employee classification that were previously approved in accordance with the collective bargaining agreement.

Sec. C.104 [DELETED]

Sec. C.105 FISCAL YEAR 2018 ONE-TIME TRANSFERS FROM THE TOBACCO LITIGATION SETTLEMENT FUND

(a) Transfers: Notwithstanding 32 V.S.A. § 435a(a) the following transfers shall be made from the Tobacco Litigation Settlement Fund:

(1) $13,500,000 is transferred to the Vermont Teachers' Retirement Fund established pursuant to 16 V.S.A. § 1944;

(2) $750,000 is transferred to the Environmental Contingency Fund established pursuant to 10 V.S.A. § 1283 for the purpose of conducting an evaluation of cleanup alternatives and, if required, a corrective action plan for PFOA and PFOS releases in the Town of Bennington; and

(3) $1,000,000 is transferred to the Complex Litigation Special Fund established in 3 V.S.A. § 167a.

Sec. C.105.1 FISCAL YEAR 2018 ONE-TIME APPROPRIATIONS FROM THE TOBACCO LITIGATION SETTLEMENT FUND

(a) Appropriations: Notwithstanding 32 V.S.A. § 435a(a), the following appropriations shall be made from the Tobacco Litigation Settlement Fund:

(1) $1,000,000 to the Department of Buildings and General Services to be used in combination with capital funds appropriated in fiscal year 2019 for renovation and fit-up at the Brattleboro Retreat to provide a minimum of 12 beds, including level-1 beds, to the State for a period determined by the Secretary of Human Services to be in the best interest of the State. The Department of Buildings and General Services shall not expend any funds from this appropriation until the Commissioner of Buildings and General Services and the Secretary of Human Services have notified the Commissioner of Finance and Management and the Chairs of the House Committee on Corrections and Institutions and the Senate Committee on Institutions that an agreement has been executed between the Brattleboro Retreat and the State.

(2) $500,000 to the University of Vermont;

(3) $500,000 to the Vermont State Treasurer to offset costs of interest and principal at the Treasurer's discretion for longer-term State building efficiency investment funding. The Treasurer and the Commissioner of Buildings and General Services shall report to the House and Senate Committees on Appropriations, the House Committee on Corrections and Institutions, and the Senate Committee on Institutions on the use of these funds.

(4) $1,000,000 to the Agency of Human Services. The use of these funds shall be pursuant to the plan specified by the Tobacco Evaluation and Review Board.

(5) $200,000 to the Department of Health to conduct two blood draw clinics in Bennington in calendar year 2018 for current and prior members of the community who may have had long-term exposure to PFOA and PFOS releases in the Town of Bennington

(6) $350,000 to the Department of Corrections to design reentry programming that will result in stronger support and reintegration into the community for inmates and lower recidivism.

(7) $400,000 to the Department of Corrections for Medication-Assisted Treatment as specified in S.166 of 2018.

(8) $300,000 to the Department of Forests, Parks and Recreation to be granted to the Vermont Youth Conservation Corps in even increments of $100,000 in fiscal years 2018, 2019, and 2020.

(9) $100,000 to the Department for Children and Families' Child Development Division to analyze how Vermont's families make early care and education arrangements for their children. These funds shall be used to contract with an independent organization to survey families in Vermont with children under six years of age about their child care arrangements and

preferences and what factors may constrain parental choices. The Department shall provide a copy of the survey instrument to the House and Senate Committees on Appropriations, the House Committee on Human Services and the Senate Committee on Health and Welfare prior to finalizing the instrument for survey implementation. The Department shall provide a report on the results of the survey to the General Assembly on January 15, 2019.

(10) $200,000 to the Department for Children and Families to prepare for the expansion of services to juvenile offenders 18 and 19 years of age pursuant to 33 V.S.A. chapters 52 and 52A as amended in S.274 of 2018 beginning in fiscal year 2021, with any unexpended funds to carry forward.

(11) $100,000 to the Office of Economic Opportunity in the Department for Children and Families for pass-through grants to the Community Action Agencies to provide funding for the regional Microbusiness Development Programs pursuant to 3 V.S.A. § 3722.

(12) $100,000 to the Agency of Education for fiscal year 2019 for administration in accordance with the Prekindergarten study required by Sec. E.500.7 of this act.

(13) $150,000 to the Joint Fiscal Office for the study of Corrections Health Care as specified in Sec. E.127 of this act.

Sec. C.106 CHINS CASES SYSTEM-WIDE REFORM

(a) The sum of $7,000,000 is appropriated from the Tobacco Litigation Settlement Fund to the Judiciary in fiscal year 2018 and shall carry forward for the uses and based on the allocations set forth in subsections (b) and (c) of this section. The purpose of the funds is to make strategic investments to transform the adjudication of CHINS cases in Vermont.

(b) The sum appropriated from the Tobacco Litigation Settlement Fund in subsection (a) of this section shall be allocated as follows:

(1) $1,250,000 for fiscal year 2019, which shall not be distributed until the group defined in subsection (c) of this section provides proposed expenditures as part of its fiscal year 2019 budget adjustment request;

(2) $2,500,000 for fiscal year 2020, for which the group shall provide proposed expenditures as part of its fiscal year 2020 budget request or budget adjustment request, or both;

(3) $2,500,000 for fiscal year 2021, for which the group shall provide proposed expenditures as part of its fiscal year 2021 budget request or budget adjustment request, or both; and

(4) $750,000 in fiscal year 2022 or after as needed.

(c) During the 2018 legislative interim, the Chief Superior Judge, the Executive Director of State's Attorneys and Sheriffs, the Defender General, and the Commissioner for Children and Families, shall review and propose changes to the system by which CHINS cases are processed and adjudicated. In undertaking this review the group shall evaluate successful models used in other countries, states, or cities. The proposal shall incorporate innovative approaches to holistic reform and strategies to reduce the need for court intervention, and may include the use of regional and mobile models, judicial masters, mediation, dedicated resources, and other alternative dispute resolution options to the CHINS process. The proposal for reform shall:

(1) support and improve child safety;

(2) provide early screening for substance abuse, mental health, and trauma of children and parents;

(3) provide early access to services designed to address screening outcomes;

(4) improve timeliness of adjudication, including timeliness to permanency for children, whether permanency is reunification with parents or termination of parental rights;

(5) ensure due process;

(6) serve the best interests of the affected children;

(7) relieve systemic resource and budget pressures; and

(8) lead to lasting changes.

(d) The Chief Superior Judge, the Executive Director of State's Attorneys and Sheriffs, the Defender General, and the Commissioner for Children and Families shall report on the proposal developed pursuant to subsection (c) of this section, and shall include a recommendation on how to allocate the $1,250,000 allocated for fiscal year 2019 to reflect the vision for reforming the CHINS docket that achieves the outcomes set forth in subsection (c) of this section:

(1) on or before December 1, 2018 shall report to a combined meeting of the Joint Legislative Justice Oversight Committee and Joint Legislative Child Protection Committee; and

(2) shall report to the House and Senate Committees on Appropriations, the House and Senate Committees on Judiciary, the House Committee on Human Services, and the Senate Committee on Health and Welfare on or before January 15, 2019 as a part of the Judiciary's recommendations for the fiscal year 2020 budget.

Sec. C.106.1 EXPANDING THE VERMONT WORKFORCE FOR SUBSTANCE USE DISORDER TREATMENT AND MENTAL HEALTH PROFESSIONALS

(a) The sum of $5,000,000 is appropriated from the Tobacco Litigation Settlement Fund to the Agency of Human Services in fiscal year 2018 and shall carry forward for the uses and based on the allocations set forth in subsections (b) and (c) of this section. The purpose of the funds is to make strategic investments in order to expand the supply of high-quality substance use disorder treatment and mental health professionals available to Vermont residents in need of their services.

(b) The sum appropriated to the Agency of Human Services in subsection (a) of this section shall be allocated to the Agency as follows:

(1) $1,500,000 for fiscal year 2019, which shall not be distributed until the Agency provides proposed expenditures as part of its fiscal year 2019 budget adjustment request;

(2) $1,500,000 for fiscal year 2020, for which the Agency shall provide proposed expenditures as part of its fiscal year 2020 budget request or budget adjustment request, or both;

(3) $1,500,000 for fiscal year 2021, for which the Agency shall provide proposed expenditures as part of its fiscal year 2021 budget request or budget adjustment request, or both; and

(4) $500,000 which may be provided in fiscal year 2022 or after as needed to ensure successful and sustainable implementation of the workforce expansion initiatives developed pursuant to this section.

(c)(1) The Secretary of Human Services shall convene a work group composed of representatives of the University of Vermont, the Vermont State Colleges, the Area Health Education Centers (AHEC) program and others including consumers, primary care doctors to select from among all proposals for use of the funds allocated pursuant to subsection (b) of this section those most likely to build capacity in Vermont's substance use disorder treatment and mental health systems in a cost-effective and sustainable manner by cultivating, attracting, recruiting, and retaining high-quality substance use disorder treatment and mental health professionals. The Secretary of Human Services shall present the selected proposals to the General Assembly within the allocations set forth in subsection (b) of this section for approval as part of the applicable budget or budget adjustment process.

(2) Successful proposals for use of the funds allocated pursuant to subsection (b) of this section may include scholarships; loan repayment for high-quality substance use disorder treatment and mental health professionals

who commit to practicing in Vermont; hiring bonuses or loan repayment, or both, for faculty and staff at institutions of higher education in Vermont to teach prospective substance use disorder treatment and mental health professionals; strategic bonuses for high-quality substance use disorder treatment and mental health professionals in Vermont's existing workforce; and appropriate continuing education and training for substance use disorder treatment and mental health professionals in Vermont's existing workforce. Loan repayment funds shall be distributed using the AHEC system as appropriate.

Sec. C.106.2 SUBSTANCE USE DISORDER RESPONSE INITIATIVES

(a) The sum of $2,500,000 is appropriated from the Tobacco Litigation Settlement Fund to the Agency of Human Services in fiscal year 2018 and shall carry forward for the uses and based on the allocations set forth in this section. These funds shall be used to finance time-limited or self-sustaining substance use disorder initiatives including initiatives relating to prevention, intervention, harm reduction, treatment, and recovery.

(b) The sum appropriated to the Agency of Human Services in subsection (a) of this section shall be allocated to the Agency as follows:

(1) $1,000,000 for fiscal year 2019, which shall not be distributed until the Agency provides proposed expenditures as part of its fiscal year 2019 budget adjustment request;

(2) $750,000 for fiscal year 2020, for which the Agency shall provide proposed expenditures as part of its fiscal year 2020 budget request or budget adjustment request, or both;

(3) $750,000 for fiscal year 2021, for which the Agency shall provide proposed expenditures as part of its fiscal year 2021 budget request or budget adjustment request, or both.

(c) The Secretary of Human Services shall present a plan to fund fiscal year initiatives relating to prevention, intervention, harm reduction, treatment, and recovery for approval at the Joint Fiscal Committee July 2018 meeting.

Sec. C.106.3 [DELETED]

Sec. C.106.4 [DELETED]

Sec. C.106.5 [DELETED]

Sec. C.107 [DELETED]

Sec. C.108 REPEALS

(a) 2018 Acts and Resolves No. 87, Sec. 37 (Temporary General Fund Reserve) is repealed.

(b) 2018 Acts and Resolves No. 87, Sec. 43 (Use of General Fund Balance Reserve) is repealed.

Sec. C.109 FISCAL YEAR 2018 FEDERAL FUNDS CONTINGENT APPROPRIATION

(a) In the event a federal infrastructure bill providing additional federal funding to Vermont for transportation-related projects is enacted and takes effect in fiscal year 2018 or fiscal year 2019, such federal funds are appropriated to the Agency of Transportation in fiscal year 2018 or fiscal year 2019 as provided and under the conditions prescribed in Sec. 2 of H.917 of 2018.

Sec. C.110 IMPLEMENTATION OF PRELIMINARY RECOMMENDATIONS OF THE VERMONT CLIMATE ACTION COMMISSION

(a) On December 29, 2017, the Vermont Climate Action Commission (Commission) created by the Governor through Executive Order No. 12-17 made five preliminary recommendations to advance Vermont's ability to achieve the Comprehensive Energy Plan's goals for 2050 to reduce greenhouse gas (GHG) emissions and increase renewable energy. Those recommendations are implemented by the provisions of this section and those other sections and bills described in this section.

(b) Recommendations of the Commission and actions taken on them include:

(1) Support advanced wood heat: In Sec. B.1102 of this act $200,000 shall be dedicated for additional woodstove change outs to improve air quality and reduce air emissions related to woodstoves, funded on a one-time basis;

(2) Increase the pace of weatherization: Two specific actions include:

(A) In H.907 of 2018, the State Treasurer is authorized in fiscal years 2019 and 2020 to invest up to $5,000,000 of funds from the credit facility established in 10 V.S.A. § 10 for an accelerated weatherization and housing improvement program. The funds shall be used to support efforts for households and multi-family rental homes as specified in H.907 of 2018.

(B) The Department of Buildings and General Services shall work with the Treasurer to maximize use of the credit facility for local investments established in 10 V.S.A. § 10, to fund energy efficiency projects for State buildings. The amount of $500,000 is appropriated in Sec. C.105.1(a)(3) of this act to the Treasurer to offset costs of interest and principal at the Treasurer's discretion for longer-term State building efficiency investment funding.

(3) Study regulatory and market decarbonization mechanisms: The Joint Fiscal Committee shall contract for independent professional assistance to analyze the costs and benefits for Vermont of adopting and implementing policies to reduce GHG emissions caused by Vermont's consumption of fossil fuels. There is $120,000 appropriated in Sec. C.1000(a)(1) of this act to the Joint Fiscal Committee for this study.

(A) The analysis shall include the comparative ability or potential of the policies to achieve reductions in GHG emissions; to spur economic development in the State; to encourage innovation in the State; to cause shifts in employment, including job creation, job loss, and sectors affected; and to affect the cost of living in Vermont.

(B) The Joint Fiscal Office and the contractor shall consult with the Climate Commission and the Chairs of the House Committees on Energy and Technology and on Natural Resources, Wildlife, and Water Resources and the Senate Committee on Natural Resources and Energy. On or before January 15, 2019, the Joint Fiscal Office shall submit the analysis to those same standing committees, with a copy to the Climate Commission.

(4) Foster the climate economy: The recommendations in subdivisions (1), (2), (3), and (5) of this subsection should result in added economic activity to foster a climate economy.

(5) Electrify the transportation system: The direction concerning the use of Environmental Mitigation Trust monies resulting from the Volkswagen litigation set forth in Sec. E.700 of this act is designed to increase electrification of transportation.

Sec. C.111 2017 Acts and Resolves No. 85, Sec. B.502 is amended to read:

Sec. B.502 Education – special education: formula grants

Grants	~~180,749,796~~	188,749,796
Total	~~180,749,796~~	188,749,796
Source of funds		
Education fund	~~180,749,796~~	188,749,796
Total	~~180,749,796~~	188,749,796

Sec. C.112 2017 Acts and Resolves No. 85, Sec. B.503 is amended to read:

Sec. B.503 Education – state placed students

Grants	~~16,700,000~~	14,700,000
Total	~~16,700,000~~	14,700,000
Source of funds		
Education fund	~~16,700,000~~	14,700,000
Total	~~16,700,000~~	14,700,000

Sec. C.113 2017 Acts and Resolves No. 85, Sec. B.504.1 as amended by 2018 Acts and Resolves No. 87, Sec. 32 is further amended to read:

Sec. B.504.1 Education - Flexible Pathways

Grants	~~7,850,000~~	7,100,000
Total	~~7,850,000~~	7,100,000
Source of funds		
Education fund	~~7,850,000~~	7,100,000
Total	~~7,850,000~~	7,100,000

Sec. C.114 2017 Acts and Resolves No. 85, Sec. B.516 as amended by 2018 Acts and Resolves No. 87, Sec. 33 is further amended to read:

Sec. B.516 Total general education

Source of funds		
General fund	427,964,287	427,964,287
Special funds	22,238,547	22,238,547
Tobacco fund	750,388	750,388
Education fund	~~1,615,538,843~~	1,620,788,843
Federal funds	136,958,720	136,958,720
Global Commitment fund	260,000	260,000
Interdepartmental transfers	4,608,110	4,608,110
Pension trust funds	7,687,431	7,687,431
Total	~~2,216,006,326~~	2,221,256,326

Sec. C.115 2017 Acts and Resolves No. 85, Sec. B.514 is amended to read:

Sec. B.514 State teachers' retirement system

Grants	~~83,809,437~~	84,109,437
Total	~~83,809,437~~	84,109,437
Source of funds		
General fund	~~75,912,816~~	76,212,816
Education fund	7,896,621	7,896,621
Total	~~83,809,437~~	84,109,437

Sec. C.116 2017 Acts and Resolves No. 85, Sec. B.515 is amended to read:

Sec. B.515 Retired teachers' health care and medical benefits

Grants	~~27,560,966~~	27,260,966
Total	~~27,560,966~~	27,260,966
Source of funds		
General fund	~~27,560,966~~	27,260,966
~~Education fund~~	~~0~~	
Total	~~27,560,966~~	27,260,966

Sec. C.117 2017 Acts and Resolves No. 85, Sec. E.514 is amended to read:

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be $88,409,437 of which ~~$83,809,437~~ $84,109,437 shall be the State's contribution and ~~$4,600,000~~ $4,300,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

* * *

Sec. C.118 2017 Acts and Resolves No. 85, Sec. E.515 is amended to read:

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), ~~$27,560,966~~ $27,260,966 will be contributed to the Retired Teachers' Health and Medical Benefits plan.

Sec. C.119 2017 Acts and Resolves No. 85, Sec. D.101 as amended by 2018 Acts and Resolves No. 87, Sec. 36 is further amended to read:

Sec. D.101 FISCAL YEAR 2018 FUND TRANSFERS, REVERSIONS, AND RESERVES

* * *

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2018:

(1) The following amounts shall revert to the General Fund from the accounts indicated:

1210001000	Legislative Council	150,000.00
~~1210002000~~	~~Legislature~~	~~385,000.00~~
1230001000	Sergeant at Arms	19,000.00
7120890704	International Trade Commission	7,711.88
1110003000	Budget & Management	27,921.28
1100010000	Secretary of Administration	100,000.00
1140070000	Use Tax Reimbursement Program	404.00
1240001000	Lieutenant Governor	21,424.41
1250010000	Auditor of Accounts	53,389.23
2100002000	Court Diversion	24,744.91
2160010000	Victims Compensation	489.05
2280001000	Human Rights Commission	10,000.00
3310000000	Commission on Women	3,040.00
5100070000	Education – Education Services	128.66
5100060000	Adult Basic Education	1,065.35
7100000000	Administration Division	3,000.00

* * *

Sec. C.1000 FISCAL YEAR 2018 GENERAL FUND ONE-TIME APPROPRIATIONS, TRANSFERS, AND REVERSIONS

(a) Appropriations: The following appropriations are made from the General Fund in fiscal year 2018:

(1) To the Joint Fiscal Committee for the decarbonization mechanisms study as prescribed in Sec. C.110(b)(3) of this act. $120,000

(2) To the Legislature for a legislative staff workforce comparative evaluation specified in Sec. E.126 of this act. $40,000

(3) To the Agency of Agriculture, Food and Markets to be carried forward and used to increase grants awarded in the Vermont Working Lands Enterprise program in fiscal year 2019. $106,000

(4) To the Vermont State Colleges for the final State contribution for costs of the unification of Johnson and Lyndon State colleges into Northern Vermont University. $350,000

(5) To the Department of State's Attorneys and Sheriffs to be carried forward and used for transport per diem funding in fiscal year 2019 for Vermont Sheriffs. $105,776

(6) To the Joint Fiscal Office for the Vermont Tax Structure Commission established in Sec.15 of H.911 of 2018 $500,000

(7) To the Agency of Education in fiscal year 2018 to be carried forward for fiscal year 2019 under 16 V.S.A. § 2969(c) for the Agency to administer the grant program in accordance with Sec. E.500.6 of this act. $250,000

(8) To the Secretary of State for costs associated with administering primary and general election efforts. $400,000

(9) To the State's Attorneys for the purchase of a case management system. $200,000

(10) To the Agency of Agriculture, Food and Markets to be carried forward for Farm to School initiatives in fiscal year 2019. $50,000

(11) To the Vermont Economic Development Authority (VEDA) to be used by VEDA's agricultural subsidiary the Vermont Agricultural Credit Corporation (VACC) established under 10 V.S.A. § 374a. These funds are for a loss reserve in the 2018 Farm Operating Program which provides Vermont cow dairy farmers with loans to spring operating and related needs including refinancing debt. VEDA shall report to the Emergency Board at its July 2018 meeting on final program design and the use of these funds. $250,000

(12) To the Agency of Agriculture, Food and Markets to partially offset costs of participation in the Federal Margin Protection Program (MPP) for

dairy producers during the 2018 calendar year. Specifically these funds shall be used to provide reimbursement grants to partially offset the premiums for participation in Tier 1 of the MPP program. The Agency of Agriculture, Food and Markets shall request that the Farm Services Agency provide participation information for dairy producers in the margin protection program and other information to assist the Agency to administer the grant program. Dairy producers shall receive a single payment of approximately $600, not to exceed the premium paid for calendar year 2018, by separate check from the State of Vermont. The Agency shall calculate a single farm payment amount based on the funds appropriated and the actual participation in this program and shall report to the Joint Fiscal Committee on or before November 10, 2019 on the amount of the calculated payment. $450,000

(13) To the Agency of Agriculture, Food and Markets to be carried forward for a grant to the Vermont Housing and Conservation Board for federal rural development grant writing assistance in fiscal year 2019. $75,000

(14) To the Agency of Human Services in fiscal year 2018 for any remaining amount of the Medicaid financial requirements specified in Sec. C.102 of this act that are not available within the funds appropriated in 2017 Acts and Resolves No. 85, Sec. B.301 as amended by 2018 Acts and Resolves No. 87, Sec. 8. The Agency shall expend funds available in this appropriation after meeting the requirements specified in Sec. C.102 of this act to the extent available to maintain critical healthcare services that have lost federal funding and to support substance use disorder activities including needle exchange programs, active case management of opioid addicted persons and the distribution of naloxone. The Agency shall report to the Joint Fiscal Committee at its July and September 2018 meetings on the funds allocated for the purposes allowed by this subdivision. $7,100,000

(15) To the Agency of Commerce and Community Development to fund expenses including the refund of subscriptions related to Vermont Life Magazine. $350,000

(b) Transfers:

(1) The amount of $1,790,000 in General Funds shall be transferred and reserved in the 27/53 Reserve in fiscal year 2018. This action is the fiscal year 2019 contribution to the 27th payroll reserve as required by 32 V.S.A. § 308e.

(2) $453,292 shall be transferred to the Clean Energy Development Fund as a result of final accounting reconciliation for the cost of solar energy tax credits.

(3) An amount not to exceed $9,800,000 shall be transferred to the Education Fund to bring the Education Fund reserve to its statutory maximum of 5 percent at the close of fiscal year 2018 and the close of fiscal year 2019.

(4) $21,000,000 is transferred to the Vermont Teachers' Retirement Fund established pursuant to 16 V.S.A. § 1944.

(5) $3,536,000 is transferred to the Vermont Life Magazine Enterprise Fund to address accumulated operational deficits.

(c) Reversion: In fiscal year 2018, $120,000 of the appropriation made in 2017 Acts and Resolves No. 85, Sec. C.100(c), shall revert to the General Fund.

(d) Fund Balance Carried Forward:

(1) $500,000 shall be reserved in the General Fund to carry forward to be available in fiscal year 2019 to obviate any transfer of funds from the Clean Energy Development Fund to the General Fund in fiscal year 2019.

(e) Contingent Reserves: In fiscal year 2018 to the extent any remaining unreserved and undesignated end of fiscal year General Fund surplus remains after satisfying the requirements of 32 V.S.A. § 308 and prior to the provisions of 2017 Acts and Resolves No. 85, Sec. C.120 as amended by this act, $12,000,000 shall be reserved in the General Fund and shall be carried forward to be available in fiscal year 2019 to offset any one-time personal income tax or corporate tax refund liabilities.

Sec. D.100 APPROPRIATIONS; PROPERTY TRANSFER TAX

(a) This act contains the following amounts appropriated from special funds that receive revenue from the property transfer tax. Expenditures from these appropriations shall not exceed available revenues.

(1) The sum of $518,000 is appropriated from the Current Use Administration Special Fund to the Department of Taxes for administration of the Use Tax Reimbursement Program. Notwithstanding 32 V.S.A. § 9610(c), amounts above $518,000 from the property transfer tax that are deposited into the Current Use Administration Special Fund shall be transferred into the General Fund.

(2) The sum of $9,804,840 is appropriated from the Vermont Housing and Conservation Trust Fund to the Vermont Housing and Conservation Board. Notwithstanding 10 V.S.A. § 312, amounts above $9,804,840 from the property transfer tax and surcharge established by 32 V.S.A. § 9602a that are deposited into the Vermont Housing and Conservation Trust Fund shall be transferred into the General Fund.

(A) The dedication of $2,500,000 in revenue from the property transfer tax pursuant to 32 V.S.A. § 9610(d) for the debt payments on the affordable housing bond (10 V.S.A. § 314) is to be offset by the reduction of $1,500,000 in the appropriation to the Vermont Housing and Conservation Board (VHCB) and $1,000,000 from the surcharge established by 32 V.S.A. § 9602a. The fiscal year 2019 appropriation of $9,804,840 to VHCB reflects the $1,500,000 reduction. The affordable housing bond and related property transfer tax and surcharge provisions are repealed after the life of the bond on July 1, 2039. Once the bond is retired, the $1,500,000 reduction in the appropriation to VHCB is intended to be restored.

(3) The sum of $3,760,599 is appropriated from the Municipal and Regional Planning Fund. Notwithstanding 24 V.S.A. § 4306(a), amounts above $3,760,599 from the property transfer tax that are deposited into the Municipal and Regional Planning Fund shall be transferred into the General Fund. The $3,760,599 shall be allocated as follows:

(A) $2,924,417 for disbursement to regional planning commissions in a manner consistent with 24 V.S.A. § 4306(b);

(B) $457,482 for disbursement to municipalities in a manner consistent with 24 V.S.A. § 4306(b);

(C) $378,700 to the Agency of Digital Services for the Vermont Center for Geographic Information established in 10 V.S.A. § 122.

Sec. D.101 FUND TRANSFERS, REVERSIONS, AND RESERVES

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

(1) From the General Fund to the Next Generation Initiative Fund established by 16 V.S.A. § 2887: $3,055,900.

(2) From the Clean Water Fund established by 10 V.S.A. § 1388 to the Agricultural Water Quality Special Fund created under 6 V.S.A. § 4803: $1,670,000.

(3) From the Transportation Fund to the Downtown Transportation and Related Capital Improvement Fund established by 24 V.S.A. § 2796 to be used by the Vermont Downtown Development Board for the purposes of the Fund: $423,966.

(4) From the Transportation Infrastructure Bond Fund established by 19 V.S.A. § 11f to the Transportation Infrastructure Bonds Debt Service Fund established by 32 V.S.A. § 951a for funding fiscal year 2020 transportation infrastructure bonds debt service: $2,497,663.

(b) Notwithstanding any provisions of law to the contrary, in fiscal year 2019:

(1) The following amounts shall be transferred to the General Fund from the funds indicated:

22005	AHS Central Office earned federal receipts	8,193,326.00
50300	Liquor Control Fund	1,805,000.00
	Caledonia Fair	5,000.00
	North Country Hospital Loan	24,250.00

(2) The following estimated amounts, which may be all or a portion of unencumbered fund balances, shall be transferred from the following funds to the General Fund in fiscal year 2019. The Commissioner of Finance and Management shall report to the Joint Fiscal Committee at its July meeting the final amounts transferred from each fund and certify that such transfers will not impair the agency, office, or department reliant upon each fund from meeting its statutory requirements.

21638	AG-Fees & Reimbursements-Court Order	2,000,000.00
21928	Secretary of State Services Fund	2,607,923.00
62100	Unclaimed Property Fund	3,415,143.00

(3) In fiscal year 2019, notwithstanding 2016 Acts and Resolves No. 172, Sec. E.228, $30,514,057 of the unencumbered balances in the Insurance Regulatory and Supervision Fund (Fund Number 21075), the Captive Insurance Regulatory and Supervision Fund (Fund Number 21085), and the Securities Regulatory and Supervision Fund (Fund Number 21080) shall be transferred to the General Fund.

(A) Any remaining unencumbered balances in these funds in fiscal year 2019 up to the amount of $6,080,000 shall remain in these funds for transfer to the General Fund in fiscal year 2020 consistent with the intent of 2016 Acts and Resolves No. 172, Sec. E.228. Fiscal year 2019 unencumbered balances above this amount shall be transferred to the General Fund and reserved in the General Fund Balance Reserve (Rainy Day Fund).

(c) Notwithstanding any provisions of law to the contrary, in fiscal year 2019:

(1) The following amounts shall revert to the General Fund from the accounts indicated:

1130010000	Department of Libraries	234,209.00
1210001000	Legislative Council	113,000.00

1210002000	Legislature	175,000.00
1220000000	Joint Fiscal Office	30,000.00

(d) To the extent that the Emergency Board determines at its July 2018 meeting that the fiscal year 2019 available General Fund forecast exceeds $1,568,200,000 as adjusted by any tax or revenue changes made through the 2018 legislative session:

(1) funds carried forward in accordance with the provisions of Sec. C.1000(e) of this act shall be transferred from the General Fund to the Retired Teachers' Health and Medical Benefits Fund established by 16 V.S.A. § 1944b to reduce any outstanding balance of any interfund loan authorized by the State Treasurer from the General Fund.

Sec. D.102 TOBACCO LITIGATION SETTLEMENT FUND BALANCE

(a) Notwithstanding 18 V.S.A. § 9502(b), the actual balances at the end of fiscal year 2018 in the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a shall remain for appropriation in fiscal year 2019.

Sec. D.103 TRANSFER OF TOBACCO TRUST FUNDS

(a) Notwithstanding 18 V.S.A. § 9502(a)(3) and (4), the actual amount of investment earnings of the Tobacco Trust Fund at the end of fiscal year 2019 and any additional amount necessary to ensure the balance in the Tobacco Litigation Settlement Fund at the close of fiscal year 2019 is not negative shall be transferred in fiscal year 2019 from the Tobacco Trust Fund established by 18 V.S.A. § 9502(a) to the Tobacco Litigation Settlement Fund established by 32 V.S.A. § 435a.

Sec. D.104 GLOBAL COMMITMENT TRANSFER

(a) The fund balance in the Global Commitment Fund, estimated to be up to $79,846,983 as of June 30, 2018, shall be transferred as follows:

(1) $1,760,000 shall be transferred to the General Fund and reserved in the 27/53 Reserve under 32 V.S.A. § 308e in order to fund the fiscal year 2019 obligation of the next year in which a 53rd week of Medicaid payments is due, scheduled to occur in fiscal year 2022.

(2) Notwithstanding 32 V.S.A. § 308b, $64,022,729 shall be transferred to the General Fund and reserved in the Human Services Caseload Reserve and, within that Reserve, specifically reserved in the sub-account for any incurred but not reported Medicaid expenses associated with the current Medicaid Global Commitment waiver, reflecting the estimated amount of the State share of this potential obligation as of June 30, 2017.

(3) Notwithstanding 32 V.S.A. § 308b, up to $14,064,254 shall be transferred to the General Fund and reserved in the Human Services Caseload Reserve, and within that Reserve, specifically reserved in the sub-account for Medicaid-related pressures related to caseload, utilization, and changes in federal participation in existing human services programs.

Sec. D.104.1 [DELETED]

Sec. D.105 32 V.S.A. § 308b is amended to read:

§ 308b. HUMAN SERVICES CASELOAD RESERVE

(a) There is created within the General Fund a Human Services Caseload ~~Management~~ Reserve. Expenditures from the Reserve shall be subject to an appropriation by the General Assembly or approval by the Emergency Board. Expenditures from the Reserve shall be limited to Agency of Human Services caseload-related needs primarily in the Departments for Children and Families; of Health; of Mental Health; of Disabilities, Aging, and Independent Living; ~~and~~ of Vermont Health Access; and settlement costs associated with managing the Global Commitment waiver.

(b) The Secretary of Administration may transfer to the Human Services Caseload Reserve any General Fund carry-forward directly attributable to Agency of Human Services caseload reductions and the effective management of related federal receipts, with the exclusion of the Department of Corrections.

(c) The Human Services Caseload Reserve shall contain two sub-accounts:

(1) A sub-account for incurred but not reported Medicaid expenses. Each year beginning with fiscal year 2020, the Department of Finance and Management shall adjust the amount reserved for incurred but not reported Medicaid expenses to equal the amount specified in the Comprehensive Annual Financial Report as of June 30th of the prior fiscal year for the estimated amount of incurred but not reported Medicaid expenses associated with the current Medicaid Global Commitment waiver.

(2) A sub-account for Medicaid-related pressures related to caseload, utilization, changes in federal participation in existing human services programs, and settlement costs associated with managing the Global Commitment waiver. Any decrease in the amount of required reserves in subdivision (1) of this subsection shall first be reserved in the 27/53 Reserve under section 308e of this title in order to fund the current fiscal year obligation for the next year in which a 53rd week of Medicaid payments is due, next scheduled to occur in fiscal year 2022. The remainder shall result in an offsetting increase in the account for Medicaid-related pressures, as defined in subdivision (2) of this subsection. Any increase in the amount of required reserve in subdivision (1) of this subsection shall require a corresponding

transfer from the funds reserved in subdivision (2) of this subsection, to the extent there are funds available.

Sec. D.106 [DELETED]

Sec. D.107 32 V.S.A. § 308c is amended to read:

§ 308c. GENERAL FUND AND TRANSPORTATION FUND BALANCE RESERVES

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

(1) ~~The Emergency Board shall determine annually at its July meeting the amount of available general funds that is greater than the amount of forecasted available general funds most recently adopted by the Board for the current fiscal year adjusted by any legislative action projected to increase General Fund taxes that result in additional revenue in excess of $1,000,000.00 over the revenue raised without legislative action in the current fiscal year. An amount not to exceed 33 percent of the amount determined in subdivision (1) shall be added to the base amount used to calculate the General Fund transfer under 16 V.S.A. § 4025(a)(2) for the next fiscal year. However, the amount to be added to the base amount used to calculate the General Fund transfer shall also not exceed 33 percent of the total amount which would be reserved in this subsection if not for the requirements of subdivisions (2) and (3) of this subsection.~~ [Repealed.]

(2) ~~Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 25 percent of any such funds shall be transferred from the General Fund to the Education Fund.~~ [Repealed.]

(3) Of the funds that would otherwise be reserved in the General Fund Balance Reserve under this subsection, 50 percent of any such funds shall be reserved as necessary and transferred from the General Fund to the Retired Teachers' Health and Medical Benefits Fund established by 16 V.S.A. § 1944b to reduce any outstanding balance of any interfund loan authorized by the State Treasurer from the General Fund. Upon joint determination by the Commissioner of Finance and Management and the State Treasurer that there is no longer any outstanding balance, no further transfers in accordance with this subdivision shall occur.

* * *

Sec. D.108 STATE HEALTH CARE RESOURCES FUND TRANSITION

(a) The Commissioner of Finance and Management may include in the Governor's proposed fiscal year 2019 budget adjustment report any recommendations and draft legislation necessary to transfer revenues and expenditures as appropriate that make up the State Health Care Resources Fund to the General Fund by the close of fiscal year 2019.

Sec. D.109 REVIEW OF THE STATUTORY RESERVE LEVELS

(a) On or before October 31, 2018, the Joint Fiscal Office and the Department of Finance and Management shall review the statutory reserve requirements for the General Fund, the Education Fund, and the State Health Care Resources Fund, and make recommendations for changes to the existing statutory requirements, taking into consideration actions taken during the 2018 legislative session.

Sec. D.110 FORECAST CONTINGENT TRANSFER FROM GENERAL FUND TO EDUCATION FUND

(a) If the total sales and use tax forecast adopted by the Emergency Board in July 2018 for fiscal year 2019 (the "adopted forecast") is less than $403,900,000, then the Commissioner of Finance and Management shall unreserve from the General Fund and transfer to the Education Fund an amount equaling the difference between the adopted forecast and $403,900,000; provided, however, that not more than $3,000,000 shall be unreserved and transferred. The Commissioner of Finance and Management shall not transfer any funds if the adopted forecast is greater than $403,900,000.

* * * GENERAL GOVERNMENT * * *

Sec. E.100 EXECUTIVE BRANCH POSITION AUTHORIZATIONS

(a) The establishment of the following new permanent classified positions is authorized in fiscal year 2019:

(1) In the Agency of Education – one (1) Finance Administrator II and one (1) School Finance Analyst. The positions established in this subdivision shall be transferred and converted from existing vacant positions in the Executive Branch and shall not increase the total number of authorized State positions, as defined in Sec. A.107 of this act.

(b) The conversion of classified limited service positions to classified permanent status is authorized in fiscal year 2019 as follows:

(1) In the Department of Public Safety – one (1) Financial Administrator II (position #330359) and one (1) Public Assistance Administrator (position #330361).

(2) In the Green Mountain Care Board – one (1) Board Legal Technician (position #270012), one (1) Health Policy Advisor (position #270013), and one (1) Evaluation Manager (position #270017).

(3) In the Agency of Education – one (1) Education Programs Coordinator I (position #770468).

(c) The conversion of exempt limited service positions to classified permanent status is authorized in fiscal year 2019 as follows:

(1) In the Department of Public Safety – one Public Assistance Officer (position #337013).

Sec. E.100.1 2014 Acts and Resolves No. 179, Sec. E.100(d), as amended by 2015 Acts and Resolves No. 4, Sec. 74, by 2016 Acts and Resolves No.172, Sec. E.100.2, and by 2017 Acts and Resolves No. 85, Sec. E.100.1, is further amended to read:

(d) Position Pilot Program. A Position Pilot is hereby created to assist participating departments in more effectively managing costs of overtime, compensatory time, temporary employees, and contractual work by removing the position cap with the goal of maximizing resources to the greatest benefit of Vermont taxpayers.

(1) Notwithstanding Sec. A.107 of this act, the Agency of Transportation, the Department for Children and Families, the Agency of Natural Resources, the Department of Buildings and General Services, the Department of Labor, the Department of Corrections, ~~and~~ the Department of Public Safety, the Department of State's Attorneys and Sheriffs, and the Vermont Veterans' Home shall not be subject to the cap on positions for the duration of the Pilot.

(A) The Department of Corrections is authorized to add only Correctional Officer I and II positions.

(B) The Department of State's Attorneys and Sheriffs is authorized to add only State's Attorney positions.

(C) The Vermont Veterans' Home is authorized to add direct care positions, including part-time positions. Prior to authorizing positions under subdivision (d)(2) of this section, the Secretary of Administration shall be provided the financial analysis from the Vermont Veterans' Home reviewed by the Commissioner of Finance and Management which demonstrates reduction in the cost of overtime expenses or other expenses equal to or greater than the

projected cost of the positions for the current and successive fiscal year of operations.

* * *

(7) This Pilot shall sunset on July 1, ~~2018~~ 2020, unless extended or modified by the General Assembly.

(8) On or before January 15, ~~2018~~ 2019, the Commissioner of Human Resources, in coordination with the Vermont State Employees' Association (VSEA), shall provide a report ~~by department~~ on the total number of positions created under the authority of this section to the House and Senate Committees on Appropriations. The ~~Commissioner~~ report shall include ~~in the report~~ a recommendation on whether this program should be expanded and continue and, if so, should it be extended but remain in session law or be made permanent by codification in statute.

Sec. E.100.2 [DELETED]

Sec. E.105 Agency of digital services

(a) Of the internal service funds appropriated in Sec. B.105 of this act, up to $600,000 is appropriated for a 24/7 cybersecurity operations center. These funds may only be spent upon approval of a budget and a spending plan by the Joint Fiscal Committee at its July 2018 meeting.

(1) The Agency shall consult with the information technology consultant to the Joint Fiscal Office in developing the budget and plan.

(2) The Joint Fiscal Office Information Technology Consultant shall present a report to the Joint Fiscal Committee to accompany the Agency's submission to provide an independent recommendation and review of the proposed budget and plan.

Sec. E.105.1 AGENCY OF DIGITAL SERVICES; REPORT ON STATE INFORMATION TECHNOLOGY EFFICIENCIES

(a) On or before January 15, 2019, the Secretary of Digital Services shall demonstrate in a report to the Senate Committees on Appropriations and on Government Operations and the House Committees on Appropriations and on Energy and Technology that the consolidation of State information technology services under the jurisdiction of the Agency has been at a minimum cost-neutral and shall specifically provide in this report the estimated dates on which the following will occur:

(1) the Agency's internal service fund negative balance will be reduced; and

(2) agency and department information technology charges paid to the

Agency will be lowered.

Sec. E.111 Tax – administration/collection

(a) Of this appropriation, $15,000 is from the Current Use Administration Special Fund established by 32 V.S.A. § 9610(c) and shall be appropriated for programming changes to the CAPTAP software used by municipalities for establishing property values and administering their grand lists.

Sec. E.111.1 2007 Acts and Resolves No. 65, Sec. 282, as amended by 2011 Acts and Resolves No. 63, Sec. C.103, as amended by 2013 Acts and Resolves No. 1, Sec. 65, as amended by 2014 Acts and Resolves No. 95, Sec. 62, as amended by 2018 Acts and Resolves No. 85, Sec. 47, is further amended to read:

Sec. 282. TAX COMPUTER SYSTEM MODERNIZATION FUND

(a) Creation of fund.

(1) There is established the Tax Computer System Modernization Special Fund to consist of:

(A) The tax receipts received as a direct result of the data warehouse project initiated by the Department of Taxes beginning in calendar year 2011; and

(B) Eighty percent of tax receipts received as a direct result of the data sharing and comparison project between the Vermont Department of Labor and the Department of Taxes relative to entity and employee filings at both departments and/or lack thereof; and

(C) The incremental tax receipts received as a direct result of the implementation of the integrated tax system beginning in calendar year 2014, including any additional data warehouse modules. The Commissioner of Finance and Management shall approve baseline tax receipts in order to measure the increment from the new integrated tax system.

(2) Balances in the Fund shall be administered by the Department of Taxes and used for the exclusive purposes of funding: A) ancillary development of information technology systems necessary for implementation and continued operation of the data warehouse project; B) payments due to the vendor under the data warehouse project contract; C) enhanced compliance costs related to the data warehouse project; D) planning for an integrated tax system solution, including present-day analysis of business case and business requirements, requests for proposals and due diligence; E) implementation of tax types and any additional data warehouse modules into the selected integrated tax system solution; F) a micro-simulation model for use by the Department of Taxes and the Joint Fiscal Office; and G) implementation of an

ancillary scanning system to enhance the operation of tax types incorporated into the integrated tax system solution. All balances in the Fund at the end of any fiscal year shall be carried forward and remain part of the Fund. Interest earned by the Fund shall be deposited into the Fund. This Fund is established in the State Treasury pursuant to 32 V.S.A. chapter 7, subchapter 5.

(b) Appropriation.

(1) There is appropriated in fiscal year 2008 from the Special Fund the sum of up to $7,800,000 to the Department of Taxes for the purposes described in subdivision (a)(2) of this section. The Commissioner shall anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

(c) Transfer.

(1) Twenty percent of the tax receipts received pursuant to subdivision (a)(1)(A) of this section after payment to the vendor under the data warehouse contract shall be transferred to the General Fund annually for the duration of that contract. Thereafter, 20 percent of the tax receipts received pursuant to subdivision (a)(1)(A) shall be transferred to the ~~General~~ Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer System Modernization Fund.

(2) Twenty percent of the incremental tax receipts calculated pursuant to subdivision (a)(1)(C) shall be transferred to the ~~General~~ Fund which would receive the underlying tax receipts annually until the expiration of the Tax Computer Modernization Fund.

(d) Fund to terminate.

(1) This Fund shall terminate on July 1, 2024, provided that all amounts due pursuant to contract with the vendor of an integrated tax solution referenced in subdivision (a)(1)(C) of this section have been paid and any unexpended unencumbered balance in the Fund shall be transferred to the General Fund.

(e) The Commissioner of Taxes shall report to the Joint Fiscal Committee on fund receipts at or prior to the November Joint Fiscal Committee meeting each year until the Fund is terminated.

Sec. E.113 Buildings and general services – engineering

(a) The $3,432,525 interdepartmental transfer in this appropriation shall be from the fiscal year 2019 General Bond Fund appropriation in the Capital Bill of the 2017 legislative session (2017 Acts and Resolves No. 85, Sec. 2(c)(3)).

Sec. E.114 29 V.S.A. § 169 is amended to read:

§ 169. BROCHURE DISTRIBUTION FEES

* * *

(b) A special fund is established to be administered as provided under 32 V.S.A. chapter 7, subchapter 5 ~~of chapter 7 of Title 32,~~ and to be known as the ~~brochure distribution special fund~~ Brochure Distribution Special Fund for the purposes of ensuring that the fees collected under this section are utilized to fund travel destination promotion, ~~and~~ information at the ~~state's~~ State's travel information centers, and operations and maintenance of State travel information centers. Revenues to the ~~fund~~ Fund shall be those fees collected for the placement and distribution of brochures of businesses in the ~~state~~ State travel information centers and in other locations deemed appropriate by the ~~department~~ Department.

* * *

Sec. E.126 LEGISLATIVE BRANCH WORKFORCE COMPARATIVE EVALUATION

(a) The Speaker of the House and President Pro Tempore of the Senate shall contract with the National Conference of State Legislatures (NCSL) to perform a comprehensive evaluation of compensation, staffing, workload, and organization concerning the staff and offices of the Vermont General Assembly.

(b) NCSL's evaluation shall examine and provide recommendations on the following issues:

(1) Compensation.

(A) Comparison between the salaries and other compensation earned by staff of the Vermont General Assembly and the salaries and compensation earned by employees with similar responsibilities, workload, qualifications, and experience of:

(i) the Executive and Judicial Branches of Vermont State government;

(ii) other state legislatures; and

(iii) the private sector, if appropriate.

(B) Analysis of how states use salary schedules or other systems for determining the salaries of legislative employees.

(2) Staffing and workload.

(A) Analysis of the workload for each job description or category of

legislative staff and each office or unit of the General Assembly as compared with employees with similar responsibility, workload, qualifications, and experience in:

(i) the Executive and Judicial Branches of Vermont State government;

(ii) other state legislatures; and

(iii) the private sector, if appropriate.

(B) The analysis of workload pursuant to subdivision (A) of this subdivision (2) shall include a comparison of:

(i) the job posting or job description relevant to each category or position;

(ii) the number of legislative members and committees that employees are responsible for or responsive to;

(iii) the range of responsibilities; and

(iv) the professional background, qualifications, subject matter expertise, or experience required by the job description or necessary to fulfill the position's responsibilities.

(3) Organization and structure.

(A) A comparison to other states of the current organization, structure, and oversight of the offices of the General Assembly, including:

(i) the strengths and weaknesses of the current organization and structure; and

(ii) alternative structures, if any, that may increase efficiency and improve the support and services provided to the members of the General Assembly.

(c) NCSL shall submit a final written report to the Speaker of the House, the President Pro Tempore of the Senate, the Joint Fiscal Committee, the Legislative Council Committee, the Joint Information Technology Oversight Committee, the House Rules Committee, the Senate Rules Committee, and the Joint Rules Committee on or before November 16, 2018.

Sec. E.126.1 JOINT LEGISLATIVE JUSTICE OVERSIGHT COMMITTEE; SYSTEM-WIDE REVIEW

(a) During the 2018 legislative interim, the Joint Legislative Justice Oversight Committee shall undertake a review of Vermont's justice system, including both State and local functions. With a focus on reducing crime, improving public safety, decreasing recidivism, and increasing accountability

and cost-efficiencies, the review shall include evaluating:

(1) the Vermont State Auditor's 2017 report to the General Assembly on State and local spending on public safety;

(2) the existing administrative framework and physical infrastructure for redundancies and inefficiencies;

(3) existing criminal penalties and corrections policies;

(4) the manner by which the justice system utilizes technology; and

(5) strategies to reform the structure of the justice system to ensure consistency and cost-efficiency statewide.

(b) Any resulting recommendations to the General Assembly shall be in the form of proposed legislation.

Sec. E.126.2 2 V.S.A. chapter 18 is added to read:

CHAPTER 18. JOINT INFORMATION TECHNOLOGY OVERSIGHT COMMITTEE

* * *

§ 614. JOINT INFORMATION TECHNOLOGY OVERSIGHT COMMITTEE

(a) Creation. There is created the Joint Information Technology Oversight Committee to oversee investments in and use of information technology in Vermont.

(b) Membership. The Committee shall be composed of six members as follows:

(1) three members of the House of Representatives, not all of whom shall be from the same political party, who shall be appointed by the Speaker of the House; and

(2) three members of the Senate, not all of whom shall be from the same political party, who shall be appointed by the Committee on Committees.

(c) Powers and duties. The Committee shall oversee, evaluate, and make recommendations on the following:

(1) the State's current deployment, management, and oversight of information technology in the furtherance of State governmental activities, including data processing systems, telecommunications networks, and related technologies, particularly with regard to issues of compatibility among existing and proposed technologies;

(2) issues related to the storage of, maintenance of, access to, privacy of,

and restrictions on use of computerized records;

(3) issues of public policy related to the development and promotion of the private, commercial, and nonprofit information infrastructure in the State, its relationship to the State government information infrastructure, and its integration with national and international information networks; and

(4) cybersecurity.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Office of Legislative Council and the Joint Fiscal Office.

(e) Meetings.

(1) The Committee shall elect a chair and vice chair from among its members and shall adopt rules of procedure. The Chair shall rotate biennially between the House and Senate members.

(2) A majority of the membership shall constitute a quorum.

(3) The Committee may meet when the General Assembly is not in session or at the call of the Chair.

(f) Reimbursement. For attendance at meetings during adjournment of the General Assembly, members of the Committee shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

Sec. E.127 REVIEW AND EVALUATION OF DEPARTMENT OF CORRECTIONS HEALTH CARE SERVICES

(a) The Joint Fiscal Office (JFO), in coordination with the Office of Legislative Council, shall review and evaluate the policies, contracts, and processes the Department of Corrections (DOC) uses to deliver health care services to assess whether current costs are excessive. The evaluation shall include a review of whether there is potential for the State to achieve savings in providing health care services to inmates and whether the State is contracting for appropriate services.

(b) The JFO is authorized to contract for all or part of the review and evaluation described in subsection (a) of this section. The JFO shall also receive the assistance of the Agency of Human Services and any other relevant State government entity, as needed.

(c) On or before November 1, 2018, the JFO shall submit an update on the review and evaluation described in subsection (a) of this section to the Joint Legislative Justice Oversight Committee. On or before January 15, 2019, the JFO shall submit a final report to the House Committees on Appropriations, on Corrections and Institutions, and on Health Care, and the Senate Committees

on Appropriations, on Institutions, and on Health and Welfare.

Sec. E.133 Vermont state retirement system

(a) Notwithstanding 3 V.S.A. § 473(d), in fiscal year 2019, investment fees shall be paid from the corpus of the Fund.

Sec. E.139 [DELETED]

Sec. E.142 Payments in lieu of taxes

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

Sec. E.142.1 PILOT SPECIAL FUND PAYMENTS

(a) Total payments from the PILOT Special Fund under 32 V.S.A. § 3709 include the appropriation of $8,036,000 in Sec. B.142 of this act, the appropriation of $184,000 for the City of Montpelier in Sec. B.143 of this act, the appropriation of $40,000 for correctional facilities in Sec. B.144 of this act, and the appropriation of $146,000 for the supplemental facility payments from the Department of Corrections to the City of Newport and the Town of Springfield in Sec. B.338 of this act.

Sec. E.143 Payments in lieu of taxes – Montpelier

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

Sec. E.144 Payments in lieu of taxes – correctional facilities

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

* * * PROTECTION TO PERSONS AND PROPERTY * * *

Sec. E.200 Attorney general

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

(b) Of the revenue available to the Attorney General under 9 V.S.A. § 2458(b)(4), $1,390,500 is appropriated in Sec. B.200 of this act.

Sec. E.200.1 3 V.S.A. § 167a is added to read:

§ 167a. COMPLEX LITIGATION SPECIAL FUND

(a) There is established the Complex Litigation Special Fund pursuant to 32 V.S.A. chapter 7, subchapter 5 to be available for expenditure by the Attorney General, as annually appropriated or authorized pursuant to 32 V.S.A. § 511, to pay nonroutine expenses, not otherwise budgeted, incurred in the investigation, prosecution, and defense of complex civil and criminal litigation. These expenses may include, for example, costs incurred for expert witnesses and for support staff and technology needed to review and manage voluminous documents in discovery and at trial in complex cases.

(b) The Fund shall consist of:

(1) Such sums as may be appropriated or transferred by the General Assembly.

(2) Settlement monies other than consumer restitution collected by the Office of the Attorney General, except for those recoveries that by law are transferred or appropriated for other uses pursuant to 9 V.S.A. § 2458(b)(4), and subject to the Fund balance cap in subsection (c) of this section.

(c) The unencumbered Fund balance shall not exceed $1,000,000.00.

(d) The Attorney General shall submit a report of the amount and purpose of expenditures from the Fund at the close of each fiscal year to the Joint Fiscal Committee annually on or before September 1. As part of the annual budget submission, the Attorney General shall include a projection of the Fund balance for the current fiscal year and upcoming fiscal year and may recommend appropriations as needed consistent with the purpose of the Fund.

Sec. E.200.2 3 V.S.A. § 152 is amended to read:

§ 152. SCOPE OF AUTHORITY

The Attorney General may represent the State in all civil and criminal matters as at common law and as allowed by statute. The Attorney General shall also have the same authority throughout the State as a State's Attorney. The Attorney General shall represent members of the General Assembly in all civil matters arising from or relating to the performance of legislative duties.

Sec. E.200.3 3 V.S.A. § 157 is amended to read:

§ 157. APPEARANCE FOR STATE

The Attorney General shall appear for the State in the preparation and trial of all prosecutions for homicide and civil or criminal causes in which the State is a party or is interested when, in his or her judgment, the interests of the State so require. The Attorney General shall represent members of the General

Assembly in all civil causes arising from or relating to the performance of legislative duties.

Sec. E.200.4 ATTORNEY GENERAL POSITION

(a) The establishment of one (1) permanent classified position - IT Specialist II - is authorized in fiscal year 2019.

Sec. E.204 JUDICIAL BRANCH POSITIONS

(a) The establishment of seven (7) new permanent exempt positions is authorized in fiscal year 2019 as follows: five (5) Docket Clerk B and two (2) Law Clerk.

Sec. E.207 INMATE TRANSPORTATION WORK GROUP

(a) There is established an Inmate Transportation Work Group to study Vermont's system of transporting inmates for court appearances and make recommendations for improving the system's processes and efficiency and reducing its cost.

(b) The Work Group shall be composed of the following members:

(1) The Secretary of Administration or designee.

(2) The Chief Superior Judge or designee.

(3) The Executive Director of the Department of State's Attorneys and Sheriffs or designee.

(4) The President of the Vermont Sheriffs' Association or designee.

(5) The Defender General or designee.

(6) The Commissioner of Corrections or designee.

(7) The Commissioner of Mental Health or designee.

(8) The Commissioner for Children and Families or designee.

(c) The Work Group shall study how to develop and implement a system that ensures inmates are transported to court when necessary in the most cost-effective and efficient manner possible. The study shall include:

(1) any recommendations for process improvements to the current inmate transport system;

(2) recommendations for methods to ensure that transport deputies are available when needed;

(3) analysis of whether transport should be provided by the Judiciary, the Executive, or a statewide entity; and

(4) consideration of whether transported inmates should be permitted to be scheduled first in court proceedings in order to reduce transport deputy

costs.

(d) On or before November 1, 2018, the Work Group shall submit a report to the Senate and House Committees on Appropriations and Judiciary, the House Committee on Corrections and Institutions, and the Senate Committee on Institutions containing its recommendations, including any proposals for legislative action.

Sec. E.208 Public safety – administration

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

(b) Up to $86,000 of any funds appropriated in 2017 Acts and Resolves No. 85, Sec. C.100(e) may be carried forward to fiscal year 2019 and used for the purchase of Taser electroshock weapons by the State Police.

Sec. E.209 Public safety – state police

(a) Of this appropriation, $35,000 in special funds shall be available for snowmobile law enforcement activities and $35,000 in general funds shall be available to the Southern Vermont Wilderness Search and Rescue Team, which comprises State Police, the Department of Fish and Wildlife, county sheriffs, and local law enforcement personnel in Bennington, Windham, and Windsor Counties, for snowmobile enforcement.

(b) Of this appropriation, $405,000 is allocated for grants in support of the Drug Task Force and the Gang Task Force. Of this amount, $190,000 shall be used by the Vermont Drug Task Force to fund three town task force officers. These town task force officers shall be dedicated to enforcement efforts with respect to both regulated drugs as defined in 18 V.S.A. § 4201(29) and the diversion of legal prescription drugs. Any unobligated funds may be allocated by the Commissioner to fund the work of the Drug Task Force and to support the efforts of the Mobile Enforcement Team (Gang Task Force) or carried forward.

Sec. E.212 Public safety – fire safety

(a) Of this General Fund appropriation, $55,000 shall be granted to the Vermont Rural Fire Protection Task Force for the purpose of designing dry hydrants.

Sec. E.215 Military – administration

(a) The amount of $474,000 shall be disbursed to the Vermont Student Assistance Corporation for the National Guard Educational Assistance Program established in 16 V.S.A. § 2856 AND § 2857 as established in this

act. Of this amount, $324,000 shall be general funds appropriated in Sec. B.215 and $150,000 shall be Next Generation special funds, as appropriated in Sec. B.1100(a)(3)(B) of this act.

Sec. E.215.1 16 V.S.A. § 2857 is added to read:

§ 2857. VERMONT NATIONAL GUARD TUITION BENEFIT PROGRAM

(a) Program creation. The Vermont National Guard Tuition Benefit Program (Program) is created, under which a member of the Vermont National Guard (member) who meets the eligibility requirements in subsection (c) of this section is entitled to:

(1) take courses tuition free at the Northern Vermont University, the University of Vermont and State Agricultural College (UVM), or at the Community College of Vermont (CCV); or

(2) receive a tuition benefit not to exceed the tuition charged for an in-state student to take courses at the Northern Vermont University, which may be used for tuition at a Vermont State College, and any other college or university located in Vermont.

(b) The tuition benefit provided under the Program shall be paid on behalf of the member by the Vermont Student Assistance Corporation (VSAC), subject to the appropriation of funds by the General Assembly specifically for this purpose. A college or university that accepts or receives the tuition benefit on behalf of a member shall charge the member the tuition for an in-state student. The amount of tuition for a member who attends an educational institution under the Program on less than a full-time basis shall be reduced to reflect the member's course load in a manner determined by VSAC under subdivision (f)(1) of this section. The tuition benefit shall be conditioned upon the member's executing a promissory note obligating the member to repay the member's tuition benefit, in whole or in part, if the member fails to complete the period of Vermont National Guard service required in subsection (d) of this section, or if the member's benefit is terminated pursuant to subdivision (e)(1) of this section.

(c) Eligibility. To be eligible for the Program, an individual, whether a resident or nonresident, shall satisfy all of the following requirements:

(1) be an active member of the Vermont National Guard;

(2) have successfully completed basic training;

(3) be enrolled at UVM, a Vermont State College, or any other college or university located in Vermont in a program that leads to an undergraduate certificate or degree;

(4) have not previously earned an undergraduate bachelor's degree;

(5) continually demonstrate satisfactory academic progress as determined by criteria established by the Vermont National Guard and VSAC, in consultation with the educational institution at which the individual is enrolled under the Program;

(6) have exhausted any post-September 11, 2001 tuition benefits and other federally funded military tuition assistance; provided, however, that this subdivision shall not apply to Montgomery GI Bill benefits, post-September 11, 2001 educational program housing allowances, federal educational entitlements, National Guard scholarship grants, loans under section 2856 of this title, and other nontuition benefits; and

(7) have submitted a statement of good standing to VSAC signed by the individual's commanding officer within 30 days prior to the beginning of each semester.

(d) Service commitment.

(1) For each full academic year of attendance under the Program, a member shall be required to serve two years in the Vermont National Guard in order to receive the full tuition benefit under the Program.

(2) If a member's service with the Vermont National Guard terminates before the member fulfills this two-year service commitment, other than for good cause as determined by the Vermont National Guard, the individual shall reimburse VSAC a pro rata portion of the tuition paid under the Program pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program.

(3) For members participating in the Program on a less than full-time basis, the member's service commitment shall be at the rate of one month of Vermont National Guard service commitment for each credit hour, not to exceed 12 months of service commitment for a single semester.

(e)(1) Termination of tuition benefit. The Office of the Vermont Adjutant and Inspector General may terminate the tuition benefit provided an individual under the Program if:

(A) the individual's commanding officer revokes the statement of good standing submitted pursuant to subdivision (c)(7) of this section as a result of an investigation or disciplinary action that occurred after the statement of good standing was issued;

(B) the individual is dismissed from the educational institution in which the individual is enrolled under the Program for academic or disciplinary reasons; or

(C) the individual withdraws without good cause from the educational institution in which the individual is enrolled under the Program.

(2) If an individual's tuition benefit is terminated pursuant to subdivision (1) of this subsection, the individual shall reimburse VSAC for the tuition paid under the Program, pursuant to the terms of an interest-free reimbursement promissory note signed by the individual at the time of entering the Program; shall be responsible on a pro rata basis for the remaining tuition cost for the current semester or any courses in which the individual is currently enrolled; and shall be ineligible to receive future tuition benefits under the Program.

(3) If an individual is dismissed for academic or disciplinary reasons from any postsecondary educational institution before receiving tuition benefits under the Program, the Office of the Adjutant and Inspector General may make a determination regarding the individual's eligibility to receive tuition benefits under the Program.

(f)(1) Adoption of policies, procedures, and guidelines. VSAC, in consultation with the Office of the Adjutant and Inspector General, shall adopt policies, procedures, and guidelines necessary to implement the provisions of this section, which shall include eligibility, application, and acceptance requirements, pro-ration of service requirements for academic semesters or attendance periods shorter than one year, data sharing guidelines, and the criteria for determining "good cause" as used in subdivisions (d)(2) and (e)(1)(C) of this section.

(2) Each educational institution participating in the Program shall adopt policies and procedures for the enrollment of members under the Program. These policies and procedures shall be consistent with the policies, procedures, and guidelines adopted by VSAC under subdivision (1) of this subsection.

(g) Reports.

(1) On or before November 1 of each year, the President, Chancellor, or equivalent position of each educational institution that participated in the Program during the immediately preceding school year shall report to the Vermont National Guard and VSAC regarding the number of members enrolled at its institution during that school year who received tuition benefits under the Program and, to the extent available, the courses or program in which the members were enrolled.

(2) On or before January 15 of each year, the Vermont National Guard and VSAC shall report these data and other relevant performance factors, including information pertaining to the achievement of the goals of this entitlement program and the costs of the program to date, to the Governor, the

House and Senate Committees on Education, and the House Committees on Appropriations and on General, Housing, and Military Affairs. The provisions of 2 V.S.A. § 20(d), expiration of reports, shall not apply to the reports to be made under this subsection.

Sec. E.215.2 REPEAL

(a) 16 V.S.A. § 2856 (educational assistance; interest free loans) is repealed on July 1, 2022.

Sec. E.215.3 TRANSITION

(a) The benefits under 16 V.S.A. § 2856, the Vermont National Guard Educational Assistance Program, shall only be available through December 31, 2018, except as provided in this subsection.

(1) A member who is, as of December 31, 2018, pursuing a graduate degree under that Program may continue to receive a loan under the Program through June 30, 2020, provided that the member continues to satisfy the eligibility requirements of 16 V.S.A. § 2857(c).

(b) A member of the Vermont National Guard who received a loan on or before January 1, 2019 under 16 V.S.A. § 2856 shall be entitled to the benefits under the Vermont National Guard Tuition Benefit Program if the member satisfies the eligibility criteria under that Program.

(c) The Vermont Student Assistance Corporation (VSAC), in consultation with the Office of the Adjutant and Inspector General, shall adopt guidelines for participants transitioning from the Vermont National Guard Educational Assistance Program under 16 V.S.A. § 2856 to the benefits under the Vermont National Guard Tuition Benefit Program.

(d) If, on or before July 1, 2022, a loan provided to a Vermont National Guard member under 16 V.S.A. § 2856 has gone into repayment pursuant to the terms of the loan, the member shall repay the loan in accordance with its terms unless and to the extent canceled or forgiven by the Corporation.

Sec. E.215.4 EXCESS COST; SERVICE REQUIREMENT

(a) If the cost to the State under the Vermont National Guard Tuition Benefit Program exceeds $2,000,000 annually, then the General Assembly intends to amend 16 V.S.A. § 2857 to require, for each full academic year of attendance at the University of Vermont and State Agricultural College, three years of service in the Vermont National Guard in order to receive the full tuition benefit under the Program.

Sec. E.219 Military – veterans' affairs

(a) Of this appropriation, $1,000 shall be used for continuation of the

Vermont Medal Program; $4,800 shall be used for the expenses of the Governor's Veterans' Advisory Council; $7,500 shall be used for the Veterans' Day parade; $5,000 shall be used for the Military, Family, and Community Network; and $10,000 shall be granted to the American Legion for the Boys' State and Girls' State programs.

(b) Of this General Fund appropriation, $39,484 shall be deposited into the Armed Services Scholarship Fund established in 16 V.S.A. § 2541.

Sec. E.220 Center for crime victim services

(a) Notwithstanding 20 V.S.A. § 2365(c), the Vermont Center for Crime Victim Services shall transfer $43,923 from the Domestic and Sexual Violence Special Fund established in 13 V.S.A. § 5360 to the Criminal Justice Training Council for the purpose of funding one-half the costs of the Domestic Violence Trainer position. The other half of the position will be funded with an appropriation to the Criminal Justice Training Council.

Sec. E.224 Agriculture, food and markets – agricultural development

(a) Of the funds appropriated in Sec. B.224 of this act, the amount of $594,000 in general funds is appropriated for expenditure by the Vermont Working Lands Enterprise Board established in 6 V.S.A. § 4606 for investments in food and forest system businesses and service providers pursuant to 6 V.S.A. § 4607 and consistent with the funding priorities in 2012 Acts and Resolves No. 142, Sec. 5, as amended by 2014 Acts and Resolves No. 179, Sec. E.224.1.

Sec. E.233 ENERGY PLANNING SUPPORT; ALLOCATION OF COSTS

(a) During fiscal year 2019, the Commissioner of Public Service, in consultation with the Commissioner of Housing and Community Development, shall award the amount of $300,000 to regional planning commissions established under 24 V.S.A. chapter 117 and to municipalities for the purpose of providing training under 2016 Acts and Resolves No. 174.

(b) In awarding funds under this section, the Commissioners shall consider the need and size of a municipality or region and the availability, if any, of other assistance, expertise, or funds to a municipality or region to implement 2016 Acts and Resolves No. 174.

(c) The Commissioner of Public Service shall allocate costs under subsection (a) of this section to the electric distribution utilities subject to its supervision under Title 30 of the Vermont Statutes Annotated based on their pro rata share of total Vermont retail kilowatt-hour sales for the previous fiscal year. Each of these utilities shall pay its allocation into the State Treasury at such time and in such manner as the Commissioner may direct.

Sec. E.233.1 SUSTAINABLE FUNDING FOR THE PUBLIC UTILITY COMMISSION AND THE DEPARTMENT OF PUBLIC SERVICE; STUDY

(a) The Commissioner of Public Service, in consultation with the Public Utility Commission, shall study and make findings and recommendations regarding the gross operating revenue tax on public utilities imposed under 30 V.S.A. § 22, as well as the assessments imposed under 30 V.S.A. §§ 20 and 21. The purpose of the study is to determine whether the existing statutory mechanisms for financing utility regulation in Vermont are appropriate and, if not, how they might be improved to achieve a sustainable general gross receipts tax fund position and to better serve the public interest.

(1) With respect to the gross operating revenue tax, the Commissioner shall consider:

(A) the total amount collected by each category of companies described under 30 V.S.A. § 22;

(B) how that amount correlates with the regulatory activities of the Commission and the Department with respect to those companies;

(C) whether there is cross-subsidization of regulatory activities and, if so, to what extent;

(D) the gross operating revenue trends of companies subject to the tax and the factors influencing those trends;

(E) the projected fund balance in the General Gross Receipts Tax Fund;

(F) the allocation of funds between the Public Utility Commission and the Department of Public Service and whether the 40/60 percentage allocation is appropriate;

(G) whether adjustments should be made to the tax rates; and

(H) any other matters deemed relevant by the Commissioner.

(2) With respect to the assessments imposed under 30 V.S.A. §§ 20 and 21 (the bill-back provisions):

(A) whether there are persons involved in particular proceedings who are not subject to the assessment for State expenses incurred as a result of those proceedings;

(B) the amount of expenses incurred for which there is no applicable bill-back provision, resulting in expenses for additional personnel being reimbursed from the General Gross Receipts Tax Fund; and

(C) any other matters deemed relevant by the Commissioner.

(b) The Commissioner shall hold two regional public hearings seeking input with regard to the study and report required by this section, and shall present an interim status report on his or her findings and recommendations at the September 2018 meeting of the Joint Fiscal Committee.

(c) On or before November 15, 2018, after consultation with the Joint Fiscal Office, the Commissioner shall report his or her findings and recommendations to the Senate Committees on Finance and on Appropriations and the House Committees on Ways and Means and on Energy and Technology.

Sec. E.233.2 SHORT-TERM EMERGENCY FUNDING TO MAINTAIN CRITICAL WIRELESS E-911 SERVICE; STUDY

(a) It is the purpose of this section to provide the Commissioner of Public Service with discretionary authority to allocate short-term emergency funding to any provider who has a lease agreement with the State to operate a mobile wireless network comprising microcell equipment owned by the State. The funding authorized pursuant to this section is intended to support the health and safety needs of the general public by maintaining critical microcell wireless E-911 service in rural areas of the State that would otherwise be without such service, consistent with the objectives of prior State investments in microcell network infrastructure.

(b) Beginning in fiscal year 2018 and continuing until December 31, 2018, the Commissioner of Public Service is authorized to spend up to $50,000 from the Connectivity Fund established under 30 V.S.A. § 7516 to support E-911 geolocation service charges incurred by any provider that has a lease agreement with the State to operate a mobile wireless network comprising microcell equipment owned by the State. Funds awarded pursuant to this subsection shall be on a reimbursement basis only, and shall be awarded only to providers who comply with or submit to the Commissioner of Public Service's written agreement to comply with subsection (d) of this section.

(c) Beginning on January 1, 2019 and continuing until June 30, 2019, the Commissioner of Public Service is authorized to spend up to an additional $50,000 from the Connectivity Fund as specified in subsection (b) of this section, provided the Commissioner obtains the prior approval of the Joint Fiscal Committee.

(d) As a condition to the receipt of funds pursuant to this section and for the purpose of ensuring that State-owned assets are sufficiently protected and used in a manner that serves the public interest, on or before September 1, 2018, in a form and manner specified by the Commissioner of Public Service, any provider that has a lease agreement with the State to operate a mobile wireless network comprising State-owned microcell equipment shall submit to

the Department of Public Service a business plan. All financial information, trade secrets, or other information customarily regarded as confidential business information submitted to the Commissioner pursuant to this subsection shall be exempt from inspection and copying under the Public Records Act and shall not be released.

(e) On or before December 1, 2018, the Commissioner of Public Service shall submit a report to the Senate Committees on Finance and on Institutions and the House Committees on Energy and Technology and on Corrections and Institutions regarding E-911 compliant microcell service in Vermont. The report shall include findings and recommendations related to:

(1) the financial viability of operating and maintaining a microcell network in Vermont using existing 2G technology as well as 4G technology;

(2) whether changes to State regulatory policy are needed to facilitate the availability of wireless E-911 service in Vermont;

(3) whether the State should subsidize E-911 geolocation service charges incurred by microcell service providers on a permanent basis;

(4) the costs of completing a statewide propagation coverage analysis and whether such an analysis is needed to inform State policy, planning, and investment with respect to wireless service in Vermont;

(5) the estimated costs of providing microcell service in Vermont, including rates and charges related to electric, backhaul, and geolocation services, pole rental fees, backup-power requirements, colocation requirements, and any other costs deemed relevant by the Commissioner; and

(6) any other matters deemed relevant by the Commissioner.

Sec. E.234 E-911 SYSTEM; PUBLIC UTILITY COMMISSION; REPORT

(a) On or before September 1, 2018, the Public Utility Commission shall submit a memorandum to the Joint Fiscal Committee detailing its regulatory authority with respect to Vermont's Enhanced 911 network, with specific reference to the regulatory authority of both the E-911 Board and the Federal Communications Commission. The memorandum shall include the Commission's recommendations, if any, for ensuring comprehensive regulatory oversight and enforcement of matters pertaining to the E-911 network.

Sec. E.235 E-911 SYSTEM; RESILIENCY AND REDUNDANCY; REPORT

(a) On or before September 1, 2018, the Executive Director of the Enhanced 911 Board, in consultation with the Secretary of Digital Services, shall submit a report to the Joint Fiscal Committee detailing the level of

resiliency and redundancy within the E-911 system and explaining any plans for ensuring operational integrity in the event of critical software or hardware failures. The report shall include, with explanation, identification of the locations and services deemed most vulnerable to system outages or call failures, as determined by the Board. The report also shall include a cost estimate for making any recommended system upgrades.

Sec. E.238 UNLAWFUL ALCOHOLIC BEVERAGE TRADE PRACTICES; REPORT

(a) On or before January 15, 2019, the Commissioner of Liquor Control shall submit a written report to the House Committee on General, Housing, and Military Affairs and the Senate Committee on Economic Development, Housing and General Affairs regarding the occurrence in Vermont of unfair trade practices at wholesale, including unlawful financial interests in retail licensees, price discrimination between retail licensees, and inducement of retail licensees to purchase or sell certain brands of alcoholic beverages to the exclusion of others. In particular, the report shall include:

(1) a description of the State and federal laws and regulations restricting:

(A) certain types of financial interests between wholesale and retail licensees;

(B) price discrimination between retail licensees by wholesale dealers and packagers; and

(C) the giving of free alcoholic beverages, monetary payments, or any other thing of value in order to induce or persuade a retail licensee to purchase or contract to purchase a certain brand or kind of alcoholic beverage to the exclusion of others, or to refrain from purchasing or contracting to purchase a certain brand or kind of alcoholic beverage;

(2) a description of the Department of Liquor Control's efforts to enforce the laws and regulations related to unlawful financial interests in retail licensees, price discrimination between retail licensees, and inducement of retail licensees to purchase or sell certain brands of alcoholic beverages to the exclusion of others, including:

(A) the number of complaints received by the Department;

(B) the number of investigations performed by the Department;

(C) the number of alleged violations prosecuted by the Department; and

(D) the result of any prosecutions carried out by the Department; and

(3) any suggestions for legislative action to strengthen or improve the enforcement of Vermont's laws restricting unlawful financial interests in retail licensees, price discrimination between retail licensees, and inducement of retail licensees to purchase or sell certain brands of alcoholic beverages to the exclusion of others.

Sec. E.238.1 DEPARTMENT OF LIQUOR CONTROL; UNFAIR TRADE PRACTICES; ANONYMOUS REPORTING

(a) On or before November 15, 2018, the Commissioner of Liquor Control shall develop and follow a protocol to allow licensees and members of the public to submit to the Department confidential and anonymous reports of unfair trade practices, including unlawful financial interests in retail or wholesale licensees, price discrimination between retail licensees, and the inducement of retail licensees to purchase or sell certain brands of alcoholic beverages to the exclusion of others.

(b) On or before January 15, 2019, the Commissioner shall report to the House Committees on Appropriations and on General, Housing, and Military Affairs and the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs regarding how the Department receives reports of unfair trade practices and ensures confidentiality. The report shall also be included in the Department's presentation of its budget to the House and Senate Committees on Appropriations.

* * * HUMAN SERVICES * * *

Sec. E.300.1 DEPOSIT AND USE OF MASTER SETTLEMENT FUND

(a) Deposit of Master Tobacco Settlement receipts and appropriations of Tobacco Settlement funds in fiscal year 2019 are made, notwithstanding 2013 Acts and Resolves No. 50, Sec. D.104.

Sec. E.300.2 FUNDING FOR THE OFFICE OF THE HEALTH CARE ADVOCATE

(a) Of the funds appropriated in Sec. B.300 of this act, $1,457,406 shall be used for the contract with the Office of the Health Care Advocate.

Sec. E.301 Secretary's office – Global Commitment

(a) The Agency of Human Services shall use the funds appropriated in Sec. B.103 of this act for payment of the actuarially certified premium required under the intergovernmental agreement between the Agency of Human Services and the managed care entity, the Department of Vermont Health Access, as provided for in the Global Commitment for Health Waiver (Global Commitment) approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

(b) In addition to the State funds appropriated in this section, a total estimated sum of $26,413,016 is anticipated to be certified as State matching funds under the Global Commitment as follows:

(1) $23,336,050 certified State match available from local education agencies for eligible special education school-based Medicaid services under the Global Commitment. This amount combined with $27,163,950 of federal funds appropriated in Sec. B.301 of this act equals a total estimated expenditure of $50,500,000. An amount equal to the amount of the federal matching funds for eligible special education school-based Medicaid services under Global Commitment shall be transferred from the Global Commitment Fund to the Medicaid Reimbursement Special Fund created in 16 V.S.A. § 2959a.

(2) $3,076,966 certified State match available from local designated mental health and developmental services agencies for eligible mental health services provided under Global Commitment.

Sec. E.301.1 Secretary's office – Global Commitment

(a) An amount up to $16,800,000 is transferred from the AHS Federal Receipts Holding Account to the Interdepartmental Transfer Fund consistent with the amount appropriated in Section B.301 – Secretary's office – global commitment of this act.

Sec. E.301.2 GLOBAL COMMITMENT APPROPRIATIONS; TRANSFER; REPORT

(a) In order to facilitate the end-of-year closeout for fiscal year 2019, the Secretary of Human Services, with approval from the Secretary of Administration, may make transfers among the appropriations authorized for Medicaid and Medicaid-waiver program expenses, including Global Commitment appropriations outside the Agency of Human Services. At least three business days prior to any transfer, the Agency shall submit to the Joint Fiscal Office a proposal of transfers to be made pursuant to this section. A final report on all transfers made under this section shall be made to the Joint Fiscal Committee for review at the September 2019 meeting. The purpose of this section is to provide the Agency with limited authority to modify the appropriations to comply with the terms and conditions of the Global Commitment for Health waiver approved by the Centers for Medicare and Medicaid Services under Section 1115 of the Social Security Act.

Sec. E.306 ALTERNATIVE FORMS OF COST-SHARING ASSISTANCE; REPORT

(a)(1) The Secretary of Human Services, in consultation with the Green Mountain Care Board, the Office of the Health Care Advocate, and other

interested stakeholders, shall research, analyze, and recommend alternatives to the cost-sharing assistance established in 33 V.S.A. § 1812 for eligible individuals enrolled in Exchange plans.

(2) The alternatives to be considered may include:

(A) creation of a fund to reimburse eligible individuals who experience high out-of-pocket health care costs;

(B) creation of an uncompensated care pool; and

(C) other strategies for reducing the out-of-pocket exposure of individuals and families with income between 200 and 300 percent of the federal poverty level who purchase silver-level qualified health benefit plans through the Vermont Health Benefit Exchange.

(b) On or before January 15, 2019, the Secretary of Human Services shall report its findings and recommendations for alternative forms of cost-sharing assistance to the House Committees on Health Care and on Appropriations and the Senate Committees on Health and Welfare, on Finance, and on Appropriations. The report shall also include the Secretary's recommendations for ways to assist individuals purchasing qualified health benefit plans during open enrollment periods in making informed choices.

Sec. E.306.1 FISCAL YEAR 2019 BUDGET ADJUSTMENT; REALLOCATION; RESEARCH STUDY ON EFFECTS OF INCREASED ACCESS TO ACUPUNCTURE CARE

(a) As part of its fiscal year 2019 budget adjustment proposal, the Agency of Human Services shall recommend the specific reallocation of funds remaining in the Evidence-Based Education and Advertising Fund in fiscal year 2019 in order to provide $100,000 to the Department of Vermont Health Access to conduct the first year of a two-year research study into the effects of increased access to acupuncture care on utilization of and expenditures on other medical services for individuals enrolled in Medicaid and commercial health insurance in Vermont. The Agency shall manage the Fund during fiscal year 2019 in a manner consistent with this purpose.

(b) As part of its fiscal year 2019 budget adjustment proposal, the Agency of Human Services shall also report on the financial status of the Fund, including anticipated fiscal year 2020 revenue and the allocation of an additional $100,000 for the second year of the study described in subsection (a) of this section.

Sec. E.306.2 VERMONT HEALTH BENEFIT EXCHANGE RULES

(a) The Agency of Human Services may adopt rules pursuant to 3 V.S.A. chapter 25 to conform Vermont's rules regarding health care eligibility and enrollment and the operation of the Vermont Health Benefit Exchange to state

and federal law and guidance. The Agency may use the emergency rules process pursuant to 3 V.S.A. § 844 prior to June 30, 2019, but only in the event that new state or federal law or guidance require Vermont to amend or adopt its rules in a time frame that cannot be accomplished under the traditional rulemaking process. An emergency rule adopted under these exigent circumstances shall be deemed to meet the standard for the adoption of emergency rules required pursuant to 3 V.S.A. § 844(a).

Sec. E.307 PRIMARY CARE FUNDING

(a) Of the funds appropriated in Sec. B.307 of this act, $2,166,000 shall be used to increase the amount of the per-member per-month payment through the Blueprint for Health to each patient-centered medical home in fiscal year 2019.

Sec. E.308 33 V.S.A. chapter 76 is added to read:

CHAPTER 76. CHOICES FOR CARE

§ 7601. DEFINITIONS

As used in this chapter:

(1) "Commissioner" means the Commissioner of Disabilities, Aging, and Independent Living.

(2) "Department" means the Department of Disabilities, Aging, and Independent Living.

(3) "Savings" means the difference remaining at the conclusion of each fiscal year between the amount of funds appropriated for Choices for Care and the sum of expended and obligated funds, less an amount equal to one percent of that fiscal year's total Choices for Care expenditure. The one percent shall function as a reserve to avoid implementing a High Needs wait list due to unplanned Choices for Care budget pressures throughout the fiscal year.

§ 7602. CALCULATING AND ALLOCATING SAVINGS

(a)(1) The Department shall calculate savings and investments in Choices for Care and report the amount of savings to the Joint Fiscal Committee and the House Committees on Appropriations and on Human Services and to the Senate Committees on Appropriations and on Health and Welfare by September 15 of each year. The Department shall not reduce the base funding needed in a subsequent fiscal year prior to calculating savings for the current fiscal year.

(2) After reporting the savings in accordance with subdivision (1) of this subsection, the Commissioner shall determine how to allocate available Choices for Care program savings in accordance with this section.

(b) Savings shall be one-time investments or shall be used in ways that are

sustainable into the future. Use of savings shall be based on the assessed needs of Vermonters as identified by the Department and its stakeholders. Priority for the use of any identified savings after the needs of all individuals meeting the terms and conditions of the waiver have been met shall be given to home- and community-based services. As used in this chapter, "home- and community-based services" includes all home-based services and Enhanced Residential Care.

(c) Savings may be used to:

(1) increase Choices for Care home- and community-based provider rates;

(2) increase Choices for Care self-directed service budgets;

(3) expand Choices for Care capacity to accommodate additional enrollees;

(4) expand Choices for Care home- and community-based service options;

(5) address Choices for Care quality improvement outcomes; and

(6) fund investments to serve older Vermonters and Vermonters with disabilities outside Choices for Care, understanding non-Medicaid services are not eligible for a federal match.

(d) Savings shall not be used to:

(1) increase nursing home rates already addressed pursuant to section 905 of this title; or

(2) pay for budget pressures related to the Collective Bargaining Agreement for independent direct support workers.

Sec. E.308.1 [DELETED]

Sec. E.312 Health – public health

(a) AIDS/HIV funding:

(1) In fiscal year 2019 and as provided in this section, the Department of Health shall provide grants in the amount of $475,000 in AIDS Medication Rebates special funds to the Vermont AIDS service and peer-support organizations for client-based support services. The Department of Health AIDS Program shall meet at least quarterly with the Community Advisory Group (CAG) with current information and data relating to service initiatives. The funds shall be allocated according to an RFP process.

(2) Ryan White Title II funds for AIDS services and the Vermont Medication Assistance Program (VMAP) shall be distributed in accordance

with federal guidelines. The federal guidelines shall not apply to programs or services funded solely by State general funds.

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

(B) As provided in this section, the Secretary of Human Services shall work in collaboration with the VMAP Advisory Committee, which shall be composed of not less than 50 percent of members who are living with HIV/AIDS. If a modification to the program's eligibility requirements or benefit coverage is considered, the Committee shall make recommendations regarding the program's formulary of approved medication, related laboratory testing, nutritional supplements, and eligibility for the program.

(4) In fiscal year 2019, the Department of Health shall provide grants in the amount of $100,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for community-based HIV prevention programs and services. These funds shall be used for HIV/AIDS prevention purposes, including syringe exchange programs; 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; and anti-stigma campaigns. Not 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 are distributed shall be determined by mutual agreement of the Department of Health and the Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers.

(5) In fiscal year 2019, the Department of Health shall provide grants in the amount of $150,000 in general funds to Vermont AIDS service organizations and other Vermont HIV/AIDS prevention providers for syringe exchange programs. The method by which these prevention funds are distributed shall be determined by mutual agreement of the Department of Health, the Vermont AIDS service organizations, and other Vermont HIV/AIDS prevention providers. The performance period for these grants will be State fiscal year 2019. Grant reporting shall include outcomes and results.

Sec. E.312.1 IMPROVING OUTCOMES FOR PREGNANT WOMEN

(a) To improve outcomes for pregnant women the Commissioner of Health shall:

(1) Prioritize funding for tobacco cessation to address the rates of smoking among pregnant women by utilizing evidence-based best practices.

Not less than $50,000 of the funding for tobacco cessation and prevention activities in fiscal year 2019 shall be used to implement or expand evidence-based interventions intended to reduce tobacco use among pregnant women.

(2) Continue to implement an outreach plan developed in 2017 to Vermonters who are eligible but not enrolled in the Women, Infants and Children (WIC) program.

Sec. E.312.2 WOMEN, INFANTS AND CHILDREN (WIC) STAKEHOLDER SUMMIT AND REPORT

(a) The Department of Health shall convene a community stakeholder summit to discuss innovative methods of increasing WIC program enrollment in Vermont by November 1, 2018. The Department shall solicit input on methods of increasing WIC enrollment from current and former WIC participants, as well as WIC-eligible nonparticipants, and the Department for Children and Families through interviews and surveys. The Department shall present recommended actions to the Senate Committee on Health and Welfare and the House Committee on Human Services on or before April 1, 2019.

Sec. E.314 DESIGNATED AGENCY STAFF RETENTION

(a) To address the compensation gap between the designated agency system and other providers in the health care delivery system the funds appropriated in this section are to enable the Department of Mental Health to increase payments to the Designated Agencies in fiscal year 2019 in a manner to work toward this goal.

(b) Of the funds appropriated in Sec. B.314 of this act, $4,328,689 shall be used to provide increased payments to the Mental Health Designated Agencies in fiscal year 2019. The Department may allocate up to 20 percent of these funds to be used to address the compensation gap through value-based incentive payments focusing on quality and outcomes. The remaining funds shall be allocated to the base rates for providers. Of these funds, up to 50 percent may be targeted for direct services that are provided by master's level clinicians and other staff with high levels of credentials and experience to reduce the compensation gap for this staff. These targeted funds shall be used to increase recruitment and retention of these levels of professional staff. The Designated Agencies shall assist the Department by providing baseline data.

(c) The Department shall report to the Joint Fiscal Committee in September 2018 on the implementation of this section.

(d) Representatives of the Designated Agencies shall report to the Joint Fiscal Committee in September 2018 on the impacts of these resources on recruitment and retention of master's level clinicians and other staff with high levels of credentials and experience.

Sec. E.316 ECONOMIC SERVICES DIVISION; INNOVATION IN DELIVERY OF SERVICES

(a) For the purpose of exploring innovative approaches to the administration of programs within the Department for Children and Families' Economic Services Division, the Commissioner may authorize pilot programs within specific regions of the State that waive Division rules adopted pursuant to 3 V.S.A. chapter 25 in a manner that does not impact program eligibility or benefits. Temporarily waiving some existing rules for a prescribed period of time shall enable the Division to test innovative ideas for improving the delivery of services with the specific goal of achieving more responsive client services and operational efficiencies.

(b) During fiscal year 2019, the Division may propose pilot programs in accordance with the goals described in subsection (a) of this section to the Commissioner for approval. Each proposal shall outline the targeted service area, efficiencies sought, rules to be waived, duration of the program, and evaluation criteria. Notice shall be given to clients affected by a pilot program and to the Chairs of the House Committee on Human Services and the Senate Committee on Health and Welfare prior to the commencement of the pilot program, including a description of how benefit delivery will be affected, length of the program, and right to a fair hearing.

(c) On or before January 15, 2019, the Commissioner shall submit a report to the House Committee on Human Services and to the Senate Committee on Health and Welfare summarizing the pilot programs implemented pursuant to this section and any findings and recommendations. In the event a particular pilot program is successful at improving the delivery of services to clients, the Commissioner may seek to amend the Division's rules in conformity with the approach used by the pilot program pursuant to 3 V.S.A. chapter 25.

Sec. E.316.1 3 V.S.A. § 1101 is amended to read:

§ 1101. OBLIGATION OF STATE TO DEFEND EMPLOYEES; DEFINITION

* * *

(b) As used in this chapter, "State employee" includes any elective or appointive officer or employee within the Legislative, Executive, or Judicial Branch of State Government or any former such employee or officer. The term includes:

* * *

(10) administrative reviewers whose services are contracted by the State pursuant to 33 V.S.A. § 4916a(f).

Sec. E.317 PARENT CHILD CENTER NETWORK; EVALUATION OF MASTER GRANT

(a) The Agency of Human Services, in consultation with the parent child center network, shall calculate the true value of the services delivered through the network's master grant. The Agency shall present these findings as part of its fiscal year 2020 budget presentation.

Sec. E.318 EARLY CARE AND CHILD DEVELOPMENT PROGRAM GRANT

(a) In fiscal year 2019 and thereafter, the Department for Children and Families shall award 70 percent of funds designated for the Early Care and Child Development Program Grants to center-based child care and preschool programs participating in the Step Ahead Recognition System (STARS) and 30 percent of the designated funds to family child care homes participating in STARS in accordance with the formula described in subsection (b) of this section.

(b) The Department's Child Development Division shall calculate eligibility for Early Care and Child Development Program Grants on a quarterly basis. In determining eligibility, the Division shall consider:

(1) the percent of enrollees receiving a Child Care Financial Assistance Program (CCFAP) subsidy as compared to a center-based child care and preschool program or a family child care home's licensed capacity at a weight of 70 percent;

(2) the average number of enrollees at a center-based child care and preschool program or family child care home receiving a CCFAP subsidy at a weight of 15 percent; and

(3) the average number of infants and toddlers enrolled in a center-based child care and preschool program or family child care home at a weight of 15 percent.

(c) The Division shall provide Early Care and Child Development Program Grants to eligible child care and preschool programs or family child care homes as funds allow. Center-based child care and preschool programs or family child care homes receiving Early Care and Child Development Program Grants shall remain in compliance with the Department's rules, continue to participate in STARS, and maintain high enrollment of children receiving a CCFAP subsidy.

Sec. E.318.1 CHILD CARE FINANCIAL ASSISTANCE PROGRAM ADJUSTMENTS

(a) Of the funds appropriated in Sec. B.318 of this act, $738,511 is

allocated consistent with provisions related to the Child Care Financial Assistance Program in any legislation enacted in 2018 pertaining to Vermont's minimum wage, to allow the Commissioner for Children and Families to:

(1) adjust the sliding scale of the Child Care Financial Assistance Program benefit to correspond with the increase in minimum wage to $10.50 as of July 1, 2018 and to $11.10 as of January 1, 2019, to ensure that the benefit percentage at each new minimum wage level remains the same as the percentage applied under the former minimum wage; and

(2) adjust the market rate used to inform the fee scale in a manner that offsets the estimated increased cost of child care in Vermont resulting from the increase in minimum wage to $10.50 as of July 1, 2018 and to $11.10 as of January 1, 2019.

(b) In November 2018 and each year thereafter until 2021, the Department shall report to the Joint Fiscal Committee regarding the projected cost to:

(1) adjust the sliding scale of the Child Care Financial Assistance Program benefit to correspond with a statutorily required increase in the minimum wage for January 1, 2020 and for each year thereafter until 2023 that ensures that the benefit percentage at a new minimum wage level remains the same as the percentage applied under the former minimum wage; and

(2) adjust the market rate used to inform the fee scale in a manner that offsets the estimated increased cost of child care in Vermont resulting from a statutorily required increase in the minimum wage for January 1, 2020 and for each year thereafter until 2023.

Sec E.318.2 CHILD CARE FUNDING ALLOCATIONS

(a) Of the funds appropriated in Sec. B.318 of this act:

(1) $247,388 may be used to fill licensing staff positions; and

(2) a minimum of $2,451,000 shall be used to increase the infant and toddler rate used in the Child Care Financial Assistance Program. In the event there is no statutorily required increase in the minimum wage on January 1, 2019, the funds allocated in Sec. E.318.1(a) of this act shall also be used to increase the infant and toddler rate.

Sec. E.318.3 CHILD CARE AND PREKINDERGARTEN CAPACITY BASELINE REPORT

(a) In order to better understand the relationship between the pre-kindergarten system and the impact on child care and early education facilities not operated by public school districts, the Joint Fiscal Office shall research and assemble the following for each of the last five years:

(1) The demographic information of Vermont children zero to five years of age, by town, county, or region and to the extent possible by family household income.

(2) Array by town, county, or region the known capacity or "slots" at licensed child care facilities, registered child care providers, and pre-kindergarten programs operated by school districts for each age group between zero and five years of age.

(3) To the extent possible, an analysis of the age composition of enrolled children at licensed providers who have ceased doing business in each of the last five years.

(b) The Joint Fiscal Office shall have the assistance and cooperation of the Department for Children and Families as well the Agency of Education and shall report to the Senate and House Committees on Appropriations and on Education not later than November 15, 2018.

Sec. E.321 GENERAL ASSISTANCE HOUSING

(a) Funds appropriated to the Agency of Human Services in the General Assistance program in fiscal year 2019 may be used for temporary housing in catastrophic situations and for vulnerable populations, as defined in rules adopted by the Agency. The Commissioner for Children and Families may, by policy, provide temporary housing for a limited duration in adverse weather conditions when appropriate shelter space is not available.

Sec. E.321.1 HOUSING ASSISTANCE BENEFITS; FLEXIBILITY PROGRAM; COMMUNITY-BASED ALTERNATIVES TO GENERAL ASSISTANCE TEMPORARY HOUSING

(a) For fiscal year 2019, the Agency of Human Services may continue to fund housing assistance programs within the General Assistance program to create flexibility to provide General Assistance benefits, as well as grants to support the establishment of community-based alternatives for temporary housing as part of the effort to reduce the number of individuals temporarily housed by the General Assistance program. The purpose of these housing assistance programs and community-based alternatives is to mitigate poverty and serve applicants more effectively than they are currently being served with General Assistance funds. Eligible activities shall include, among other things, the provision of shelter, overflow shelter, case management, transitional housing, deposits, down payments, rental assistance, upstream prevention, and related services that ensure that all Vermonters have access to shelter, housing, and the services they need to become safely housed. The Agency may award grants to homeless and housing service providers for eligible activities. Where such housing assistance programs and grants are provided and community-based programs are established, the General Assistance rules shall not apply.

The assistance provided under this section is not an entitlement and may be discontinued when the appropriation has been fully spent.

(b) The housing assistance and community-based programs may operate in up to 12 districts designated by the Secretary of Human Services. The Agency shall establish goals and procedures for evaluating the program overall, including performance measures that demonstrate program results, and for each district in which the Agency operates the program, it shall establish procedures for evaluating the district program and its effects.

(c) The Agency shall continue to engage interested parties, including both statewide organizations and local agencies, in the design, implementation, and evaluation of housing assistance programs and community-based alternatives to General Assistance temporary housing.

Sec. E.323 2016 Acts and Resolves No. 172, Sec. E.100.9 is amended to read:

Sec. E.100.9 REPORTING UNFUNDED BUDGET PRESSURES

(a) In an effort to better understand the current services obligations, as part of the budget report required under 32 V.S.A. § 306(a)(1), the Governor shall include an itemization of current services liabilities, including the total obligations and the amount estimated for full funding in the current year in which an amortization schedule exists. These shall include the following liabilities projected for the start of the budget fiscal year:

* * *

(4) Reach Up funding full benefit obligations, including the standard of need for the current fiscal year, prior to any rateable reductions made pursuant to 33 V.S.A. § 1103(a) which ensure that the expenditures for the programs shall not exceed appropriations;

* * *

Sec. E.324 EXPEDITED CRISIS FUEL ASSISTANCE

(a) The Commissioner for Children and Families or designee may authorize crisis fuel assistance to those income-eligible households that have applied for an expedited seasonal fuel benefit but have not yet received it if the benefit cannot be executed in time to prevent them from running out of fuel. The crisis fuel grants authorized pursuant to this section count toward the one crisis fuel grant allowed per household for the winter heating season pursuant to 33 V.S.A. § 2609(b).

Sec. E.324.1 33 V.S.A. § 2602b is added to read:

§ 2602b. LIHEAP AND WEATHERIZATION

Notwithstanding section 2501 of this title, the Secretary of Human Services

may transfer up to 15 percent of each federal fiscal year's Low Income Home Energy Assistance Program (LIHEAP) block grant to the Home Weatherization Assistance Program to be used for weatherization projects and program administration allowable under LIHEAP in the same State fiscal year. At the same time, an equivalent transfer shall be made to the Low Income Home Energy Assistance Program from the Home Weatherization Assistance Fund to provide home heating fuel benefits and program administration in the same State fiscal year.

Sec. E.325 Department for children and families – office of economic opportunity

(a) Of the General Fund appropriation in Sec. B.325 of this act, $1,092,000 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 Emergency Solutions Grants funds. Grant decisions shall be made with assistance from the Vermont Coalition to End Homelessness.

Sec. E.325.1 33 V.S.A. § 1123 is amended to read:

§ 1123. INDIVIDUAL DEVELOPMENT SAVINGS PROGRAM

(a) As used in this section:

* * *

(6) "Eligible uses" means education, training that leads to employment, the purchase or improvement of a home, the purchase or repair of a vehicle necessary to participate in an employment-related activity, or participation in or development of an entrepreneurial activity.

* * *

Sec. E.326 Department for children and families – OEO – weatherization assistance

(a) Of the Special Fund appropriation in Sec. B.326 of this act, $750,000 is for the replacement and repair of home heating equipment.

Sec. E.329 ADULT DAY CERTIFICATION

(a) Certification of new adult day providers seeking to be Medicaid funded 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. In the process of approval for certifying any new adult day program, the Department of Disabilities, Aging, and Independent Living shall consider review and comment from the Vermont Association of Adult Day Services as to whether the new program:

(1) meets adult day standards;

(2) fills an unmet service need in that geographic area; and

(3) does not have an adverse impact on existing adult day services.

Sec. E.330 PARTICIPANT DIRECTED ATTENDANT CARE (PDAC) PROGRAM

(a) The Department of Disabilities, Aging, and Independent Living shall continue to operate the participant directed attendant care program and shall not reduce an enrolled individual's level of services in fiscal year 2019. The Agency of Human Services shall ensure that adequate funding is available to the Department for the operation of this program for fiscal year 2019 and shall report to the Joint Fiscal Committee in November 2018 any necessary funding transfers from within the Agency needed to meet this requirement.

(b) The Department shall make a determination regarding the clinical and financial eligibility of each currently enrolled individual for the Medicaid Choices for Care program or any other program that could provide the necessary attendant care services. The Department shall report to the Joint Fiscal Committee in September 2018 on the status of these determinations.

Sec. E.335 CORRECTIONS APPROPRIATIONS; TRANSFER; REPORT

(a) In fiscal year 2019, the Secretary of Administration may, upon recommendation of the Secretary of Human Services, transfer unexpended funds between the respective appropriations for correctional services and for correctional services out-of-state beds. At least three days prior to any such transfer being made, the Secretary of Administration shall report the intended transfer to the Joint Fiscal Office and shall report any completed transfers to the Joint Fiscal Committee at its next scheduled meeting.

Sec. E.338 Corrections - correctional services

(a) The special funds appropriation of $146,000 for the supplemental facility payments to Newport and Springfield shall be paid from the PILOT Special Fund under 32 V.S.A. § 3709.

Sec. E.338.1 [DELETED]

Sec. E.343 [DELETED]

Sec. E.344 Retired senior volunteer program

(a) Funds appropriated pursuant to Sec. B.344 of this act shall be administered by the Agency of Human Services and distributed by SerVermont to each local program to be used to match the Corporation for National and Community Service's approved expenditures.

Sec. E.345 Green mountain care board

(a) The Green Mountain Care Board shall use the Global Commitment Funds appropriated in this section to encourage the formation and maintenance of public-private partnerships in health care, including initiatives to support and improve the health care delivery system.

* * * K-12 EDUCATION * * *

Sec. E.500 Education – finance and administration

(a) The Global Commitment funds appropriated in this section shall be used for physician claims for determining medical necessity of Individualized Education Program (IEPs). It is the goal of these services to increase the access of quality health care to uninsured persons, underinsured persons, and Medicaid beneficiaries.

Sec. E.500.1 UNIFORM CHART OF ACCOUNTS

(a) Not later than July 1, 2020, all Vermont supervisory unions, supervisory districts, school districts, and independent tech center districts shall utilize the same school finance and financial data management system. The system shall be selected by the Agency of Education per State procurement guidelines.

(b) The Agency shall work with participating supervisory unions to:

(1) conform to a uniform chart of accounts as outlined in 2014 Acts and Resolves No. 179, Secs. E.500.1-E.500.3 as amended by 2015 Acts and Resolves No. 58, Sec. E.500.1;

(2) improve the comparability, consistency, and timeliness of school financial data;

(3) enhance the abilities of the General Assembly, Agency of Education, supervisory unions, and supervisory districts to better understand and manage cost centers and related school expenditures; and

(4) categorize expenditures in a way that draws a distinction between direct educational expenses and expenses that are primarily human or social services expenses.

(c) Notwithstanding subsection (a) of this section, supervisory unions with districts that are merging into a new governance structure as of July 1, 2018 and that have executed a contract on or before May 1, 2018 to acquire a new school finance and financial data system other than the management system selected by the Agency of Education to serve the merged system may delay adoption of the system selected by the Agency until July 1, 2021.

(d) Notwithstanding subsection (a) of this section, a supervisory union or a supervisory district that entered into a contract for a school finance and financial data management system on or after July 1, 2017, may delay adoption of the system selected by the Agency until July 1, 2021 or upon expiration of the current contract, whichever is earlier.

Sec. E.500.2 16 V.S.A. § 242(4) is amended to read:

(4)(A) Provide data and information required by the Secretary~~.~~ and by using a format approved by the Secretary to:

(i) Report budgetary data for the subsequent school year and fiscal year.

~~(B)~~(ii) Report all financial operations within the supervisory union to the Secretary and State Board for the preceding school year on or before August 15 of each year~~, using a format approved by the Secretary~~.

~~(C)~~(iii) Report all financial operations for each member school district to the Secretary and State Board for the preceding school year on or before August 15 of each year~~, using a format approved by the Secretary~~.

~~(D)~~(B) Prepare for each district an itemized report detailing the portion of the proposed supervisory union budget for which the district would be assessed for the subsequent school year identifying the component costs by category and explaining the method by which the district's share for each cost was calculated; and provide the report to each district at least 14 days before a budget, including the supervisory union assessment, is voted on by the electorate of the district.

Sec. E.500.3 INTERSTATE SCHOOL DISTRICT

(a) The General Assembly supports the study by the board of the Stamford school district of the formation of an interstate school district that would combine the Stamford school district with the Clarksburg, Massachusetts school district. On or before December 15, 2018, the board of the Stamford school district shall report its findings and recommendations to the General Assembly.

Sec. E.500.4 EDUCATOR LICENSURE REQUIREMENTS

(a) The Vermont Standards Board for Professional Educators shall consider whether the educator licensure and endorsement requirements are appropriate or should be updated. As part of its review, the Board shall consider whether the use by a school of a school-based teacher quality and performance measurement program approved by the New England Association of Schools and Colleges, or examinations offered by the Smarter Balanced Assessment Consortium, should be used as criteria to qualify for licensure and

endorsement. On or before December 1, 2018, the Board shall report its findings and recommendations to the House and Senate Committees on Education.

(b) As part of its review under subsection (a) of this section, the Vermont Standards Board for Professional Educators shall consider whether the educator licensure and endorsement requirements for teachers in career technical education centers are appropriate or should be updated. After the House and Senate Committees on Education have concluded their consideration of the report of the Vermont Standards Board for Professional Educators under subsection (a) of this section, the Vermont Standards Board for Professional Educators and the State Board of Education shall either update their educator licensure and endorsement rules for teachers in career technical education centers or issue a report to the House and Senate Committees on Education that they do not intend to update these rules. Until the date upon which these updated rules are implemented or the report is issued, teachers employed by career technical centers who were hired before April 1, 2018 and who do not have the licensure or endorsement that is required under applicable rules shall be exempt from these rules and any requirement to pursue licensure or endorsement under these rules.

(c) Notwithstanding subsection (b) of this section and any provision of law to the contrary, an employee in an approved area career technical center located in an approved independent school who was hired before April 1, 2018 and who did not have the licensure or endorsement that is required under applicable rules governing career technical centers shall be exempt from these rules. An employee hired on or after April 1, 2018 shall be subject to these rules, and an employee hired before April 1, 2018 who complied with these rules shall maintain his or her licensure and endorsements as required by these rules.

Sec. E.500.5 RESTORATIVE JUSTICE PRINCIPLES FOR RESPONDING TO SCHOOL DISCIPLINE PROBLEMS

(a) On or before July 1, 2019, the Agency of Education shall issue guidance to all public school boards and boards of approved independent schools that sets out restorative justice principles for responding to school discipline problems. Each public school board and each board of an approved independent school shall consider this guidance and whether to adopt a policy on the use of restorative justice principles for responding to school discipline problems. The restorative justice principles contained in the Agency guidance shall be designed to:

(1) decrease the use of exclusionary discipline;

(2) ensure that disciplinary measures are applied fairly and do not target students based on race, ethnicity, gender, family income level, sexual orientation, immigration status, or disability status; and

(3) provide students with the opportunity to make academic progress while suspended or expelled.

Sec. E.500.6 IMPLEMENTATION OF RESTORATIVE JUSTICE PRINCIPLES; GRANT PROGRAM

(a) The Agency of Education shall use funding under 16 V.S.A. § 2969(c) to assist public and approved independent schools with the adoption and implementation of restorative justice principles for responding to school discipline problems. The Agency shall determine the eligibility criteria for receiving a grant and determining the grant amount, and shall monitor the use of grant monies.

(b) On or before December 1, 2018, 2019, and 2020, the Secretary of Education shall submit a written report to the House Committees on Education and on Judiciary and the Senate Committees on Education and on Judiciary describing the eligibility criteria for receiving a grant and for determining the grant amount, identifying the grant recipients and the amounts they received in grant monies, and the use of grant monies by the recipients.

Sec. E.500.7 PREKINDERGARTEN EDUCATION; REPORT

(a) The Agency of Education, in consultation with the Agency of Human Services, shall commission an independent study to recommend how to more effectively and efficiently provide prekindergarten education that considers:

(1) whether the current delivery and funding models are working effectively to provide prekindergarten education services, and if not, the issues with the current models and recommendations to enhance the quality and effectiveness of these models;

(2) how Vermont families make early care and education arrangements for their children under six years of age, including what factors may constrain parental choices;

(3) how well the prekindergarten system is operating to provide prekindergarten education to all eligible Vermont children and how to provide equitable access to prekindergarten education for children from economically deprived backgrounds;

(4) how to identify ways that the prekindergarten education system may create undesirable outcomes for prekindergarten students, their parents or guardians, or providers of prekindergarten education services or child care services and steps to mitigate them; and

(5) how to simplify regulatory oversight and administration of prekindergarten education.

(b)(1) On or before March 15, 2019, the Agency of Education shall report on the status of the independent study to the House Committees on Education and on Human Services and the Senate Committees on Education and on Health and Welfare.

(2) On or before July 1, 2019, the Agency of Education shall report the results of the independent study to the House Committees on Education and on Human Services and the Senate Committees on Education and on Health and Welfare.

Sec. E.502 Education – special education: formula grants

(a) Of the appropriation authorized in this section, and notwithstanding any other provision of law, an amount not to exceed $3,665,521 shall be used by the Agency of Education in fiscal year 2019 as funding for 16 V.S.A. § 2967(b)(2)–(6). In distributing such funds, the Secretary shall not be limited by the restrictions contained within 16 V.S.A. § 2969(c) and (d).

Sec. E.503 Education – state-placed students

(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. E.504.1 Education – flexible pathways

(a) Of this appropriation, $3,916,000 from the Education Fund shall be distributed to school districts for reimbursement of high school completion services pursuant to 16 V.S.A. § 943(c). Notwithstanding 16 V.S.A. § 4025(b), of this Education Fund appropriation, the amount of:

(1) $740,000 is available for dual enrollment programs and the amount of $36,000 is available for use pursuant to Sec. E.605.1(a)(2) of this act;

(2) $100,000 is available to support the Vermont Virtual Learning Cooperative at the River Valley Technical Center School District;

(3) $200,000 is available for secondary school reform grants; and

(4) $450,000 is available for the Vermont Academy of Science and Technology and $1,870,000 for Early College pursuant to 16 V.S.A. § 946.

Sec. E.505 REIMBURSEMENT FOR NEWBURY SCHOOL DISTRICT

(a) Notwithstanding any other provision of law, in addition to the education payment due to the Newbury School District for fiscal year 2019, the Agency of Education shall pay $44,471 from the Education Fund to the Newbury

School District to compensate the district for a pre-K census error in fiscal years 2016 and 2017.

Sec. E.513 [DELETED]

Sec. E.514 State teachers' retirement system

(a) In accordance with 16 V.S.A. § 1944(g)(2), the annual contribution to the State Teachers' Retirement System (STRS) shall be $105,640,777 of which $99,940,777 shall be the State's contribution and $5,700,000 shall be contributed from local school systems or educational entities pursuant to 16 V.S.A. § 1944c.

(b) In accordance with 16 V.S.A. § 1944(c)(2), of the annual contribution, $8,081,768 is the "normal contribution," and $97,559,009 is the "accrued liability contribution."

Sec. E.515 Retired teachers' health care and medical benefits

(a) In accordance with 16 V.S.A. § 1944b(b)(2), $31,639,205 will be contributed to the Retired Teachers' Health and Medical Benefits Fund.

Sec. E.515.1 16 V.S.A. § 1942(p) is amended to read:

(p) The Board shall enter into insurance arrangements to provide health and medical benefits for retired members and their dependents. The State is legally responsible for the costs of the health and medical benefits provided in this chapter in the amounts specified in section 1944e of this chapter. The Board may enter into insurance arrangements to provide dental coverage for retired members and their dependents, provided the State or the System has no legal obligation to pay any portion of the dental benefit premiums.

Sec. E.515.2 16 V.S.A. § 1944d is amended to read:

§ 1944d. EMPLOYER ANNUAL CHARGE FOR TEACHER HEALTH CARE

(a) ~~The~~ Beginning on July 1, 2018, the employer of teachers who become members of the State Teachers' Retirement System of Vermont on or after July 1, 2015 shall pay an annual assessment ~~for those teachers' health and medical benefits~~ of $1,275.00 for each such teacher to the Benefits Fund.

(b) ~~The assessment shall be the value,~~ Beginning on July 1, 2019, and each year thereafter, the annual assessment shall be adjusted to account for inflation, as approved annually by the Board of Trustees ~~based on the actuary's recommendation, of the portion of future retired teachers' health and medical benefits attributable to those teachers for each year of service in the State Teachers' Retirement System of Vermont. The equivalent number for the June 30, 2013 valuation is $1,072.00~~.

Sec. E.515.3 EVALUATION OF EMPLOYER ANNUAL CHARGE FOR TEACHER HEALTH CARE; REPORT

(a) On or before January 15, 2023, the State Treasurer, in consultation with representatives from the Vermont-National Education Association and Vermont Association of School Business Officers, shall evaluate and prepare a report on the impact of repealing the employer annual charge for teacher health care.

(b) The State Treasurer shall submit the report described in subsection (a) of this section to the House and Senate Committees on Appropriations.

Sec. E.515.4 REPEAL OF EMPLOYER ANNUAL CHARGE FOR TEACHER HEALTH CARE

(a) The employer annual charge for teacher health care, established in 16 V.S.A. § 1944d, is repealed on July 1, 2023.

* * * HIGHER EDUCATION * * *

Sec. E.600 University of Vermont

(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 15th day of each calendar month of the year.

(b) Of this appropriation, $380,326 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 shall 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, deliver high-quality health care services to Medicaid beneficiaries and to uninsured or underinsured persons, or both, in Vermont and across the nation.

Sec. E.602 Vermont state colleges

(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 15th day of each calendar month of the year.

(b) Of this appropriation, $427,898 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.

Sec. E.603 Vermont state colleges – allied health

(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 shall use the Global Commitment funds appropriated in this section to support the dental hygiene, respiratory therapy, and nursing programs that graduate approximately 315 health care providers annually. These graduates deliver direct, high-quality health care services to Medicaid beneficiaries or uninsured or underinsured persons, or both.

Sec. E.605 Vermont student assistance corporation

(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) Of this appropriation, not more than $200,000 may be used by the Vermont Student Assistance Corporation for a student aspirational pilot initiative to serve one or more high schools.

(c) Of the appropriated amount remaining after accounting for subsections (a) and (b) of this section, not less than 93 percent of this appropriation shall be used for direct student aid.

(d) Funds available to the Vermont Student Assistance Corporation pursuant to Sec. E.215(a) of this act shall be used for the purposes of 16 V.S.A. § 2856. Any unexpended funds from this allocation shall carry forward for this purpose.

Sec. E.605.1 NEED-BASED STIPEND FOR DUAL ENROLLMENT AND EARLY COLLEGE STUDENTS

(a) The sum of $72,000 shall be transferred to the Vermont Student Assistance Corporation (VSAC) as follows:

(1) $36,000 from Sec. B.1100(a)(3)(C) (Next Generation funds appropriated for dual enrollment and need-based stipend purposes).

(2) $36,000 pursuant to Sec. E.504.1(a)(1) (flexible pathways funds appropriated for dual enrollment and need-based stipend purposes).

(b) The sums transferred to VSAC in this section shall be used to fund a flat-rate, need-based stipend or voucher program for financially needy students

enrolled in a dual enrollment course pursuant to 16 V.S.A. § 944 or in early college pursuant to 16 V.S.A. § 946 to be used for the purchase of books, cost of transportation, and payment of fees. VSAC shall establish the criteria for program eligibility. Funds shall be granted to eligible students on a first-come, first-served basis until funds are depleted.

(c) VSAC shall report on the program to the House Committees on Appropriations and on Commerce and Economic Development and to the Senate Committees on Appropriations and on Economic Development, Housing and General Affairs on or before January 15, 2019.

* * * NATURAL RESOURCES * * *

Sec. E.700 VOLKSWAGEN LITIGATION; ENVIRONMENTAL MITIGATION TRUST FOR STATE BENEFICIARIES

(a) As used in this section:

(1) "Appendix D-2" means Appendix D-2 to the Environmental Mitigation Trust, entitled "Eligible Mitigation Actions and Mitigation Action Expenditures."

(2) "Environmental Mitigation Trust" or "Trust" means the Environmental Mitigation Trust Agreement for State Beneficiaries filed on October 2, 2017 in In re: Volkswagen "Clean Diesel" Marketing, Sales Practices, and Products Liability Litigation, 3:16-CV-00295-CRB, MDL No. 2672 CRB (JSC) (N.D. Cal.).

(3) "Mobile source" means any vehicle, freight switcher, ferry, tug, vessel, or equipment that qualifies under an eligible mitigation action listed in Appendix D-2.

(b) The Secretary of Natural Resources shall administer Environmental Mitigation Trust monies pursuant to 10 V.S.A. § 554(15) and, in administering the Trust monies appropriated under Sec. B.710 of this act, shall:

(1) Dedicate at least 15 percent of those monies for the purchase of light duty electric supply equipment and associated allowable administrative costs in accordance with Appendix D-2.

(2) Dedicate the remainder of the monies to the replacement of mobile sources that consume fossil fuels with all-electric mobile sources or the repowering of mobile sources that consume fossil fuels with all-electric engines, or both, and associated allowable administrative costs. The expenditures shall be in accordance with the requirements of Appendix D-2.

Sec. E.700.1 [DELETED]

Sec. E.700.2 2017 Acts and Resolves No. 47, Sec. 2 is amended to read:

Sec. 2. COMMISSION ON ACT 250: THE NEXT 50 YEARS; REPORT

* * *

(i) Reimbursement.

(A) For attendance at no more than ~~10~~ 14 Commission meetings during adjournment of the General Assembly, legislative members of the Commission shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 406.

(B) There shall be no reimbursement for attendance at subcommittee meetings or more than ~~10~~ 14 Commission meetings.

* * *

* * * COMMERCE AND COMMUNITY DEVELOPMENT * * *

Sec. E.800 [DELETED]

Sec. E.802 Housing & community development

(a) Of the General Funds appropriated in Sec. B.802 of this act, the sum of $100,000 of General Funds is intended to support planning and implementation of a community development program targeting outdoor recreation, in consultation with the Department of Forests, Parks and Recreation.

Sec. E.808 Vermont council on the arts

(a) The Vermont Council on the Arts shall pay its full lease charge as assessed by the Department of Buildings and General Services.

* * * TRANSPORTATION * * *

Sec. E.900 FISCAL YEAR 2019 TRANSPORTATION FUND CONTINGENT APPROPRIATION

(a) In the event contingent spending authority of transportation funds is increased to the statewide district leveling program or the maintenance program as provided and under the terms prescribed in Sec. 8 of H.917 of 2018, the appropriation of transportation funds in, respectively, Sec. B.903, Program Development, and Sec. B.905, Maintenance, of this act are increased in the same amount.

* * * MISCELLANEOUS AND TECHNICAL CORRECTIONS * * *

Sec. F.100 10 V.S.A. § 128 is amended to read:

§ 128. VERMONT CENTER FOR GEOGRAPHIC INFORMATION SPECIAL FUND

(a) A Special Fund is created for the operation of the Vermont Center for

Geographic Information in the Agency of ~~Commerce and Community Development~~ Digital Services. The Fund shall consist of revenues derived from the charges by the Agency of ~~Commerce and Community Development~~ Digital Services pursuant to subsection (c) of this section for the provision of Geographic Information products and services, interest earned by the Fund, and sums which from time to time may be made available for the support of the Center and its operations. The Fund shall be established and managed pursuant to 32 V.S.A. chapter 7, subchapter 5 and shall be available to the Agency to support activities of the Center.

(b) The receipt and expenditure of monies from the Special Fund shall be under the supervision of the Secretary of ~~Commerce and Community Development~~ Digital Services.

(c) Notwithstanding 32 V.S.A. § 603, the Secretary of ~~Commerce and Community Development~~ Digital Services is authorized to impose charges reasonably related to the costs of the products and services of the Vermont Center for Geographic Information, including the cost of personnel, equipment, supplies, and intellectual property.

Sec. F.101 10 V.S.A. § 122 is amended to read:

§ 122. VERMONT CENTER FOR GEOGRAPHIC INFORMATION, INCORPORATED; ESTABLISHMENT

* * *

(b) In order to develop and implement that strategy, and to ensure that all data gathered by State agencies that is relevant to the VGIS shall be in a form that is compatible with, useful to, and shared with that geographic information system, there is hereby established as a division under the Agency of ~~Commerce and Community Development~~ Digital Services the Vermont Center for Geographic Information (the Center).

* * * EFFECTIVE DATES * * *

Sec. G.100 EFFECTIVE DATES

(a) This section and Secs. C.100 (fiscal year 2018 technical correction, VSAC), C.101 (fiscal year 2018 General Fund reversion repeal), C.102 (fiscal year 2018 Medicaid carry forward requirement), C.103 (fiscal year 2018 carry forward of fiscal year 2017 one-time appropriation), C.105-C.105.1 (fiscal year 2018 tobacco litigation settlement fund receipts, transfers, and appropriations), C.106 (fiscal year 2018 CHINS cases system strategic reform), C.106.1 (fiscal year 2018 substance use disorder, mental health workforce expansion), C.106.2 (fiscal year 2018 substance use disorder response initiatives), C.108 (fiscal year 2018 budget adjustment repeals), C.109 (fiscal year 2018 federal funds contingent appropriation), C.110 (fiscal year 2018 climate commission

implementation), C.111-C.114 (fiscal year 2018 Agency of Education adjustments), C.115-C.118 (fiscal year 2018 teachers' retirement system and health care and medical benefits adjustments), C.119 (fiscal year 2018 fund transfers, reversions and reserves), C.1000 (fiscal year 2018 one-time transfers and reversions), D.102 (Tobacco Litigation Settlement Fund balance), E.126 (Legislative Branch workforce comparative evaluation), E.126.1 (Vermont justice system review), E.126.2 (Joint Information Technology Oversight Committee), E.127 (JFO review and evaluation of Corrections health care services), E.233.2 (short-term emergency funding to maintain critical wireless E-911 service), and E.308 (Choices for Care) shall take effect on passage.

(b) Notwithstanding 1 V.S.A. § 214, Sec. E.111.1 (Tax Computer System Modernization Fund) shall take effect on passage and apply retroactively to July 1, 2017.

(c) Secs E.215.1- E.215.4 of this act shall take effect on July 1, 2018 and the tuition benefits established under the Vermont National Guard Tuition Benefit Program shall be available to eligible Vermont National Guard members enrolled in institutions under the Program starting on or after January 1, 2019.

(d) All remaining sections shall take effect on July 1, 2018.

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.

M. JANE KITCHEL
RICHARD W. SEARS
RICHARD A. WESTMAN

Committee on the part of the Senate

CATHERINE B. TOLL
PETER J. FAGAN
MARY S. HOOPER

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative on a roll call, Yeas 29, Nays 0.

Senator Ashe having demanded the yeas and nays, they were taken and are as follows:

Roll Call

Those Senators who voted in the affirmative were: Ashe, Ayer, Balint, Baruth, Benning, Branagan, Bray, Brock, Brooks, Campion, Clarkson, Collamore, Cummings, Flory, Ingram, Kitchel, Lyons, MacDonald, Mazza, McCormack, Nitka, Pearson, Pollina, Rodgers, Sears, Sirotkin, Soucy, Starr, White.

Those Senators who voted in the negative were: None.

The Senator absent and not voting was: Westman.

Election of Senate Member to Judicial Nominating Board Replacement Member

The President announced that the next order of business was the election of a replacement member to serve on the Judicial Nominating Board pursuant to 4 V.S.A. §601 to the remaining term for Senator Rodgers who resigned.

Senator Ashe, on behalf of the Committee on Committees, placed in nomination the name of the following Senator to serve on the Board:

JEANETTE K. WHITE

of Windsor District, as the third member of the Board.

Senator Mazza of Grand Isle District seconded the nomination.

There being no further nominations, on motion of Chair, the nominations were closed, and the Secretary was instructed to cast one ballot for

JEANETTE K. WHITE

of Windsor District, as the third member of the Board, for a term remainder of the two years or until her successor is elected and has qualified.

Message from the House No. 84

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on bill of the following title:

S. 281. An act relating to the mitigation of systemic racism.

And has adopted the same on its part.

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 287. An act relating to aquatic nuisance control.

And has adopted the same on its part.

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

S. 260. An act relating to funding the cleanup of State waters.

And has severally concurred therein with a further proposal of amendment thereto, in the adoption of which the concurrence of the Senate is requested.

Recess

The Chair declared a recess until the fall of the gavel.

Evening

The Senate was called to order by the President.

Rules Suspended; Bills Messaged

On motion of Senator Ashe, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 27, H. 696, H. 917, H. 919.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 281.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to the mitigation of systemic racism.

Was taken up for immediate consideration.

Senator Pearson, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 281. An act relating to the mitigation of systemic racism.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal of amendment and that the bill be further amended by striking out all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. LEGISLATIVE INTENT

It is the intent of the General Assembly to promote racial justice reform throughout the State by mitigating systemic racism in all systems of State government and creating a culture of inclusiveness.

Sec. 2. 3 V.S.A. § 2102 is amended to read:

§ 2102. POWERS AND DUTIES

(a) The Governor's Cabinet shall adopt and implement a program of continuing coordination and improvement of the activities carried on at all levels of State and local government.

(b) The Cabinet shall work collaboratively with the Executive Director of Racial Equity and shall provide the Director with access to all relevant records and information as permitted by law.

Sec. 3. 3 V.S.A. chapter 68 is added to read:

CHAPTER 68. EXECUTIVE DIRECTOR OF RACIAL EQUITY

§ 5001. POSITION

(a) There is created within the Executive Branch the position of Executive Director of Racial Equity to identify and work to eradicate systemic racism within State government.

(b) The Executive Director of Racial Equity shall have the powers and duties enumerated within section 2102 of this title and shall work collaboratively with and act as a liaison between the Governor's Workforce Equity and Diversity Council, the Vermont Human Rights Commission, and the Governor's Cabinet.

(c) The Executive Director shall be housed within and have the administrative, legal, and technical support of the Agency of Administration.

(d) The Executive Director shall report to and be under the general supervision of the Governor, or, to the extent such supervisory authority is delegated, the Secretary of Administration. The Administration shall not prevent or prohibit the Executive Director from initiating, carrying out, or completing the duties of the Executive Director as set forth in section 5003 of this title.

§ 5002. RACIAL EQUITY ADVISORY PANEL

(a) The Racial Equity Advisory Panel is established. The Panel shall be organized and have the duties and responsibilities as provided in this section. The Panel shall have the administrative, legal, and technical support of the Agency of Administration.

(b)(1) The Panel shall consist of five members, as follows:

(A) one member appointed by the Senate Committee on Committees who shall not be a current legislator;

(B) one member appointed by the Speaker of the House who shall not be a current legislator;

(C) one member appointed by the Chief Justice of the Supreme Court who shall not be a current legislator;

(D) one member appointed by the Governor who shall not be a current legislator; and

(E) one member appointed by the Human Rights Commission who shall not be a current legislator.

(2) Members shall be drawn from diverse backgrounds to represent the interests of communities of color throughout the State, have experience working to implement racial justice reform and, to the extent possible, represent geographically diverse areas of the State.

(3) The term of each member shall be three years, except, so that the term of one regular member expires in each ensuing year of the members first appointed, one shall serve a term of: one year, to be appointed by the Human Rights Commission; two years, to be appointed by the Governor; three years, to be appointed by the Speaker of the House; four years, to be appointed by the Senate Committee on Committees; and five years, to be appointed by the Chief Justice of the Supreme Court. As terms of currently serving members expire, appointments of successors shall be in accord with the provisions of this subsection. Appointments of members to fill vacancies or expired terms shall be made by the authority that made the initial appointment to the vacated or expired term. Members shall serve until their successors are elected or appointed. Members shall serve not more than three consecutive terms in any capacity.

(4) Members of the Panel shall elect by majority vote the Chair of the Panel, who shall serve for a term of three years after the implementation period. Members of the Panel shall be appointed on or before September 1, 2018 in order to prepare as they deem necessary for the establishment of the Panel, including the election of the Chair of the Panel. Terms of members shall officially begin on January 1, 2019.

(c) The Panel shall have the following duties and responsibilities:

(1) work with the Executive Director of Racial Equity to implement the reforms identified as necessary in the comprehensive organizational review as required by subsection 5003(a) of this title;

(2) advise the Executive Director to ensure ongoing compliance with the purpose of this chapter, and advise the Governor on strategies for remediating systemic racial disparities in statewide systems of government; and

(3) on or before January 15, 2020, and annually thereafter, report to the House and Senate Committees on Government Operations on:

(A) the extent to which the State is achieving the performance targets and measures as developed pursuant to section 5003(c) of this title; and

(B) the nature and quality of the collaboration between the Governor's Cabinet and the Executive Director.

(d) Each member of the Panel shall be entitled to per diem compensation and reimbursement of expenses pursuant to 32 V.S.A. § 1010.

§ 5003. DUTIES OF EXECUTIVE DIRECTOR OF RACIAL EQUITY

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

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

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

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

(b) Pursuant to section 2102 of this title, the Director shall work collaboratively with State agencies and departments to gather relevant existing data and records necessary to carry out the purpose of this chapter and to develop best practices for remediating systemic racial disparities throughout State government.

(c) The Director shall work with the agencies and departments and with the Chief Performance Officer to develop performance targets and performance measures for the General Assembly, the Judiciary, and the agencies and departments to evaluate respective results in improving systems. These performance measures shall be included in the agency's or department's quarterly reports to the Director, and the Director shall include each agency's or department's performance targets and performance measures in his or her

annual reports to the General Assembly.

(d) The Director shall, in consultation with the Department of Human Resources and the agencies and departments, develop and conduct trainings for agencies and departments regarding the nature and scope of systemic racism and the institutionalized nature of race-based bias. Nothing in this subsection shall be construed to discharge the existing duty of the Department of Human Resources to conduct trainings.

(e) The Director shall periodically report to the Racial Equity Advisory Panel on the progress towards carrying out the duties as established by this section.

(f) On or before January 15, 2020, and annually thereafter, the Director shall report to the House and Senate Committees on Government Operations demonstrating the State's progress in identifying and remediating systemic racial bias within State government.

§ 5004. INFORMATION; DISCLOSURE AND CONFIDENTIALITY

(a) Confidentiality of records.

(1) Any records transmitted to or obtained by the Executive Director of Racial Equity and the Racial Equity Advisory Panel that are exempt from public inspection and copying under the Public Records Act shall remain exempt and shall be kept confidential to the extent required by law.

(2) Draft reports, working papers, and internal correspondence between the Director and the Panel shall be exempt from public inspection and copying under the Public Records Act and shall be kept confidential. The completed reports shall be public records.

(b) Exceptions.

(1) The Director and Panel members may make records available to each other, the Governor, and the Governor's Cabinet as necessary to fulfill their duties as set forth in this chapter. They may also make records pertaining to any alleged violations of antidiscrimination statutes available to any State or federal law enforcement agency authorized to enforce such statutes.

(2) Absent a court order for good cause shown or the prior written consent of an individual providing information or lawfully obtained records to the Director or the Panel, the Director and Panel Members may decline to disclose:

(A) the identity of the individual if good cause exists to protect his or her confidentiality; and

(B) materials pertaining to the individual, including written communications among the individual, the Director, and the Panel and recordings, notes, or summaries reflecting interviews or discussions among the individual, the Director, and the Panel.

§ 5005. NOMINATION, APPOINTMENT, AND REMOVAL PROCESS

(a) The Racial Equity Advisory Panel shall select for consideration by the Panel, by majority vote, provided that a quorum is present, from the applications for the position of Executive Director of Racial Equity as many candidates as it deems qualified for the position.

(b) The Panel shall submit to the Governor the names of the candidates deemed most qualified to be appointed to fill the position.

(c) The Governor shall make the appointment to the Executive Director position from the list of qualified candidates submitted pursuant to subsection (b) of this section. The names of candidates submitted and not selected shall remain confidential.

(d) The Executive Director of Racial Equity may be removed from office by the Governor with the consent of the Panel. The Governor shall notify the Racial Equity Advisory Panel in writing the reasons for the proposed removal no less than 30 days prior to removing the Executive Director.

Sec. 4. AUTHORIZATION FOR EXECUTIVE DIRECTOR OF RACIAL EQUITY POSITION

One new permanent, exempt position of Executive Director of Racial Equity is created within the Agency of Administration.

Sec. 5. EXECUTIVE DIRECTOR OF RACIAL EQUITY; RACIAL EQUITY ADVISORY PANEL; FUNDING SOURCE; SURCHARGE; REPEAL

(a) Surcharge.

(1) Notwithstanding the provisions of 3 V.S.A. § 2283(c) setting forth the purpose and rate of charges collected in the Human Resource Services Internal Service Fund, in fiscal year 2019, a surcharge of up to 1.65 percent, and in fiscal year 2020 and thereafter, a surcharge of up to 3.3 percent, but not greater than the cost of both the Racial Equity Advisory Panel and the position of Executive Director of Racial Equity set forth in Sec. 3 of this act, on the per-position portion of the charges authorized in 3 V.S.A. § 2283(c)(2) shall be assessed to all Executive Branch agencies, departments, and offices and shall be paid by all assessed entities solely with State funds.

(2) The amount collected shall be accounted for within the Human

Resource Services Internal Service Fund and used solely for the purposes of funding the Racial Equity Advisory Panel and the position of the Executive Director of Racial Equity set forth in Sec. 3 of this act.

(b) Repeal. This section shall be repealed on June 30, 2024.

Sec. 6. FISCAL YEAR 2019 APPROPRIATION

There is appropriated to the Agency of Administration from the Human Resource Services Internal Service Fund for fiscal year 2019 the amount of $75,000.00 for the Racial Equity Advisory Panel and the position of Executive Director of Racial Equity.

Sec. 7. SECRETARY OF ADMINISTRATION; RACIAL EQUITY ADVISORY PANEL; EXECUTIVE DIRECTOR OF RACIAL EQUITY; REPORT

(a) On or before September 1, 2018, the Racial Equity Advisory Panel shall be appointed.

(b) On or before November 1, 2018, the Racial Equity Advisory Panel shall, in consultation with the Secretary of Administration and with the assistance and advice of the Department of Human Resources, have developed and posted a job description for the Executive Director of Racial Equity.

(c) On or before January 1, 2019, the Racial Equity Advisory Panel shall submit to the Governor the names of the candidates for the Executive Director of Racial Equity position.

(d) On or before February 1, 2019, the Governor shall appoint the Executive Director of Racial Equity.

(e) On or before May 1, 2019, the Executive Director of Racial Equity shall update the House and Senate Committees on Government Operations regarding how best to complete a comprehensive organizational review to identify systemic racism pursuant to 3 V.S.A. § 500, and potential private and public sources of funding to achieve the review.

Sec. 8. REPEAL

On June 30, 2024:

(1) Sec. 3 of this act (creating the Executive Director of Racial Equity and Racial Equity Advisory Panel in 3 V.S.A. chapter 68) is repealed and the Executive Director position and Panel shall cease to exist; and

(2) Sec. 4 of this act (authorization for the Executive Director of Racial Equity position) is repealed.

Sec. 9. EFFECTIVE DATE

This act shall take effect on passage.

and that after passage the title of the bill be amended to read: "An act relating to racial equity in State government"

CHRISTOPHER A. PEARSON
BRIAN P. COLLAMORE
JEANETTE K. WHITE

Committee on the part of the Senate

JOHN M. GANNON
CYNTHIA A. WEED

Committee on the part of the House

Senator Ashe Assumes the Chair

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

President Resumes the Chair

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 287.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to aquatic nuisance control.

Was taken up for immediate consideration.

Senator Bray, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 287. An act relating to aquatic nuisance control.

Respectfully reports that it has met and considered the same and recommends that the Senate accede to the House proposal of amendment.

CHRISTOPHER A. BRAY
BRIAN A. CAMPION
JOHN S. RODGERS

Committee on the part of the Senate

TREVOR J. SQUIRRELL
JAMES M. MCCULLOUGH
STEPHEN C. BEYOR

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; House Proposal of Amendment to Senate Proposal of Amendment to House Proposals of Amendment Concurred In

S. 260.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and House proposal of amendment to Senate proposal of amendment to House proposals of amendment to Senate bill entitled:

An act relating to funding the cleanup of State waters.

Were taken up for immediate consideration.

The House concurs in the Senate proposal of amendment to House proposal of amendment as follows:

First: In Sec. 2, 10 V.S.A. § 1389a, in subsection (a), in the second sentence, after "restoration over the prior" and before "year." by striking out "calendar" and inserting in lieu thereof "fiscal"

Second: In Sec. 5, 10 V.S.A. chapter 47, subchapter 2A, by striking out § 1312 in its entirety and inserting in lieu thereof a new § 1312 to read as follows:

§ 1312. LAKE IN CRISIS ORDER

The Secretary of Natural Resources, pursuant to chapter 201 of this title, or the Secretary of Agriculture, Food and Markets, pursuant to 6 V.S.A. chapter 215, may issue an order to require a person to:

(1) take an action identified in the lake in crisis response plan;

(2) cease or remediate any acts, discharges, site conditions, or processes contributing to the impairment of the lake in crisis;

(3) mitigate a significant contributor of a pollutant to the lake in crisis; or

(4) conduct testing, sampling, monitoring, surveying, or other analytical operations required to determine the nature, extent, duration, or severity of the potential harm to the public health or a risk of damage to the environment or natural resources.

Third: In Sec. 5, 10 V.S.A. chapter 47, subchapter 2A, in § 1313, in subsection (b), by striking out the second and third sentences in their entirety and inserting in lieu thereof the following new sentences:

An applicant for a State grant shall pay at least 35 percent of the total eligible project cost or shall pay the specific cost share authorized by statute for the program from which the grant is awarded. The dollar amount of a State grant shall be equal to the total eligible project cost, less the percent of the total required to be paid by the applicant, and less the amount of any federal assistance awarded.

Fourth: In the reader assistance heading preceding Sec. 9, by striking out "ANR" where it appears

Fifth: By striking out Sec. 13 (effective dates) and its reader assistance and inserting in lieu thereof new sections to be Secs. 13–27 to read as follows:

Sec. 13. COMBINATION TANK SYSTEMS; CONTINUATION OF SERVICE

(a) As used in this section:

(1) "Combination tank system" shall have the same meaning as set forth in 10 V.S.A. § 1922.

(2) "Motor fuel" means fuel subject to the licensing fee under 10 V.S.A. § 1942(a).

(b) Notwithstanding the requirements in 10 V.S.A. § 1927(e)(2) that a combination tank system shall be closed by January 1, 2018, the Secretary of Natural Resources may authorize a combination tank service to supply motor fuel after January 1, 2018 upon a determination that the combination tank system:

(1) is the sole supply of motor fuel in the municipality in which the combination tank system is located;

(2) is needed to supply motor fuel to public safety or fire control services in the municipality; and

(3) the owner of the combination system has entered into a contract and obtained financing to replace the tank as required under 10 V.S.A. § 1927.

(c) The Secretary may authorize the continued supply of motor fuel from a combination tank system under this section until October 1, 2018.

(d) This section shall be repealed on October 1, 2018.

* * * Municipal Roads General Permit Fees * * *

Sec. 14. 3 V.S.A. § 2822(j)(2)(B)(iv)(VI) is amended to read:

(VI) ~~Application~~ For application to operate under a general permit for stormwater runoff associated with municipal roads~~: $2,000.00~~, the following fees per authorization annually:

(aa) in a municipality with a population of more than 5,000 persons: $1,800.00;

(bb) in a municipality with a population of 2,500 to 5,000 persons and 95 miles or more of maintained road: $1,800.00;

(cc) in a municipality with a population of 2,500 to 5,000 persons and 25 to less than 95 miles of maintained road: $1,350.00;

(dd) in a municipality with a population of 2,500 to 5,000 persons and less than 25 miles of maintained road: $500.00;

(ee) in a municipality with a population of fewer than 2,500 but more than 500 persons and 25 miles or more of maintained road: $1,350.00;

(ff) in a municipality with a population of fewer than 2,500 but more than 500 persons and less than 25 miles of maintained road: $500.00;

(gg) in a municipality with a population of fewer than 500 persons: $500.00;

(hh) in a municipality that is covered under a municipal separate storm sewer system permit: $0.00; and

(ii) in an unincorporated or disincorporated municipality: $0.00.

* * * Mercury-Added Motor Vehicle Components * * *

Sec. 15. 10 V.S.A. § 7108 is added to read:

§ 7108. MERCURY-ADDED MOTOR VEHICLE COMPONENTS

(a) Applicability. This section applies to:

(1) a motor vehicle recycler or scrap metal recycling facility in the State; and

(2) a manufacturer of motor vehicles sold in this State.

(b) Mercury-added switch removal requirements. A motor vehicle recycler that accepts end-of-life motor vehicles shall remove mercury-added vehicle

switches prior to crushing, shredding, or other scrap metal processing and prior to conveying for crushing, shredding, or other scrap metal processing.

(1) Motor vehicle recyclers shall maintain a log sheet of switches removed from end-of-life motor vehicles and shall provide such log to the Agency annually or upon request of the Agency.

(2) Switches, including switches encased in light or brake assemblies, shall be collected, stored, transported, and handled in accordance with all applicable State and federal laws.

(c) Manufacturer mercury-added switch recovery program. A manufacturer of vehicles sold in this State, individually or as part of a group, shall implement a mercury-added vehicle switch recovery program that includes the following:

(1) educational material to assist motor vehicle recyclers in identifying mercury-added vehicle switches and safely removing, properly handling, and storing switches;

(2) storage containers provided at no cost to all motor vehicle recyclers identified by the Agency, suitable for the safe storage of switches, including switches encased in light or brake assemblies;

(3) collection, packaging, shipping, and recycling of mercury-added switches, including switches encased in light or brake assemblies, provided to all motor vehicle recyclers at no cost and that comply with all applicable State and federal laws; and

(4) a report on or before December 1 annually to the Agency that includes the total number of mercury-added switches recovered in the program, the names of the motor vehicle recyclers and the number of switches removed from each, and the total amount of mercury collected during the previous 12-month period.

(d) Agency responsibility.

(1) The Agency shall provide workshops and other training to motor vehicle recyclers to inform them of the requirements of this section.

(2) The Agency may develop, by procedure, exemptions of certain mercury-added vehicle switches and other components from the requirements of this section, including mercury-added switches that are inaccessible due to motor vehicle damage and anti-lock brake switches in certain motor vehicle types that are difficult or labor-intensive to remove.

Sec. 16. APPLICATION OF ENACTMENT

On December 31, 2017, the former 10 V.S.A. § 7108, requiring establishing mercury-added vehicle component requirements, as established by 2006 Acts and Resolves No. 117, was repealed. Sec. 15 of this act reenacts 10 V.S.A. § 7108 in substantially the same form as the section was enacted by 2006 Acts and Resolves No. 117. Notwithstanding the requirements of 1 V.S.A. § 214, the requirements of 10 V.S.A. § 7108 as enacted by Sec. 15 of this act shall apply retroactively to December 31, 2017 and shall be implemented prospectively from that date.

Sec. 17. REPEAL OF MERCURY-ADDED MOTOR VEHICLE COMPONENT REQUIREMENTS

10 V.S.A. § 7108 (mercury-added vehicle component requirements) shall be repealed on December 31, 2021.

* * * Forgiveness of Municipal Water Supply and Pollution Control Planning Advances * * *

Sec. 18. FORGIVENESS OF REPAYMENT OF PLANNING ADVANCES

The Secretary of Natural Resources shall not require a municipality to repay engineering planning advances awarded under 24 V.S.A. chapter 120, subchapter 2 if the Secretary determines that:

(1) the engineering planning advance was awarded prior to September 1, 2011; and

(2) due to the effects of Tropical Storm Irene, documentation is no longer available to establish the engineering planning scope and associated construction project for which the engineering planning advance was awarded.

* * * Environmental Enforcement Report * * *

Sec. 19. 10 V.S.A. § 8017 is amended to read:

§ 8017. ANNUAL REPORT

The Secretary and the Attorney General shall report annually to the President Pro Tempore of the Senate, the Speaker of the House, the House Committee on ~~Fish, Wildlife and Water Resources~~ Natural Resources, Fish, and Wildlife, and the Senate ~~and House Committees~~ Committee on Natural Resources and Energy. The report shall be filed ~~no later than January 15~~ on or before February 15, on the enforcement actions taken under this chapter, and on the status of citizen complaints about environmental problems in the State. The report shall describe, at a minimum, the number of violations, the actions taken, the disposition of cases, the amount of penalties collected, and the cost of administering the enforcement program. The provisions of 2 V.S.A. § 20(d)

(expiration of required reports) shall not apply to the report to be made under this section.

* * * Wastewater System and Potable Water Supplies Lending * * *

Sec. 20. 24 V.S.A. § 4752 is amended to read:

§ 4752. DEFINITIONS

As used in this chapter:

* * *

(13) "Potable water supply ~~facilities~~" ~~means municipal water sources, water treatment plants, structures, pipe lines, storage facilities, pumps, and attendant facilities necessary to develop a source of water and to treat and convey it in proper quantity and quality for public use within a municipality~~ shall have the same meaning as in 10 V.S.A. § 1972.

* * *

(17) "Designer" means a person authorized to design wastewater systems and potable water supplies as identified in 10 V.S.A. § 1975.

Sec. 21. 24 V.S.A. § 4753 is amended to read:

§ 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

(a) There is hereby established a series of special funds to be known as:

* * *

(10) The Vermont Wastewater and Potable Water Revolving Loan Fund, which shall be used to provide loans to individuals, in accordance with section 4763b of this title, for the design and construction of repairs to or replacement of wastewater systems and potable water supplies when the wastewater system or potable water supply is a failed system or supply as defined in 10 V.S.A. § 1972, or when a designer demonstrates that the wastewater system or potable water supply has a high probability of failing. The amount of up to $275,000.00 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4) shall be deposited ~~on an annual basis~~ into this Fund at the beginning of each fiscal year to ensure a minimum balance of available funds of $275,000.00 exists for each fiscal year.

* * *

Sec. 22. 24 V.S.A. § 4763b is amended to read:

§ 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER SYSTEMS AND FAILED POTABLE WATER SUPPLIES

(a) Notwithstanding any other provision of law, when the wastewater

system or potable water supply serving only ~~one single-family residence on its own lot~~ single-family and multifamily residences either meets the definition of a failed supply or system in 10 V.S.A. § 1972 or is demonstrated by a designer to have a high probability of failing, the Secretary of Natural Resources may lend monies to ~~the owner of the residence~~ an owner of one or more of the residences from the Vermont Wastewater and Potable Water Revolving Loan Fund established in section 4753 of this title. In such cases, the following conditions shall apply:

(1) ~~loans~~ a loan may only be made to ~~households with~~ an owner with a household income equal to or less than 200 percent of the State average median household income;

(2) ~~loans~~ a loan may only be made to ~~households where the recipient of the loan resides in the residence~~ an owner who resides in one of the residences served by the failed supply or system on a year-round basis;

(3) ~~loans~~ a loan may only be made ~~if the owner of the residence~~ to an owner who has been denied financing for the repair, replacement, or construction due to involuntary disconnection by at least one other financing entity;

(4) when the failed supply or system also serves residences owned by persons other than the loan applicant, a loan may only be made for an equitable share of the cost to repair or replace the failed supply or system that is determined through agreement of all of the owners of residences served by the failed system or supply;

(5) no construction loan shall be made to an individual under this subsection, nor shall any part of any revolving loan made under this subsection be expended, until all of the following take place:

(A) the Secretary of Natural Resources determines that if a wastewater system and potable water supply permit is necessary for the design and construction of the project to be financed by the loan, the permit has been issued to the owner of the failed system or supply; and

(B) the individual applying for the loan certifies to the Secretary of Natural Resources that the proposed project has secured all State and federal permits, licenses, and approvals necessary to construct and operate the project to be financed by the loan;

~~(5)~~(6) all funds from the repayment of loans made under this section shall be deposited into the Vermont Wastewater and Potable Water Revolving Loan Fund.

(b) The Secretary of Natural Resources shall establish standards, policies, and procedures as necessary for the implementation of this section. The

Secretary may establish criteria to extend the payment period of a loan or to waive all or a portion of the loan amount.

* * * Stormwater Permitting * * *

Sec. 23. 27 V.S.A. § 613(b) is amended to read:

(b) Beginning on July 1, 2004, and notwithstanding any law to the contrary, no encumbrance on record title to real property or effect on marketability of title shall be created by the failure of the holder of real property from which regulated stormwater runoff discharges to an impaired watershed to obtain, renew, or comply with the terms and conditions of a pretransition stormwater discharge permit for a conveyance or refinancing, provided that such holder:

(1) provides a notice of deferral of permit to the Secretary of Natural Resources with a property description, the identity of the impaired watershed, the permit number of any expired pretransition stormwater discharge permit covering the property, and such other information as the Secretary may require; and

(2) records in the land records a notice indicating, in an appropriate form to be determined by the Secretary of Natural Resources, that at the time of establishment of a general permit in the impaired watershed where the real property is located, but not later than ~~June 30, 2018~~ 180 days after the date of adoption by the Agency of Natural Resources of the stormwater rule pursuant to 10 V.S.A. § 1264, the mortgagor (in the case of a refinancing) or the grantee (in the case of a conveyance) shall be subject to all applicable requirements of the water quality remediation plan, TMDL, or watershed improvement permit established under 10 V.S.A. chapter 47.

Sec. 24. 2012 Acts and Resolves No. 91, Sec. 3, as amended by 2016 Acts and Resolves No. 73, Sec. 1, is further amended to read:

Sec. 3. REPEAL

27 V.S.A. § 613 (stormwater discharges during transition period; encumbrance on title) shall be repealed ~~on June 30, 2018~~ 180 days after the date the Agency of Natural Resources adopts the stormwater rule pursuant to 10 V.S.A. § 1264.

* * * Mixed Paper; Disposal * * *

Sec. 25. ANR SUSPENSION OF LANDFILL DISPOSAL BAN ON MIXED PAPER

Upon finding that insufficient markets exist for the recycling of paper and adequate uses are not reasonably available to serve as an alternative to disposal of paper, the Secretary of Natural Resources may suspend the application of

the landfill disposal ban under 10 V.S.A. § 6621a to a solid waste management facility for one or more of the following materials: white and colored paper, newspaper, magazines, catalogues, paper mail and envelopes, boxboard, and paper bags.

Sec. 26. REPEAL; SUSPENSION OF LANDFILL DISPOSAL BAN

Sec. 25 (ANR suspension of landfill disposal ban; mixed paper) shall be repealed on July 1, 2019.

* * * Effective Dates * * *

Sec. 27. EFFECTIVE DATES

This act shall take effect on passage, except that Secs. 14 (municipal road stormwater fees) and 19 (environmental enforcement report) shall take effect on July 1, 2018.

Thereupon, the question, Shall the Senate concur in the House proposal of amendment to the Senate proposal of amendment to the House proposals of amendment?, were severally decided in the affirmative.

Rules Suspended; Bills Delivered

On motion of Senator Ashe, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 260, S. 281, S. 285, S. 287, S. 289.

Recess

On motion of Senator Ashe the Senate recessed until the fall of the gavel.

Called to Order

The Senate was called to order by the President.

Message from the House No. 85

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 94. An act relating to promoting remote work.

And has adopted the same on its part.

Message from the House No. 86

A message was received from the House of Representatives by Ms. Rebecca Silbernagel, its Second Assistant Clerk, as follows:

Mr. President:

I am directed to inform the Senate that:

The House has considered the report of the Committee of Conference upon the disagreeing votes of the two Houses on Senate bill of the following title:

S. 272. An act relating to miscellaneous changes to laws related to motor vehicles.

And has adopted the same on its part.

Rules Suspended; Bills Messaged

On motion of Senator Ashe, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 571, H. 593, H. 675, H. 913.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 94.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to promoting remote work.

Was taken up for immediate consideration.

Senator Sirotkin, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 94. An act relating to promoting remote work.

Respectfully reports that it has met and considered the same and recommends that the House recede from its proposal of amendment and that the bill be amended by striking out all after the enacting clause and inserting in lieu thereof the following:

* * * Promoting Remote Workers and Remote Work Arrangements * * *

Sec. 1. NEW REMOTE WORKER GRANT PROGRAM

(a) As used in this section:

(1) "New remote worker" means an individual who:

(A) is a full-time employee of a business with its domicile or primary place of business outside Vermont;

(B) becomes a full-time resident of this State on or after January 1, 2019; and

(C) performs the majority of his or her employment duties remotely from a home office or a co-working space located in this State.

(2) "Qualifying remote worker expenses" means actual costs a new remote worker incurs for one or more of the following that are necessary to perform his or her employment duties:

(A) relocation to this State;

(B) computer software and hardware;

(C) broadband access or upgrade; and

(D) membership in a co-working or similar space.

(b)(1) The Agency of Commerce and Community Development shall design and implement the New Remote Worker Grant Program, which shall include a simple certification process to certify new remote workers and certify qualifying expenses for a grant under this section.

(2) A new remote worker may be eligible for a grant under the Program for qualifying remote worker expenses in the amount of not more than $5,000.00 per year, not to exceed a total of $10,000.00 per individual new remote worker over the life of the Program.

(3) The Agency shall award grants under the Program on a first-come, first-served basis, subject to available funding, as follows:

(A) not more than $125,000.00 in calendar year 2019;

(B) not more than $250,000.00 in calendar year 2020;

(C) not more than $125,000.00 in calendar year 2021; and

(D) not more than $100,000.00 per year in each subsequent calendar year, to the extent funding remains available.

(c) The Agency shall:

(1) adopt procedures for implementing the Program;

(2) promote awareness of the Program, including through coordination with relevant trade groups and by integration into the Agency's economic development marketing campaigns; and

(3) adopt measurable goals, performance measures, and an audit strategy to assess the utilization and performance of the Program.

(d) On or before October 1, 2019, the Agency shall submit a report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs concerning the implementation of this section, including:

(1) a description of the procedures adopted pursuant to subdivision (c)(1) of this section;

(2) the promotion and marketing of the Program pursuant to subdivision (c)(2) of this section; and

(3) any additional recommendations for qualifying remote worker expenses or qualifying workers that should be eligible under the Program, and any recommendations for the maximum amount of the grant.

* * * ThinkVermont Innovation Initiative * * *

Sec. 2. THINKVERMONT INNOVATION INITIATIVE

(a) Purpose.

(1) The ThinkVermont Innovation Initiative is created to respond to the growth needs of Vermont small businesses with 20 or fewer employees by funding innovative strategies that accelerate small business growth and meet the project criteria specified in this section.

(2) The Initiative shall enable the State to invest in projects with grants that can be accessed more quickly and with fewer restrictions than traditional federal initiatives.

(b) Process; grant distribution.

(1) The Secretary of Commerce and Community Development, in consultation with the Vermont Economic Progress Council, shall:

(A) adopt a schedule and process for accepting, reviewing, and approving grant proposals on a competitive basis;

(B) distribute grants across geographic areas of the State; and

(C) distribute grants across diverse industries, sectors, and business types, including for-profit and nonprofit organizations.

(2)(A) A grant shall provide funding in only one fiscal year.

(B) A recipient shall be eligible for a grant through the Initiative in not more than two fiscal years.

(c) Funding; matching requirements. The Secretary shall require a grant recipient to provide a funding match of 100 percent of the value of the grant.

(d) Eligibility criteria. To be eligible for a grant, a project shall:

(1) provide workforce training and recruitment that is not eligible for funding through another State or federal program and that serves an immediate employer need to fill one or more job vacancies;

(2) establish or enhance a facility that attracts small companies or remote workers, or both, including maker spaces, co-working spaces, remote work hubs, and innovation spaces, with special emphasis on facilities that promote colocation of nonprofit, for-profit, and government entities;

(3) enable or support deployment of broadband telecommunications connectivity;

(4) leverage economic development funding outside State government, including the federal New Market Tax Credit program and Small Business Innovation Research grants;

(5) support growth in Vermont's aerospace, aviation, or aviation technology sectors; or

(6) provide technical assistance to support small business growth.

(e) Outcomes; measures. The Secretary shall adopt measures to evaluate a grant to determine its impact, including job growth measured at one-, three-, and five-year intervals.

* * * Economic Development Marketing * * *

Sec. 3. ECONOMIC DEVELOPMENT MARKETING

(a) The Agency of Commerce and Community Development shall continue economic development marketing activities funded in 2017 Acts and Resolves No. 85, Sec. C.100.1, and may match State funds appropriated for that purpose with federal funds, special funds, grants, donations, and private funds.

(b) To increase the amount and effectiveness of its economic development marketing activities, the Agency shall collaborate with public or private sector partners, or both, to maximize State marketing resources and to enable Vermont businesses to align their own brand identities with the Vermont brand to enhance the reputations of both the businesses and the State.

* * * Appropriations * * *

Sec. 4. ECONOMIC DEVELOPMENT APPROPRIATIONS; FY 2018 CARRY FORWARD

The following appropriations are made from the General Fund in fiscal year 2018 to the Agency of Commerce and Community Development to be carried forward until expended and used for the following purposes:

(1) $500,000 for the New Remote Worker Grant Program created in Sec. 1 of this act;

(2) $150,000 for the ThinkVermont Innovation Initiative created in Sec. 2 of this act; and

(3) $250,000 for economic development marketing pursuant to Sec. 3 of this act.

* * * Promoting Remote Work, Maker, and Innovation Spaces * * *

Sec. 5. IMPROVING INFRASTRUCTURE AND SUPPORT FOR REMOTE WORK IN VERMONT; STUDY; REPORT

(a) The Secretary of Commerce and Community Development, in consultation with the Commissioners of Labor, of Public Service, and of Buildings and General Services and other interested stakeholders, shall identify and examine the infrastructure improvements and other support needed to:

(1) enable workers and businesses to establish or enhance a remote presence in Vermont;

(2) build capacity throughout the State to increase access to maker spaces, co-working spaces, remote work hubs, and innovation spaces; and

(3) support the interconnection of current and future maker spaces, co-working spaces, remote work hubs, innovation spaces, and regional technical centers.

(b) On or before January 15, 2019, the Secretary shall submit to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs a written report detailing his or her findings and recommendations.

Sec. 6. INTEGRATED PUBLIC-PRIVATE STATE WORKSITES

(a) The Secretary of Administration, in consultation with the Secretary of Commerce and Community Development and the Commissioner of Buildings and General Services, shall examine the potential for the State to establish remote worksites that are available for use by both State employees and remote workers in the private sector.

(b) The Secretary shall examine the feasibility of and potential funding models for the worksites, including the opportunity to provide at low- or no-cost co-working space within State buildings that is currently vacant or underutilized.

(c) On or before January 15, 2019, the Secretary shall submit a written report to the House Committee on Commerce and Economic Development and the Senate Committee on Economic Development, Housing and General Affairs detailing his or her findings and any recommendations for legislative action.

Sec. 7. BROADBAND AVAILABILITY FOR REMOTE WORKERS

On or before January 15, 2019, the Director of Telecommunications and Connectivity, in consultation with the Agency of Commerce and Community Development, shall submit with the annual report required by 30 V.S.A. § 202e findings and recommendations concerning:

(1) the current availability of broadband service in municipal downtown centers that do, or could at reasonable cost, support one or more co-working spaces or similar venues for remote workers and small businesses; and

(2) strategies for expanding and enhancing broadband availability for such spaces.

* * * Municipalities; Village Center Designation; Electronic Filings * * *

Sec. 8. 24 V.S.A. § 2793 is amended to read:

§ 2793. DESIGNATION OF DOWNTOWN DEVELOPMENT DISTRICTS

* * *

(c) A designation issued under this section shall be effective for eight years and may be renewed on application by the municipality. The State Board also shall review a community's designation ~~every five~~ four years after issuance or renewal and may review compliance with the designation requirements at more frequent intervals. ~~On and after July 1, 2014, any~~ Any community applying for renewal shall explain how the designation under this section has furthered the goals of the town plan and shall submit an approved town plan map that depicts the boundary of the designated district. If at any time the State Board determines that the downtown development district no longer meets the standards for designation established in subsection (b) of this section, it may take any of the following actions:

* * *

Sec. 9. 24 V.S.A. § 2793a is amended to read:

§ 2793a. DESIGNATION OF VILLAGE CENTERS BY STATE BOARD

* * *

(d) The State Board shall review a village center designation every ~~five~~ eight years and may review compliance with the designation requirements at more frequent intervals. ~~On and after July 1, 2014, any~~ Any community applying for renewal shall explain how the designation under this section has furthered the goals of the town plan and shall submit an approved town plan map that depicts the boundary of the designated district. If at any time the State Board determines that the village center no longer meets the standards for designation established in subsection (a) of this section, it may take any of the following actions:

* * *

Sec. 10. 24 V.S.A. § 2793b is amended to read:

§ 2793b. DESIGNATION OF NEW TOWN CENTER DEVELOPMENT DISTRICTS

* * *

(d) A designation issued under this section shall be effective for eight years and may be renewed on application by the municipality. The State Board also shall review a new town center designation ~~every five~~ four years after issuance or renewal and may review compliance with the designation requirements at more frequent intervals. The State Board may adjust the schedule of review under this subsection to coincide with the review of a related growth center. If at any time the State Board determines the new town center no longer meets the standards for designation established in subsection (b) of this section, it may take any of the following actions:

* * *

Sec. 11. 24 V.S.A. § 4345b is amended to read:

§ 4345b. INTERMUNICIPAL SERVICE AGREEMENTS

(a)(1) Prior to exercising the authority granted under this section, a regional planning commission shall:

(A) draft bylaws specifying the process for entering into, method of withdrawal from, and method of terminating service agreements with municipalities; and

(B) hold one or more public hearings within the region to hear from interested parties and citizens regarding the draft bylaws.

(2) At least 30 days prior to any hearing required under this subsection, notice of the time and place and a copy of the draft bylaws, with a request for comments, shall be delivered to the chair of the legislative body of each municipality within the region, which may be done electronically, provided the sender has proof of receipt. The regional planning commission shall make copies available to any individual or organization requesting a copy.

* * *

Sec. 12. 24 V.S.A. § 4348 is amended to read:

§ 4348. ADOPTION AND AMENDMENT OF REGIONAL PLAN

* * *

(c) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment, with a request for general comments and for specific comments with respect to the extent to which the plan or amendment is consistent with the goals established in section 4302 of this title, shall be delivered physically or electronically with proof of receipt~~,~~ or sent by certified mail, return receipt requested, to each of the following:

(1) the chair of the legislative body of each municipality within the region;

(2) the executive director of each abutting regional planning commission;

(3) the Department of Housing and Community Development within the Agency of Commerce and Community Development;

(4) business, conservation, low-income advocacy, and other community or interest groups or organizations that have requested notice in writing prior to the date the hearing is warned; and

(5) the Agency of Natural Resources and the Agency of Agriculture, Food and Markets.

* * *

(e) The regional planning commission may make revisions to the proposed plan or amendment at any time not less than 30 days prior to the final public hearing held under this section. If the proposal is changed, a copy of the proposed change shall be delivered~~,~~ physically or electronically with proof of receipt or by certified mail, return receipt requested, to the ~~chairperson~~ chair of the legislative body of each municipality within the region, and to any individual or organization requesting a copy, at least 30 days prior to the final hearing.

* * *

Sec. 13. 24 V.S.A. § 4352 is amended to read:

§ 4352. OPTIONAL DETERMINATION OF ENERGY COMPLIANCE; ENHANCED ENERGY PLANNING

* * *

(e) Process for issuing determinations of energy compliance. Review of whether to issue a determination of energy compliance under this section shall include a public hearing noticed at least 15 days in advance by direct mail or electronically with proof of receipt to the requesting regional planning commission or municipal legislative body, posting on the website of the entity from which the determination is requested, and publication in a newspaper of general publication in the region or municipality affected. The Commissioner or regional planning commission shall issue the determination in writing within two months ~~of~~ after the receipt of a request for a determination. If the determination is negative, the Commissioner or regional planning commission shall state the reasons for denial in writing and, if appropriate, suggest acceptable modifications. Submissions for a new determination that follow a negative determination shall receive a new determination within 45 days.

* * *

Sec. 14. 24 V.S.A. § 4384 is amended to read:

§ 4384. PREPARATION OF PLAN; HEARINGS BY PLANNING COMMISSION

* * *

(e) At least 30 days prior to the first hearing, a copy of the proposed plan or amendment and the written report shall be delivered physically or electronically with proof of receipt, or mailed by certified mail, return receipt requested, to each of the following:

(1) the ~~chairperson~~ chair of the planning commission of each abutting municipality, or in the absence of any planning commission in an abutting municipality, to the clerk of that municipality;

(2) the executive director of the regional planning commission of the area in which the municipality is located;

(3) the ~~department of housing and community affairs~~ Department of Housing and Community Development within the ~~agency of commerce and community development~~ Agency of Commerce and Community Development; and

(4) business, conservation, ~~low income~~ low-income advocacy, and other community or interest groups or organizations that have requested notice in

writing prior to the date the hearing is warned.

* * *

Sec. 15. 24 V.S.A. § 4385 is amended to read:

§ 4385. ADOPTION AND AMENDMENT OF PLANS; HEARING BY LEGISLATIVE BODY

* * *

(c) A plan of a municipality or an amendment thereof shall be adopted by a majority of the members of its legislative body at a meeting which is held after the final public hearing. If, however, at a regular or special meeting of the voters duly warned and held as provided in 17 V.S.A. chapter 55, a municipality elects to adopt or amend municipal plans by Australian ballot, that procedure shall then apply unless rescinded by the voters at a regular or special meeting similarly warned and held. If the proposed plan or amendment is not adopted so as to take effect within one year ~~of~~ after the date of the final hearing of the planning commission, it shall be considered rejected by the municipality. Plans and amendments shall be effective upon adoption~~, and~~. Copies of newly adopted plans and amendments shall be provided to the regional planning commission and to the ~~commissioner of housing and community affairs~~ Commissioner of Housing and Community Development within 30 days ~~of~~ after adoption, which may be done electronically, provided the sender has proof of receipt. If a municipality wishes its plan or plan amendment to be eligible for approval under the provisions of section 4350 of this title, it shall request approval. The request for approval may be before or after adoption of the plan by the municipality, at the option of the municipality.

* * *

Sec. 16. 24 V.S.A. § 4424 is amended to read:

§ 4424. SHORELANDS; RIVER CORRIDOR PROTECTION AREAS; FLOOD OR HAZARD AREA; SPECIAL OR FREESTANDING BYLAWS

(a) Bylaws; flood and other hazard areas; river corridor protection. Any municipality may adopt freestanding bylaws under this chapter to address particular hazard areas in conformance with the municipal plan or, for the purpose of adoption of a flood hazard area bylaw, a local hazard mitigation plan approved under 44 C.F.R. § 201.6. Such freestanding bylaws may include the following, which may also be part of zoning or unified development bylaws:

(1) Bylaws to regulate development and use along shorelands.

(2) Bylaws to regulate development and use in flood areas, river corridor protection areas, or other hazard areas. The following shall apply if flood or other hazard area bylaws are enacted:

* * *

(D)(i) Mandatory provisions. Except as provided in subsection (c) of this section, all flood and other hazard area bylaws shall provide that no permit for new construction or substantial improvement shall be granted for a flood or other hazard area until after both the following:

(I) A copy of the application is mailed or delivered by the administrative officer or by the appropriate municipal panel to the Agency of Natural Resources or its designee, which may be done electronically, provided the sender has proof of receipt.

(II) Either 30 days have elapsed following the mailing or the Agency or its designee delivers comments on the application.

(ii) The Agency of Natural Resources may delegate to a qualified representative of a municipality with a flood hazard area bylaw or ordinance or to a qualified representative for a regional planning commission the Agency's authority under this subdivision (a)(2)(D) to review and provide technical comments on a proposed permit for new construction or substantial improvement in a flood hazard area. Comments provided by a representative delegated under this subdivision (a)(2)(D) shall not be binding on a municipality.

* * *

Sec. 17. 24 V.S.A. § 4441 is amended to read:

§ 4441. PREPARATION OF BYLAWS AND REGULATORY TOOLS; AMENDMENT OR REPEAL

* * *

(e) At least 15 days prior to the first hearing, a copy of the proposed bylaw, amendment, or repeal and the written report shall be delivered physically or electronically with proof of receipt~~,~~ or mailed by certified mail, return receipt requested, to each of the following:

(1) The ~~chairperson~~ chair of the planning commission of each abutting municipality, or in the absence of any planning commission in a municipality, the clerk of that abutting municipality.

(2) The executive director of the regional planning commission of the area in which the municipality is located.

(3) The ~~department of housing and community affairs~~ Department of Housing and Community Development within the ~~agency of commerce and community development~~ Agency of Commerce and Community Development.

* * *

Sec. 18. 24 V.S.A. § 4445 is amended to read:

§ 4445. AVAILABILITY AND DISTRIBUTION OF DOCUMENTS

Current copies of plans, bylaws, and capital budgets and programs shall be available to the public during normal business hours in the office of the clerk of any municipality in which those plans, bylaws, or capital budgets or programs have been adopted. The municipality shall provide all final adopted bylaws, amendments, or repeals to the regional planning commission of the area in which the municipality is located and to the ~~department of housing and community affairs~~ Department of Commerce and Community Development, which may be done electronically, provided the sender has proof of receipt.

* * *

* * * Wastewater and Potable Water Lending * * *

Sec. 19. 24 V.S.A. § 4752 is amended to read:

§ 4752. DEFINITIONS

As used in this chapter:

* * *

(13) "Potable water supply ~~facilities~~" ~~means municipal water sources, water treatment plants, structures, pipe lines, storage facilities, pumps, and attendant facilities necessary to develop a source of water and to treat and convey it in proper quantity and quality for public use within a municipality~~ has the same meaning as in 10 V.S.A. § 1972.

* * *

(17) "Designer" means a person authorized to design wastewater systems and potable water supplies as identified in 10 V.S.A. § 1975.

Sec. 20. 24 V.S.A. § 4753 is amended to read:

§ 4753. REVOLVING LOAN FUNDS; AUTHORITY TO SPEND; REPORT

(a) There is hereby established a series of special funds to be known as:

* * *

(10) The Vermont Wastewater and Potable Water Revolving Loan Fund, which shall be used to provide loans to individuals, in accordance with section 4763b of this title, for the design and construction of repairs to or

replacement of wastewater systems and potable water supplies when the wastewater system or potable water supply is a failed system or supply as defined in 10 V.S.A. § 1972, or when a designer demonstrates that the wastewater system or potable water supply has a high probability of failing. The amount of up to $275,000.00 from the fees collected pursuant to 3 V.S.A. § 2822(j)(4) shall be deposited ~~on an annual basis~~ into this Fund at the beginning of each fiscal year to ensure a minimum balance of available funds of $275,000.00 exists for each fiscal year.

* * *

Sec. 21. 24 V.S.A. § 4763b is amended to read:

§ 4763b. LOANS TO INDIVIDUALS FOR FAILED WASTEWATER SYSTEMS AND FAILED POTABLE WATER SUPPLIES

(a) Notwithstanding any other provision of law, when the wastewater system or potable water supply serving only ~~one single-family residence on its own lot~~ single-family and multifamily residences either meets the definition of a failed supply or system in 10 V.S.A. § 1972 or is demonstrated by a designer to have a high probability of failing, the Secretary of Natural Resources may lend monies to ~~the owner of the residence~~ an owner of one or more of the residences from the Vermont Wastewater and Potable Water Revolving Loan Fund established in section 4753 of this title. In such cases, the following conditions shall apply:

(1) ~~loans~~ a loan may only be made to ~~households with~~ an owner with a household income equal to or less than 200 percent of the State average median household income;

(2) ~~loans~~ a loan may only be made to ~~households where the recipient of the loan resides in the residence~~ an owner who resides in one of the residences served by the failed supply or system on a year-round basis;

(3) ~~loans~~ a loan may only be made ~~if the owner of the residence~~ to an owner who has been denied financing for the repair, replacement, or construction due to involuntary disconnection by at least one other financing entity;

(4) when the failed supply or system also serves residences owned by persons other than the loan applicant, a loan may only be made for an equitable share of the cost to repair or replace the failed supply or system that is determined through agreement of all of the owners of residences served by the failed system or supply;

(5) no construction loan shall be made to an individual under this subsection, nor shall any part of any revolving loan made under this subsection be expended, until all of the following take place:

(A) the Secretary of Natural Resources determines that if a wastewater system and potable water supply permit is necessary for the design and construction of the project to be financed by the loan, the permit has been issued to the owner of the failed system or supply; and

(B) the individual applying for the loan certifies to the Secretary of Natural Resources that the proposed project has secured all State and federal permits, licenses, and approvals necessary to construct and operate the project to be financed by the loan;

~~(5)~~(6) all funds from the repayment of loans made under this section shall be deposited into the Vermont Wastewater and Potable Water Revolving Loan Fund.

(b) The Secretary of Natural Resources shall establish standards, policies, and procedures as necessary for the implementation of this section. The Secretary may establish criteria to extend the payment period of a loan or to waive all or a portion of the loan amount.

* * * Rural Economic Development Districts * * *

Sec. 22. 24 V.S.A. § 5704 is amended to read:

§ 5704. GOVERNING BOARD; COMPOSITION; MEETINGS; REPORT

(a) Governing board. The legislative power and authority of a district and the administration and the general supervision of all fiscal, prudential, and governmental affairs of a district shall be vested in a governing board, except as otherwise specifically provided in this chapter.

(b) Composition. The ~~first~~ governing board of the district shall consist of ~~four to eight~~ members appointed in equal numbers by the legislative bodies of the underlying municipalities. ~~It~~ The board shall draft the district's bylaws specifying the size, composition, quorum requirements, and manner of appointing and removing members to the ~~permanent governing~~ board, including nonvoting, at-large board members. The bylaws shall require that ~~a majority of the board shall be appointed annually by~~ the legislative bodies of the underlying municipalities appoint board members and fill board member vacancies. Board members appointed by the underlying municipalities may appoint additional, nonvoting, at-large board members and fill at-large board member vacancies. Board members, including at-large members, are not required to be residents of an underlying municipality. However, a majority of the board shall be residents of an underlying municipality. Board members shall serve staggered, three-year terms~~,~~ and shall be eligible to serve successive terms. ~~The legislative bodies of the municipalities in which the district is located shall fill board vacancies, and may remove board members at will.~~ At-large board members shall serve one-year terms, and shall be eligible to serve

successive terms. Any bylaws developed by the governing board under this subsection shall be submitted for approval to the legislative bodies of the municipalities within the district and shall be considered duly adopted 45 days ~~from~~ after the date of submission, provided none of the legislative bodies disapprove ~~of~~ the bylaws.

(c) First meeting. The first meeting of the district shall be called upon 30 days' posted and published notice by a presiding officer of a legislative body in which the district is located. ~~Voters within a municipality in which the district is located are eligible to vote at annual and special district meetings. At the first meeting of the district, and at each subsequent annual meeting, there shall be elected from among board members a chair, vice chair, clerk, and treasurer who shall assume their respective offices upon election. At the first meeting, the fiscal year of the district shall be established and rules of parliamentary procedure shall be adopted.~~ The board shall elect from among its members a chair, vice chair, clerk, and treasurer. The board shall establish the fiscal year of the district and shall adopt rules of parliamentary procedure. Prior to assuming their offices, officers may be required to post bond in such amounts as determined by resolution of the board. The cost of such bond shall be borne by the district.

(d) Annual and special meetings. Unless otherwise established by the voters, the annual district meeting shall be held on the second Monday in January and shall be warned by the clerk or, in the clerk's absence or neglect, by a member of the board. Special meetings shall be warned in the same manner on application in writing by five percent of the voters of the district. A warning for a district meeting shall state the business to be transacted. The time and place of holding the meeting shall be posted in two or more public places in the district not more than 40 days nor less than 30 days before the meeting and recorded in the office of the clerk before the same is posted.

(e) Annual report. The district shall report annually to the legislative bodies and the citizens of the municipalities in which the district is located on the results of its activities in support of economic growth, job creation, improved community efficiency, and any other benefits incident to its activities.

(f) Definition. For purposes of this section and section 5709 of this chapter, after a district has been established pursuant to section 5702 of this chapter, "voter" means a board member or subscriber or customer of a service provided by the district. "Voter" does not mean an at-large board member unless the vote is taken at an annual or special meeting and the at-large board member is a subscriber or customer of a service provided by the district.

Sec. 23. 24 V.S.A. § 5705 is amended to read:

§ 5705. OFFICERS

(a) Generally. The ~~district~~ board shall elect at its first meeting and at each annual meeting thereafter a chair, vice chair, clerk, and treasurer, who shall hold office until the next annual meeting and until others are elected. The board may fill a vacancy in any office.

(b) Chair. The chair shall preside at all meetings of the board and make and sign all contracts on behalf of the district upon approval by the board. The chair shall perform all duties incident to the position and office as required by the general laws of the State.

(c) Vice chair. During the absence of or inability of the chair to render or perform his or her duties or exercise his or her powers, the same shall be performed and exercised by the vice chair, and when so acting, the vice chair shall have all the powers and be subject to all the responsibilities given to or imposed upon the chair. During the absence or inability of the vice chair to render or perform his or her duties or exercise his or her powers, the board shall elect from among its members an acting vice chair who shall have the powers and be subject to all the responsibilities given to or imposed upon the vice chair.

(d) Clerk. The clerk shall keep a record of the meetings, votes, and proceedings of the district for the inspection of its inhabitants.

(e) Treasurer. The treasurer of the district shall be ~~appointed~~ elected by the board~~,~~ and shall serve at its pleasure. The treasurer shall have the exclusive charge and custody of the funds of the district and shall be the disbursing officer of the district. When warrants are authorized by the board, the treasurer may sign, make, or endorse in the name of the district all checks and orders for the payment of money and pay out and disburse the same and receipt therefor. The treasurer shall keep a record of every obligation issued and contract entered into by the district and of every payment made. The treasurer shall keep correct books of account of all the business and transactions of the district and such other books and accounts as the board may require. The treasurer shall render a statement of the condition of the finances of the district at each regular meeting of the board and at such other times as required of the treasurer. The treasurer shall prepare the annual financial statement and the budget of the district for distribution, upon approval of the board, to the legislative bodies of district members. Upon the treasurer's termination from office by virtue of removal or resignation, the treasurer shall immediately pay over to his or her successor all of the funds belonging to the district and at the same time deliver to the successor all official books and papers.

* * * Effective Date * * *

Sec. 24. EFFECTIVE DATE

This act shall take effect on July 1, 2018.

BRIAN A. CAMPION
MICHAEL D. SIROTKIN
REBECCA A. BALINT

Committee on the part of the Senate

WILLIAM G. F. BOTZOW
MICHAEL J. MARCOTTE
JANET ANCEL

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Report of Committee of Conference Accepted and Adopted on the Part of the Senate

S. 272.

Pending entry on the Calendar for notice, on motion of Senator Ashe, the rules were suspended and the report of the Committee of Conference on Senate bill entitled:

An act relating to miscellaneous changes to laws related to motor vehicles.

Was taken up for immediate consideration.

Senator Mazza, for the Committee of Conference, submitted the following report:

To the Senate and House of Representatives:

The Committee of Conference to which were referred the disagreeing votes of the two Houses upon Senate bill entitled:

S. 272. An act relating to miscellaneous changes to laws related to motor vehicles.

Respectfully reports that it has met and considered the same and recommends that the House accede to the Senate proposal to the House proposal of amendment.

RICHARD T. MAZZA
RICHARD A. WESTMAN
MARGARET K FLORY

Committee on the part of the Senate

PATRICK M. BRENNAN
DAVID E. POTTER
MOLLIE SULLIVAN BURKE

Committee on the part of the House

Thereupon, the question, Shall the Senate accept and adopt the report of the Committee of Conference?, was decided in the affirmative.

Rules Suspended; Bills Delivered

On motion of Senator Ashe, the rules were suspended, and the following bills were severally ordered delivered to the Governor forthwith:

S. 94, S. 272.

Recess

On motion of Senator Ashe the Senate recessed until fall of the gavel.

Called to Order

The Senate was called to order by the President.

Rules Suspended; Bills Messaged

On motion of Senator Ashe, the rules were suspended, and the following bills were severally ordered messaged to the House forthwith:

H. 716, H. 911, H. 924.

Joint Senate Resolution Adopted on the Part of the Senate

J.R.S. 60.

Joint Senate resolution of the following title was offered, read and adopted on the part of the Senate, and is as follows:

By Senator Ashe,

J.R.S. 60. Joint resolution relating to final adjournment of the General Assembly in 2018.

Resolved by the Senate and House of Representatives

That the President of the Senate and the Speaker of the House of Representatives adjourn their respective Houses *sine die* on the twelfth day of May, 2018.

Secretary Directed to Inform the House of Completion of Business

On motion of Senator Ashe, the Secretary was directed to inform the House that the Senate has completed the business of the session and is ready on its part to adjourn *sine die*, pursuant to the provisions of J.R.S. 60.

Committee Appointed to Inform Governor of Completion of Business

On motion of Senator Ashe, the President appointed the following three Senators as members of a Committee to wait upon His Excellency, Philip B. Scott, the Governor, and inform him that the Senate has completed the business of the session and is ready on its part to adjourn *sine die*, pursuant to the provisions of J.R.S. 60:

Senator Ayer
Senator Branagan
Senator Flory

Report of Committee

The Committee appointed to wait upon His Excellency, the Governor, to inform him that the Senate had, on its part, completed the business of the session and was ready to adjourn *sine die*, pursuant to the provisions of J.R.S. 60, performed the duties assigned to it and escorted the Governor to the rostrum where he delivered his remarks in person.

Remarks of Governor

The Honorable Philip B. Scott, Governor of the State of Vermont, was escorted to the rostrum and briefly addressed the Senate.

Departure of Governor

The Governor, having completed the delivery of his message, was escorted from the Chamber by the Committee appointed by the Chair.

Final Adjournment

On motion of Senator Ashe, at eleven o'clock and sixteen minute in the evening (11:16 P.M.), the Senate adjourned *sine die*, pursuant to the provisions of **J.R.S. 60**.